THE SENATE OF CANADA

SPEAKER: Hon. Élie Beauregard

Official Report of Debates

1951

Editor: H. H. EMERSON, *C.S.R.*, Room 236, The Senate
Reporters: B. P. LAKE, *C.S.R.*, G. B. HAGEN, *C.S.R.*
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Translators: THE BUREAU FOR TRANSLATIONS

FOURTH SESSION, TWENTY-FIRST PARLIAMENT
15 GEORGE VI

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
KING'S PRINTER AND CONTROLLER OF STATIONERY
1951

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THE CANADIAN MINISTRY

According to Precedence as at December 13, 1950

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

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

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

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

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

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

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

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

THE HONOURABLE JAMES J. MCCANN Minister of National Revenue.

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

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

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

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

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

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

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

THE HONOURABLE HUGUES LAPOINTE .. Minister of Veterans Affairs.

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

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

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

PARLIAMENTARY ASSISTANTS

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RALPH MAYBANK, Esq., M.P. ..... To Minister of Resources and Development

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

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

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

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

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

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PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

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

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

SENATORS OF CANADA

ACCORDING TO SENIORITY

JANUARY 30, 1951

THE HONOURABLE ÉLIE BEAUREGARD, SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
THOMAS JEAN BOURQUE	Richibucto	Richibucto, N.B.
JAMES A. CALDER, P.C.	Saltcoats	Regina, Sask.
ARTHUR C. HARDY, P.C.	Leeds	Brockville, Ont.
SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.	North York	Toronto, Ont.
WILLIAM ASHBURY BUCHANAN	Lethbridge	Lethbridge, Alta.
WILLIAM H. MCGUIRE	East York	Toronto, Ont.
DONAT RAYMOND	De la Vallière	Montreal, Que.
GUSTAVE LACASSE	Essex	Tecumseh, Ont.
CAIRINE R. WILSON	Rockcliffe	Ottawa, Ont.
JAMES H. KING, P.C.	Kootenay East	Victoria, B.C.
ARTHUR MARCOTTE	Ponteix	Ponteix, Sask.
WILLIAM HENRY DENNIS	Halifax	Halifax, N.S.
LUCIEN MORAUD	La Salle	Quebec, Que.
RALPH BYRON HORNER	Blaine Lake	Blaine Lake, Sask.
WALTER MORLEY ASELTINE	Rosetown	Rosetown, Sask.
FELIX P. QUINN	Bedford-Halifax	Bedford, N.S.
IVA CAMPBELL FALLIS	Peterborough	Peterborough, Ont.
JOHN T. HAIG	Winnipeg	Winnipeg, Man.
EUGÈNE PAQUET, P.C.	Lauzon	Rimouski, Que.
WILLIAM DUFF	Lunenburg	Lunenburg, N.S.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
JOHN W. DE B. FARRIS	Vancouver South	Vancouver, B.C.
ADRIAN K. HUGESSEN	Inkerman	Montreal, Que.
NORMAN P. LAMBERT	Ottawa	Ottawa, Ont.
J. FERNAND FAFARD	De la Durantaye	L'Islet, Que.
ARTHUR LUCIEN BEAUBIEN	Provencher	St. Jean Baptiste, Man.
JOHN J. STEVENSON	Prince Albert	Prince Albert, Sask.
ARISTIDE BLAIS	St. Albert	Edmonton, Alta.
DONALD MACLENNAN	Margaree Forks	Port Hawkesbury, N.S.
CHARLES BENJAMIN HOWARD	Wellington	Sherbrooke, Que.
ÉLIE BEAUREGARD (Speaker)	Rougemont	Montreal, Que.
ATHANASE DAVID	Sorel	Montreal, Que.
SALTER ADRIAN HAYDEN	Toronto	Toronto, Ont.
NORMAN MCLEOD PATERSON	Thunder Bay	Fort William. Ont.
WILLIAM JAMES HUSHION	Victoria	Westmount, Que.
JOSEPH JAMES DUFFUS	Peterborough West	Peterborough, Ont.
WILLIAM DAUM EULER, P.C.	Waterloo	Kitchener, Ont.
LÉON MERCIER GOUIN	De Salaberry	Montreal, Que.
THOMAS VIEN, P.C.	De Lorimier	Outremont, Que.
PAMPHILE RÉAL DUTREMBLAY	Repentigny	Montreal, Que.
WILLIAM RUPERT DAVIES	Kingston	Kingston, Ont.
JAMES PETER MCINTYRE	Mount Stewart	Mount Stewart, P.E.I.
GORDON PETER CAMPBELL	Toronto	Toronto, Ont.
WISHART MCL. ROBERTSON, P.C.	Shelburne	Bedford, N.S.
TÉLESPHORE DAMIEN BOUCHARD	The Laurentides	St. Hyacinthe, Que.
ARMAND DAIGLE	Mille Iles	Montreal, Que.
CYRILLE VAILLANCOURT	Kennebec	Levis, Que.
JACOB NICOL	Bedford	Sherbrooke, Que.
THOMAS ALEXANDER CRERAR, P.C.	Churchill	Winnipeg, Man.
WILLIAM HORACE TAYLOR	Norfolk	Scotland, Ont.
FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat, Alta.
JOHN POWER HOWDEN	St. Boniface	Norwood Grove, Man.
CHARLES EDOUARD FERLAND*	Shawinigan	Joliette, Que.
VINCENT DUPUIS	Rigaud	Longueuil, Que.
CHARLES L. BISHOP	Ottawa	Ottawa, Ont.
JOHN JAMES KINLEY	Queen's-Lunenburg	Lunenburg, N.S.

**Retired, April 18, 1951.*

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
CLARENCE JOSEPH VENIOT	Gloucester	Bathurst, N.B.
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
JOHN ALEXANDER MCDONALD	King's	Halifax, N.S.
ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John, N.B.
FREDERICK W. PIRIE	Victoria-Carleton	Grand Falls, N.B.
GEORGE PERCIVAL BURCHILL	Northumberland	South Nelson, N.B.
JEAN MARIE DESSUREAULT	Stadacona	Quebec, Que.
JOSEPH RAOUL HURTUBISE	Nipissing	Sudbury, Ont.
PAUL HENRI BOUFFARD	Grandville	Quebec, Que.
JAMES GRAY TURGEON	Cariboo	Vancouver, B.C.
STANLEY STEWARD MCKEEN	Vancouver	Vancouver, B.C.
THOMAS FARQUHAR	Algoma	Little Current, Ont.
JOSEPH WILLIE COMEAU	Clare	Comeauville, N.S.
GEORGE HENRY ROSS	Calgary	Calgary, Alta.
JAMES GORDON FOGO	Carleton	Ottawa, Ont.
JOHN CASWELL DAVIS	Winnipeg	St. Boniface, Man.
THOMAS H. WOOD	Regina	Regina, Sask.
JAMES ANGUS MACKINNON, P.C.	Edmonton	Edmonton, Alta.
THOMAS VINCENT GRANT	Montague	Montague, P.E.I.
HENRY READ EMMERSON	Dorchester	Dorchester, N.B.
J. J. HAYES DOONE	Charlotte	Black's Harbour, N.B.
JOSEPH ADÉLARD GODBOUT	Montarville	Frelighsburg, Que.
WILLIAM ALEXANDER FRASER	Trenton	Trenton, Ont.
WILLIAM HENRY GOLDING	Huron-Perth	Seaforth, Ont.
GEORGE H. BARBOUR	Prince	Charlottetown, P.E.I.
ALEXANDER BOYD BAIRD	St. John's	St. John's, Nfld.
RAY PETTEN	Bonavista	St. John's, Nfld.
THOMAS REID	New Westminster	New Westminster, B.C.
ROBERT WILLIAM GLADSTONE	Wellington South	Guelph, Ont.
J. WESLEY STAMBAUGH	Bruce	Bruce, Alta.
VINCENT P. BURKE	St. Jacques	St. John's, Nfld.
GORDON B. ISNOR	Halifax-Dartmouth	Halifax, N.S.
CHARLES G. HAWKINS	Milford-Hants	Milford Station, N.S.
HERMAN W. QUINTON	Burgeo-La Poile	St. John's, Nfld.
CALVERT C. PRATT	St. John's West	St. John's Nfld.
MICHAEL BASHA	West Coast	Curling, Nfld

SENATORS OF CANADA

ALPHABETICAL LIST

JANUARY 30, 1951

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ASELTINE, W. M.	Rosetown	Rosetown, Sask.
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G.	North York	Toronto, Ont.
BAIRD, ALEXANDER BOYD	St. John's	St. John's, Nfld.
BARBOUR, GEORGE H.	Prince	Charlottetown, P.E.I.
BASHA, MICHAEL	West Coast	Curling, Nfld.
BEAUBIEN, A. L.	Provencher	St. Jean Baptiste, Man.
BEAUREGARD, ELIE (Speaker)	Rougemont	Montreal, Que.
BISHOP, CHARLES L.	Ottawa	Ottawa, Ont.
BLAIS, ARISTIDE	St. Albert	Edmonton, Alta.
BOUCHARD, TELESPHORE DAMIEN	The Laurentides	St. Hyacinthe, Que.
BOUFFARD, PAUL HENRI	Grandville	Quebec, Que.
BOURQUE, T. J.	Richibucto	Richibucto, N.B.
BUCHANAN, W. A.	Lethbridge	Lethbridge, Alta.
BURCHILL, GEORGE PERCIVAL	Northumberland	South Nelson, N.B.
BURKE, VINCENT P.	St. Jacques	St. John's, Nfld.
CALDER, J. A., P.C.	Saltcoats	Regina, Sask.
CAMPBELL, G. P.	Toronto	Toronto, Ont.
COMEAU, JOSEPH WILLIE	Clare	Comeauville, N.S.
CRERAR, THOMAS ALEXANDER, P.C.	Churchill	Winnipeg, Man.
DAIGLE, ARMAND	Mille Isles	Montreal, Que.
DAVID, ATHANASE	Sorel	Montreal, Que.
DAVIES, WILLIAM RUPERT	Kingston	Kingston, Ont.
DAVIS, JOHN CASWELL	Winnipeg	St. Boniface, Man.
DENNIS, W. H.	Halifax	Halifax, N.S.
DESSUREAULT, JEAN MARIE	Stadacona	Quebec, P.Q.
DOONE, J. J. HAYES	Charlotte	Black's Harbour, N.B.
DUFF, WILLIAM	Lunenburg	Lunenburg, N.S.
DUFFUS, J. J.	Peterborough West	Peterborough, Ont.
DUPUIS, VINCENT	Rigaud	Longueuil, P.Q.

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

Retired, April 18, 1951

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

SENATORS OF CANADA

BY PROVINCES

JANUARY 30, 1951

ONTARIO—24

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

QUEBEC—24

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

**Retired, April 18, 1951.*

NOVA SCOTIA—10

	SENATORS	POST OFFICE ADDRESS
	The Honourable	
1	William H. Dennis	Halifax.
2	Felix P. Quinn	Bedford.
3	William Duff	Lunenburg.
4	Donald MacLennan	Port Hawkesbury.
5	Wishart McL. Robertson, P.C.	Bedford.
6	John James Kinley	Lunenburg.
7	John Alexander McDonald	Halifax.
8	Joseph Willie Comeau	Comeauville.
9	Gordon B. Isnor	Halifax.
10	Charles G. Hawkins	Milford Station.

NEW BRUNSWICK—10

	The Honourable	
1	Thomas Jean Bourque	Richibucto.
2	Clarence Joseph Veniot	Bathurst.
3	Alexander Neil McLean	Saint John.
4	Frederick W. Pirie	Grand Falls.
5	George Percival Burchill	South Nelson.
6	Henry Read Emmerson	Dorchester.
7	J. J. Hayes Doone	Black's Harbour.
8		
9		
10		

PRINCE EDWARD ISLAND—4

	The Honourable	
1	James Peter McIntyre	Mount Stewart.
2	Thomas Vincent Grant	Montague.
3	George H. Barbour	Charlottetown.
4		

BRITISH COLUMBIA—6

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

MANITOBA—6

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

SASKATCHEWAN—6

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

ALBERTA—6

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

NEWFOUNDLAND—6

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

PRINCIPAL OFFICERS OF THE SENATE

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

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

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

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

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

Arthur H. Hinds, Chief Clerk of Committees.

H. D. Gilman, Chief Treasury and Disbursing Officer.

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

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Tuesday, January 30, 1951

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

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

OPENING OF THE SESSION

The Hon. the Speaker informed the Senate that he had received a communication from the Governor General's Secretary informing him that His Excellency the Governor General would arrive at the Main Entrance of the Houses of Parliament at 3 p.m., and, when it had been signified that all was in readiness, would proceed to the Senate Chamber to open the Fourth Session of the Twenty-first Parliament of Canada.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

Since you met in special session in the autumn of last year, there has been a further deterioration in the international situation. The intervention of Chinese forces in active opposition to the United Nations forces in Korea has increased the danger of a general conflagration.

So far the efforts to achieve a peaceful settlement in the Far East have not succeeded. While aggression cannot be condoned and will continue to be resisted, it is the view of my ministers that the door to negotiation at any time a cessation of hostilities in Korea can be arranged must be kept open.

The increased menace in the Far East reinforces the mounting evidence that Communist imperialism is determined to dominate the world by force or the fear of force, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations. It is equally important that the free nations should make it abundantly clear that they have no aggressive designs and that they are resolved to aid in constructive endeavours to improve the standards of human welfare in under-developed countries.

My ministers have endeavoured to uphold these international objectives in the deliberations of the United Nations, at the recent meeting of the prime ministers of the Commonwealth countries, and in our diplomatic relations with all nations and governments.

Units of the Royal Canadian Navy and the Royal Canadian Air Force have shared from the outset in the United Nations action in Korea. One battalion of the Canadian Army Special Force is now in Korea, and the rest of the force is at Fort Lewis, Washington, where it is available for service in Korea or for other employment in discharge of our international obligations.

Progress has been made in the organization of an integrated force in Europe under the North Atlantic Treaty Organization. The Supreme Commander, General Eisenhower, has recently visited Canada to consult with the Government and the Chiefs of Staff. You will be asked early in the session to authorize Canadian participation in this integrated force as part of our program for national defence and security. You will also be asked to approve substantially increased expenditures for defence.

The urgent need of the St. Lawrence seaway and power project in relation to the security of this continent is becoming increasingly apparent. It is the view of my ministers that the Canadian authorities should be kept in a position to co-operate promptly in undertaking construction of the project once affirmative action has been taken by the appropriate United States authorities.

Your approval will be sought for an appropriate Canadian participation in the Colombo plan and in technical assistance to under-developed areas.

The policies of the government are designed to prevent war, but the dangers of the international situation and the magnitude of the defence effort required as a deterrent have, in the opinion of my ministers, created an emergency situation. You will accordingly be asked to approve legislation vesting in the Governor in Council additional powers to ensure adequate defence preparations to meet the present emergency and to prevent economic dislocation resulting from defence preparations.

You will also be asked to approve a bill to establish a Department of Defence Production to act as a procurement agency for the defence forces of Canada and also for such defence requirements of our allies as may be met from Canadian production.

Amendments to legislation relating to the armed forces will also be submitted for your approval.

Legislation will be submitted respecting the application of the Benefits of the Veterans Charter to members of the Special Force. Amendments will be introduced to legislation concerning pensions for veterans and their dependents to relieve difficulties being experienced by certain groups of pensioners provided for thereunder.

Appropriate amendments to the Canadian Citizenship Act will be introduced to prevent the retention of Canadian citizenship by persons who have renounced their allegiance or shown by their conduct that they are not loyal to Canada.

The high level of employment and production within our country give our people increased capacity to meet the demands of national and international security.

The spirit of unity so happily reflected in the conferences between the federal and provincial governments is further evidence of our ability to make an effective national response to the emergency.

Proposals were laid before the provincial governments for new tax agreements and for a contributory old age pension program along the lines recommended by the joint committee at the last regular session.

The provincial governments are at present giving consideration to these proposals and to proposals for constitutional amendments which may require to be submitted to you before the close of the present session.

You will be asked to consider measures respecting federal grants to municipalities in lieu of taxation of Crown property, the abolition of the requirement of the fiat in the case of petitions of right, and the bequests of Laurier House and Kingsmere.

You will also be asked to consider a complete revision of the Indian Act and the Consolidated Revenue and Audit Act.

Other measures to be introduced will include amendments to the Immigration Act, the Post Office Act, the Central Mortgage and Housing Act, the Gold Mining Assistance Act and the Customs Act.

It is anticipated that the reports of the Royal Commissions on Transportation and on National Development in the Arts, Letters and Sciences will become available during the course of the session.

Members of the House of Commons:

You will be asked to make provision for national defence and the meeting of our obligations under the United Nations Charter and the North Atlantic Treaty, as well as for all essential services.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence bless your deliberations and give to our people the fortitude and patience to sustain the trials of these troubled times.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

Prayers.

RAILWAY BILL

FIRST READING

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

The bill was read the first time.

SPEECH FROM THE THRONE

MOTION FOR CONSIDERATION

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

Hon. Mr. Haig: Honourable senators, I think the government has been wise to introduce this motion now. Frequently, in the past, several days have elapsed at the beginning of a session before the Senate has done any business, with the result that at the end of the session it has been forced to rush through a great deal of work.

I am heartily in accord with the government's motion, and I hope that this is indicative of the course to be followed in the conduct of our business throughout the session, and that when we have no work to do we shall adjourn and go to our homes until such time as the House of Commons catches up with us. We shall do our job so that there can be no protestations against our conduct.

The motion was agreed to.

COMMITTEE ON ORDERS AND PRIVILEGES

MOTION

Hon. Mr. Hugessen (for Hon. Mr. Robertson) moved:

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

The motion was agreed to.

COMMITTEE OF SELECTION

MOTION OF APPOINTMENT

Hon. Mr. Hugessen (for Hon. Mr. Robertson) Honourable senators, with leave of the Senate I would move:

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, January 31, 1951

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

Prayers and routine proceedings.

DIVORCE COMMITTEE

REPORT OF COMMITTEE OF SELECTION

Hon. A. K. Hugessen presented and moved concurrence in the following report:

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

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

Hon. John T. Haig: Honourable senators, before the motion is put, I should like to make one or two brief comments about the work of the Divorce Committee. At the meeting of the Committee of Selection this morning it was unanimously agreed that the Divorce Committee should endeavour to hear all its cases before the Easter recess. I am heartily in agreement with this policy and, as a member of the Committee of Selection, I would warn all lawyers who appear before our Divorce Committee, particularly those from Quebec, and perhaps Newfoundland, that they had better have their cases ready to be heard before the Easter adjournment. These lawyers are given ample notice to enable them to prepare their cases, and if they are not ready to proceed before Easter, and the temperament of the Divorce Committee should happen to be the same as that of the Committee of Selection, these cases will not be heard this year. I understand that the Divorce Committee is to sit four days next week and five days the following week in an attempt to clear up its work at an early date, so that its members will be free to attend the meetings of our other Standing Committees.

After much persuasion by the honourable leader of this house (Hon. Mr. Robertson) and myself, the honourable senator from Rosetown (Hon. Mr. Aseltine)—my deputy and associate in this chamber, whose services I greatly appreciate—has consented to serve for a further period on the Divorce Committee. However, his decision was reached upon the definite understanding that he would not be asked to perform any duties in connection with the Divorce Committee after the Easter recess. I know also that the other members of the Divorce Committee feel as he does.

I have never found anyone in this house who wishes to see the granting of divorces by parliament continued, but as yet no other method has been found. The lengthy sittings in the provincial courts across Canada make it reasonably easy to have a divorce hearing postponed for two or three weeks because of the absence of important witnesses, and so on, but the situation here is not the same, especially as honourable senators are performing a duty which they do not find pleasant. Opinion across Canada, and especially in this chamber, is that divorce by the Senate is an imposition on the Parliament of Canada.

Again I want to voice the view that lawyers who have cases to come before the Divorce Committee of the Senate, and ultimately before the House of Commons, had better be ready to proceed between now and Easter; otherwise, as I gathered from the temper of this morning's meeting, they will not be heard till next session.

Hon. Mr. Hardy: Can the honourable leader opposite state whether the Divorce Committee will be able to expedite matters by sitting in two or three sections simultaneously?

Hon. Mr. Haig: I can answer that question, because we had it before us this morning. Theoretically there could be a section of the committee for every three members, but the committee clerks inform us that our present equipment, reporters and other staff, are sufficient to take care of only two sections. I believe that already there are about 300 applications in; and if the committee sits in two sections, five days a week, we ought to be able to take care of that number between now and the Easter adjournment. As will be seen from the notices on the back of the Order Paper, the committee is getting down to work right away, with its first hearings set for Tuesday next and others following on Wednesday, Thursday and Friday. I have no doubt that this chamber would authorize further appointments to the staff if it were thought necessary for the committee to split into more than two sections; but the present view is that two sections can handle the business.

The motion was agreed to.

MOTION OF APPOINTMENT

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

That the senators mentioned in the report of the Committee of Selection as having been chosen to

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

The motion was agreed to.

THE SENATE AND ITS WORK

NOTICE OF MOTION

Hon. Wishart McL. Robertson: Honourable senators, I desire to give notice that on Monday, February 12, I will move the following resolution:

That a Special Committee of the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

While I know it is not in accord with our customary procedure, perhaps because of the importance of this matter I may make a brief explanation of this notice of motion.

There has been a growing volume of opinion that some changes in connection with the Senate should be considered if this house is to make its maximum contribution to the welfare of the Canadian people. I feel, therefore, that a public service would be rendered if the subject were carefully inquired into and reported upon by competent authority; and I know of no authority more competent to speak on this subject than the members of the Senate itself, with their broad collective experience in all the major aspects of Canada's national life.

My colleagues in the government have raised no objection to me, in a personal capacity, proposing such an inquiry to the Senate. I am giving ample notice of my intention so that all who are interested may consider the question and give us the benefit of their viewpoints. If the debate indicates a favourable reaction to the idea, I shall propose that another resolution in more specific terms be substituted for this one. I hope that honourable senators will be prepared to proceed with the debate immediately following my motion on February 12, in order that the question may be resolved within a week or ten days. If it is resolved in the affirmative, the committee could then organize and start to work before other pressing matters come before us.

May I add a personal word? This house has always afforded me a most generous measure of support in any reasonable proposal which I have made, and I hope for it again. On this very important question, however, I am anxious that everyone shall speak his or her mind. I fear indifference much more than opposition. On moving the resolution I shall give my personal views for what they are worth, without reflecting the opinion of the government of which I am a member, or of anyone else, and I hope for the widest possible discussion.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Wishart McL. Robertson: For the information of honourable senators I wish to give a brief outline of the business before the house and the order in which I propose to deal with it.

The Senate will sit tomorrow. I would point out that although the Committee of Selection is authorized to appoint all committees, so far it has appointed only the Divorce Committee, the organization of which will be completed tomorrow. It is intended that the report having to do with other committees will be presented early next week.

The mover and the seconder of the Address in Reply to the Speech from the Throne will speak tomorrow. The debate will then be adjourned until the evening of Monday, February 5, when it will be resumed. I hope that honourable senators who wish to participate in this debate will be prepared to do so next week. While there may be some honourable senators who are not prepared to speak on the Address within the next few days, I would urge all members if possible to assist us in our endeavour to conclude the debate by the end of next week.

On Monday, February 12, I will move the motion of which I have today given notice. The debate on this motion, which I hope will be a concentrated one, should be concluded within a week or ten days.

Petitions for divorce have been set down for hearing commencing Tuesday, February 6, which is much earlier in the session than usual.

I hope that, with the co-operation of the members of the committee, all the divorce work will be disposed of before the Easter recess. In this connection I echo the remarks of the leader of the Opposition (Hon. Mr. Haig), and I trust they will be borne in mind by those who are interested in filing applications. It is entirely unfair that honourable senators who devote their time to the work of the committee should be detained there while other business, of major importance, is before the Senate.

It is my intention, in the light of conditions as they appear at the moment, to ask the Senate to sit each week until Easter. Last year the Estimates were tabled in this chamber eleven days after the opening of parliament. It is probable that this year we shall not receive them earlier than the latter

part of February. I hope to again provide facilities, similar in form if not in substance to those afforded last year, for the closest possible scrutiny of the Estimates. It has been suggested to me that the Senate might well consider asking the Finance Committee to inquire into and report upon the Senate's own estimates. Another suggestion is that the committee might also be asked to consider the present and contemplated distribution in Canada, from a geographical standpoint, of production for defence.

I am presenting these proposals to the house at this time for the information of honourable members. No doubt individual senators will have constructive proposals of their own.

Hon. Mr. Farris: May I ask the honourable leader whether it is the intention of his colleagues, in accordance with the amendment of our rules, to introduce their bills in this house early in the session so that we may have some government work to deal with?

Hon. Mr. Robertson: I cannot say that I have any specific information on that point. Last year, after the house closed, I issued a statement on the very considerable volume of business initiated in the Senate, the extent of which astounded me. There are, of course, measures of the nature of money bills which cannot be introduced here, but I believe that last year all the measures which could be initiated in the Senate, with but one or two exceptions, were actually introduced here. I have consistently urged this course upon my colleagues in the government, and they have invariably expressed willingness to follow it. Although at this moment I have no specific knowledge, I am sure that the practice will be continued.

THE LATE SENATOR BALLANTYNE

TRIBUTES TO HIS MEMORY

Hon. Wishart McL. Robertson: Honourable senators, it is my unhappy duty to officially report to the house the passing of one of our most distinguished senators.

The Honourable Charles Colquhoun Ballantyne, P.C., Alma, passed away in Montreal on October 19, 1950.

Senator Ballantyne was born on August 9 in the year of Canada's Confederation, at Colquhoun, Ontario. He received his education there and in Montreal. It was in Montreal that as a youth he commenced his business career, and from very modest beginnings he rose to the presidency of the Canadian Manufacturers Association at the age of thirty-eight, and to the directorship of some of the greatest companies in Canada.

Business, however, claimed no monopoly of his energies. His association with the Canadian Militia was long and distinguished. A veteran of the First World War, he served ten years with the old 6th Fusiliers, which became the First Grenadier Guards of Canada, and commanded the 13th Scottish Light Dragoons. During the war of 1914 he was active in raising the 245th Service Battalion, and as its commanding officer took it overseas.

Senator Ballantyne entered political life in 1917, after having served as a harbour commissioner for Montreal for six years, and as Mayor of Westmount. He was appointed Minister of Marine and Fisheries and Minister of the Naval Service in 1917, and was reappointed to the same portfolio in the Meighen Ministry of 1920. Our late esteemed colleague was called to the Senate in February, 1932, and ten years later was named leader of the opposition, in which capacity he served until 1945.

Senator Ballantyne is survived by his widow, the former Ethel Maud Trenholme of Montreal, and by three sons.

I need hardly remind honourable members who enjoyed his friendship, that in the passing of Senator Ballantyne, Canada has lost one of its most distinguished public men. His wide knowledge of business and finance and his long experience in public life made his counsel and advice of the greatest value. His comments on matters under discussion were always to the point and invariably received the closest attention.

To his wide knowledge of public affairs were added an essential fairness of viewpoint and a kindly manner. I can personally bear testimony to the many courtesies he extended to me when I was first appointed to the Senate; and I extend the deepest sympathy to the members of his family who, together with innumerable friends and colleagues, will mourn his passing.

Hon. John T. Haig: Honourable senators, I knew Senator Ballantyne for many years, more intimately, of course, after I entered this house in 1935. We of this party will miss his sound judgment, his wide business experience, and his knowledge of human nature.

He was a business man earlier in his career, and later, rather as a duty than as an occupation or a vocation, he entered political life. He felt very keenly the responsibilities of citizenship in relation to both the first and the second world wars. Upon the resignation of the Right Honourable Arthur Meighen he was chosen as the leader of our party in the Senate, and continued as such until 1945. We

urged him then to remain longer, but he said that the state of his health would not permit him to do so.

We of this house will miss him very much. His business knowledge was valuable, and his experience in connection with the first world war was useful to parliament during the second world conflict. One whose membership of this chamber has extended over eighteen years has given a long period of service—much longer than the average—and the gap occasioned by his passing is probably more evident as our ranks grow less and less.

I very, very sincerely regret the death of Charlie Ballantyne, and I join with the leader of the government in expressing sincere sympathy to his wife and family.

Hon. J. H. King: Honourable senators, I feel it incumbent upon me to associate myself with the words of the two leaders with respect to the passing of Senator Ballantyne. Following our friendly association as senators, it fell to our lot in 1942 to assume the leadership of the respective parties in this chamber, and thus our association was continued in the control and work of the Senate.

Senator Ballantyne was thoroughly conversant with the public life of this country. He had a keen, well-trained business mind and was a man of great stature in the parliamentary circles of Canada. My good fortune in being associated with him in the work of this house will ever remain in my memory.

I desire to express to Mrs. Ballantyne and the other members of his family my personal regret and my sincere grief at his passing.

Hon. Vincent Dupuis (*Translation*): Honourable senators, may I add a word of tribute to the memory of the great man who has passed away, Honourable Senator Ballantyne.

I was deeply grieved at the news of the death of this worthy representative of my province. I had a personal reason for thinking highly of him. In 1919, I had the privilege of being one of the law students who represented McGill Univerity at the funeral of Sir Wilfrid Laurier. Mr. Edward Beatty, then president of the Canadian Pacific, who was aware of my limited means ordered a pass issued for my trip from Montreal to Ottawa and, upon our arrival here, the Honourable Mr. Ballantyne, who was then a minister of the Crown, met us at the station and very kindly looked after all our needs during our stay in Ottawa.

Ten years later, when I became a member of parliament, I had occasion to know him intimately, and it was with pleasure and a sense of gratitude that I used to call him my benefactor.

In my opinion, the outstanding trait of our departed friend was his constant care to see that our fellow-citizens of other provinces should get better acquainted with the population of the province of Quebec. It may well be said of him that he was one of our most active promoters of mutual understanding between racial groups.

I, therefore, consider it a sacred duty to add my humble tribute to that of my colleagues, and to offer to the bereaved family my most sincere sympathy.

Hon. A. K. Hugessen: Honourable senators, I think I should add just one word to what has fallen from the lips of a number of honourable senators this afternoon about the death of Senator Ballantyne, more particularly because I come from Montreal, a city which he adorned for so many years and in which he was one of our commercial and industrial leaders. He made a great position for himself in the commercial life of that city before he ever entered the political sphere.

The honourable leaders of this house were quite right when they referred to Senator Ballantyne's great and profound sense of duty. I think it was that sense of duty which induced him to enter the political life of Canada at an age when he had already established himself in other activities. I think, too, it was that sense of duty which carried him through the political era in which he was a Minister of the Crown. I am sure that his name will always be associated with the beginnings of our Canadian navy and our Canadian merchant marine. Honourable senators will recall how vitally interested our late colleague was whenever any question of the navy or the merchant marine came up in this house in recent years. He never failed to have a word to say on these matters, and I think he would really prefer to be remembered in this house and in the other house of parliament, and by the people of Canada, as one of the first to have an intimate connection with and a great deal to do with the development of our Canadian navy and our Canadian merchant marine.

I join with my honourable colleagues in expressing to his widow and to his sons our profound regret at his death.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 1, 1951

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

Prayers and routine proceedings.

DIVORCE PETITIONS

NUMBER PRESENTED TO PARLIAMENT

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented certain petitions for divorce.

Hon. Mr. Haig: How many are there?

Hon. Mr. Aseltine: To start with, 207.

CARRY-OVER FROM SPECIAL SESSION

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

Inasmuch as petitions for bills of divorce were not dealt with at the Special Session of Parliament held in the year 1950, the committee recommend that petitions served and advertised for the last session of parliament be deemed and taken as sufficient compliance with the rules of the Senate for the present session.

The motion was agreed to.

LEVERT DIVORCE PETITION

REFUND OF FEES

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

1. With respect to the petition of Joseph Albert Levert, of the town of Cowansville, in the province of Quebec, for an Act to dissolve his marriage with Marie Cecile Lanctot Levert, of the said town.

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

The motion was agreed to.

KASHOWER DIVORCE PETITION

REFUND OF FEES

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

1. With respect to the petition of Robert Kashower, of the city of Montreal, in the province of Quebec, for an Act to dissolve his marriage with Margaret Irene McLaren Kashower, of the town of Dorval, in the said province.

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

The motion was agreed to.

LEMONDE DIVORCE PETITION

REFUND OF FEES

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

1. With respect to the petition of Vincent Lemonde, of the city of Drummondville, in the province of Quebec, for an Act to dissolve his marriage with Elisa Payelle Lemonde, of the city of Montreal, in the said province.

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

The motion was agreed to.

OIL DISCOVERY IN MANITOBA

HIGH GRADE PRODUCTION AT VIRDEN

On the Orders of the Day:

Hon. Mr. Haig: Honourable senators, I have some big news. It is not as dark as some of the news that we get these days. The big news of the day in Manitoba is of the finding of oil at Virden. It is the real thing, evidently the highest grade of oil so far found in Canada. The single drawback is that at present the production is only about 72 barrels per day.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. J. Wesley Stambaugh moved:

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

To His Excellency Field Marshal The Right Honourable Viscount Alexander of Tunis, Knight of the Most Noble Order of the Garter, Knight Grand Cross of the Most Honourable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Exalted Order of the Star of India, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, one of His Majesty's Aides-de-Camp General, Governor General and Commander-in-Chief in and over Canada.

May it Please Your Excellency:

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

He said: Honourable senators, I wish at once to express appreciation of the speech delivered in this chamber on Tuesday by His Excellency the Governor General. The extension for Lord Alexander of the normal term of his office has given the greatest satisfaction

to Canadians in all walks of life and in every part of the nation. It is a unique tribute to a unique man and leader.

The honour conferred on me of moving the Address is one that I feel very deeply. I realize, of course, that it is, above all, a recognition of the steadily growing importance of Alberta in the Canadian picture. The fact that George Prudham, of Edmonton, has recently been appointed a member of the Canadian Government as Minister of Mines and Technical Surveys is recognition of a man of proven practical worth and ability. It is also a testimony of the increasing influence of the province that he represents in the cabinet.

Mr. Prudham succeeds another Albertan who enjoys high esteem in this chamber and amongst Canadians generally. I refer to he Honourable James A. MacKinnon.

Honourable senators we live in a most critical time. Statement on statement in the Speech from the Throne points to the gravity of the international situation. The effect of the crisis on the Canadian economy and mode of life is evident in many of its references. I want to say at this time that the seriousness of the world outlook is not only serving to strengthen Canada's national unity, but is increasing the determination of Canadians to do their full and proper share first to save the peace, and failing that, to defend freedom wherever it is threatened.

By its actions in Korea the United Nations has shown that it does not intend to tolerate aggression. We in Canada are proud that elements of all three branches of our armed forces have been providing assistance to the cause of the United Nations in Korea.

At the close of the Second World War there seemed to exist among the victorious nations a sincere desire to co-operate in times of peace as they had in times of war. This hope was doomed to failure because there was no substantial co-operation from the government of the Soviet Union. We, therefore, find ourselves in a very different world today than that for which we hoped in 1945.

Our Prime Minister has recently returned from a visit to London and to Paris, where he met with various leaders of the Commonwealth and members of the French government. That trip emphasized to us the importance of two of our international ties. The visit to France showed the cordial relationship and traditional friendship that exists between that country and ours; the conference at London revealed the strength of the Commonwealth.

Canada has taken a firm stand in the North Atlantic Treaty organization. We in the western world believe in freedom of thought and expression, and in freedom of religion. This organization was formed to protect these freedoms and our right to live our own lives in our own way.

It is true that Canada, like other nations which have an earnest desire for peace, is being obliged to devote an increasing proportion of her resources to provide for her own national security. In this regard our Prime Minister has said:

> . . . because the risk has become greater, the premium on our national insurance policy has become more costly. We are providing that insurance by building up our strength in co-operation with other countries that also want peace in the hope that our strength and resolution will discourage the Communists from unleashing a third world war.

In the Speech from the Throne the government announced that there are to be substantially increased expenditures for defence purposes. Such a defence programme is part of our share in the partnership of the North Atlantic Treaty organization. We heartily approve of the appointment of General Eisenhower as Supreme Commander.

The Speech from the Throne has made it clear that Canada intends to fulfil her obligations in the world. I rejoice in our good relationship with the United States; our alliance with that country and with Great Britain is, we feel, vital to our future.

I should now like to speak of matters closer to home. In 1905, when I went to Alberta, the eastern part of the province was a vast rolling prairie, a waving sea of grass. As one travelled westward one came first to the bush land, then to the forests and the mountains.

Generally speaking the Rocky Mountains form the boundary line between Alberta and British Columbia. To give a fair picture of Alberta as it was in those days, I may say that, looked at from about the centre of the province, to the south practically all the land would have been seen as rolling prairie; to the east, prairie; to the north, bush land, and to the west, forest and mountain.

At the western side of Alberta, situated in the Rocky Mountains, are the finest parks in existence. I refer to the Jasper, Banff and Waterton Parks, which extend north and south over three hundred miles. A magnificent highway, running practically north and south, traverses the centre of Jasper and Banff Parks. It is, I suppose, one of the world's greatest scenic highways: I hope all of you will travel over it one of these days. At every hill and around every curve you will find something new, beautiful and interesting. About the centre of the Jasper-Banff Park the highway crosses the height of land, and there is situate the Columbia icefield. This glacier covers an area of over fifty

square miles. It is the source of three great rivers flowing into three different oceans; the Columbia flows into the Pacific; the Athabaska empties into the Mackenzie, which flows into the Arctic; and the Saskatchewan flows into Hudson Bay and then into the Atlantic. In the summer time, at one point, a little distance from the highway, you can divert with your hand the waters from the Atlantic to the Arctic. It is, I think, the only place in the world where a diversion of this kind would be possible. It is a beautiful spot. The height of land is somewhere between seven and eight thousand feet: on the one side is the Columbia icefield, the source of the Athabaska River; on the other side, are mountains and valleys. The rivers and lakes teem with fish. Honourable senators who like to fish may be interested to know that from a fishing point of view we have probably the nearest thing to virgin waters of any part of the world. I might mention a little experience of my own. Two years ago I went into the Athabaska Forest Reserve and followed for about eighty miles the old road which was built by the Imperial Oil Company when they were drilling in that district. We were able to travel the road in a car. I went back about ten miles from this old road to the stream and followed it to the road, fishing as I went. Within a short time I had my creel full; and let me tell you that it does not need many of the fish you catch up there to fill your creel. Go back into the type of stream where the water rushes down possibly for half a mile, white water all the way, and catch fish in one of those deep pools where the big fellows lurk.

Hon. Mr. King: The honourable senator should tell us the name of that stream.

Hon. Mr. Stambaugh: It is called the Muskeg River.

Hon. Mr. Grant: And what is the name of the fish?

Hon. Mr. Stambaugh: Trout.

Mr. Grant: And I suppose that some are as big as whales?

Some Hon. Members: Oh, oh.

Hon. Mr. Stambaugh: There is the Dolly Varden trout, but the particular fish that I am fond of are the Rainbow trout, and these are what I am talking about. I want to give you a little warning that if you get into one of these pools where the big fellows lurk, before you cast your fly you had better brace yourself. The water is very cold and I would not want you to be hauled in.

Some Hon. Senators: Oh, oh.

Hon. Mr. Aseltine: What about hiding behind a tree with your rod and reel?

Hon. Mr. Stambaugh: You might try that. You can have a lot of fun, and just so you will not fill your creel too full, I suggest that you throw back anything you catch that's under twenty inches long, and give it a chance to grow.

Hon. Mr. Euler: This is quite a fish story all right.

Hon. Mr. Stambaugh: Alberta is rich in natural resources with 75 million acres of agricultural land, part of which is open prairie and part bushland. There are almost 100 million acres of forest land in Alberta, of which possibly one-quarter is fairly good for agricultural purposes.

I live at Bruce which is situated on the main line of the Canadian National Railways about 75 miles south-east of Edmonton—about the centre of the province from north to south. The provincial constituency, as well as the hamlet, carries the name of Bruce. I understand that there is a county bearing that name in Ontario.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Stambaugh: It seems that a good many people from Bruce County in Ontario have emigrated to Alberta and other western provinces. As a matter of fact, so many people seem to have left Bruce County, Ontario, that I wonder whether anyone is still left there. This is certainly not the situation in Bruce, Alberta, because nobody wants to leave there. The few that have left returned as soon as they could.

The Bruce district of Alberta is a mixed farming area located on the western edge of the prairie. When I first arrived in the district in the spring of 1906, the land was about 25 per cent bush and 75 per cent prairie. In the north and west these conditions gradually change, the percentage of prairie land decreasing and the bush land increasing.

As an illustration of the progress made in that part of Canada, I may say that the first trip I made from Edmonton to my Bruce homestead was in a covered wagon hauled by oxen. This journey took five full days. Today, it is not unusual for me to cover the same distance by automobile in two hours. As another indication of the rapid advances made in the same area, I may say that I began farming operations by using four oxen and a walking plow, and I was capable of breaking about one acre per day. Now I farm with a tractor, pulling five plows, and I have turned over fifty acres in a single day.

The hamlet of Bruce is just on the western edge of the Viking gas field, which has supplied the city of Edmonton with natural gas for over thirty years.

A considerable number of the members of the Canadian army's special force were recruited in Alberta, and trained at Wainwright, not far from Bruce. That portion of the Special Force now serving in Korea is led by Lieut.-Colonel Stone, a former Commander of the Loyal Edmonton Regiment. It is also an interesting fact that many of our prairie boys are serving with the Canadian Navy.

While Alberta has a population of less than a million people it produces a very large percentage of what might be called the new wealth of Canada. There are over 200 coal mines operating in Alberta with an annual production of approximately 9 million tons, or about half of the total Canadian coal production. Incidentally, while travelling about fifty miles south of Edson in the Brazeau branch I was amazed to be shown a seam of coal which ran 300 feet deep. I had never imagined that such a large seam of coal would exist in the world, but apparently this huge pocket was created at the time of the great upheaval which formed the Rocky Mountains. It is several hundred yards long, about 100 yards wide, and over 300 feet thick. The rock which had completely covered this coal seam had been blown away from the top and face of it, and huge power shovels were loading the coal on to trucks, for haulage to the railroads. I understand that there are many other large coal seams to be found in Alberta and in parts of British Columbia, particularly along the Peace River and Hudson Hope, and up around Finlay Forks. It is officially estimated that there are 48,000 million tons of mineable coal in the province. This represents more than half of all Canada's coal reserves.

At the present time Alberta has over twenty natural gas fields, and there are about forty other places in the province where gas has been discovered. Recent work carried out by Doctor G. S. Hume and other officials of the Department of Mines and Technical Surveys, indicates that the total proven and probable natural gas reserves in Alberta are close to 7 trillion cubic feet.

I suppose everyone is interested in oil. I notice that the honourable leader opposite (Hon. Mr. Haig) has mentioned the discovery of oil in Manitoba. Well, in Alberta we would hardly bother with a well that did not produce more than seventy barrels a day, so I am going to tell you a little about our oil wells in Alberta.

In the last few years my province has become the Texas of Canada. As of January 1, 1951, there were approximately 2,000 wells producing crude oil in commercial quantities in Alberta. Their actual production is 100,000 barrels of crude oil per day, and it is estimated that the known oil reserves in the province are at least one and a half billion barrels. This figure does not include the Athabaska tar sands, about which I shall also have something to say.

The potential production in the province is throttled down to less than one-half of its capacity because of the lack of refining facilities. For instance, in the Golden Spike field adjoining Edmonton there is one well capable of producing 12,000 barrels in a single day. Two years ago a well in the Leduc field known as "Atlantic No. 3" blew wild and produced as much as 14,000 barrels in a day, and at present the Golden Spike field is shut down.

Hon. Mr. Howden: You can buy gas much cheaper there, I suppose?

Hon. Mr. Stambaugh: It is a little cheaper than it is here in Ontario, but not nearly as cheap as we should like to have it. A considerable portion of the price we pay for gas in Alberta is made up of the tax levied by the provincial government. The Schoepp Well, to which I have referred, has a pay thickness of 600 feet. Oil production in Alberta in 1950 totalled nearly 28 million barrels, and last week 22 new wells were brought into production. The producing depths in the oil fields range from about 3,000 feet at Redwater to over 9,000 feet in the Turner Valley.

By means of the newly-built pipeline from Edmonton to the head of the lakes, when navigation opens tankers will carry oil to Sarnia. In this way it will easily be possible for Alberta oil production to keep Sarnia refineries operating at capacity. I might say that at the present time, besides having three refineries at Edmonton and one at Calgary, Alberta is keeping Winnipeg and Regina refineries supplied with crude oil as well.

Enormous as these Alberta oil resources are, there is an even greater source in the fabulous oil sands of the McMurray region. It is estimated that this area covers about 5,000 square miles. The visible field extends from McMurray 80 miles north along the Athabaska river to a distance of 30 miles on each side of the river. S. M. Blair, a petroleum expert, has estimated in a recent report that these tar sands contain over 200 billion barrels of petroleum. These sands represent the greatest single known deposit of petroleum. In fact, the deposit is far greater than the total of all other known reserves in the world.

The federal government has spent several million dollars in experimenting on a practical method of extracting this oil from the sands. The experiments were carried on chiefly by the National Research Council and

the Department of Mines and Technical Surveys, and the results have been turned over by the federal government to the provincial authorities.

I do not intend at this time to catalogue fully all of Alberta's wealth of natural resources. I think I should mention, however, the province's vast forest resources, of which the greater proportion is as yet undeveloped. The principal tree species found in the province, in order of their present commercial importance, are spruce, lodgepole pine, Douglas fir, balsam fir, white birch and tamarack. The chief products of these forest resources are lumber, pulpwood, railway ties, mine props and fence posts. The annual production of lumber alone in the province is nearly 400 million board feet.

A great part of these Alberta forests is situated on the east slope of the Rocky mountains. This east slope is particularly important, because it forms the watershed of rivers that are vital to Canada as a whole and especially to the prairie provinces. The federal government has recognized this fact in the establishment of the Eastern Rockies Forest Conservation Board and the allotment of $6 million of federal funds to aid conservation measures in the area.

Notwithstanding the other great resources and industries that I have mentioned, farming is still the most important industry in the province. In 1950 Alberta farmers produced over 30 million pounds of butter and over three million pounds of cheese. And in order to help sweeten and preserve this a bit, Alberta produces each year about 80 million pounds of sugar, as well as more than half a million pounds of salt. About one-quarter of all the grain grown in Canada comes from Alberta.

The farming industry is not in as prosperous a condition as I should like to see it. The floor prices under cheese, butter and eggs have helped the dairy industry to a certain extent, but these prices are fixed just barely at the cost of production. It has been extremely difficult to get competent help in this industry.

The producers of grain have had a very difficult year. It was a cold, backward spring. A considerable part of Alberta was too dry, and in August we had a severe frost that reduced both the quality and the quantity of the grain. To add to these troubles, Alberta had a wet fall, and a large portion of the grain which was threshed was low grade, tough or damp. We had an early snow, and a considerable portion of the grain north of Red Deer is still unthreshed.

I am pleased to note that the government recently announced an interim payment on both wheat and coarse grains of the 1950 crop. I am glad to see that the government has recognized the plight of the farmer in this way.

I should like at this time to urge the government to close out the five-year pool at the earliest possible moment—

Hon. Hr. Haig: Hear, hear.

Hon. Mr. Aseltine: How much are they going to pay us?

Hon. Mr. Stambaugh:—and, in doing so, to have regard to what I feel is the just claim of the Western grain farmers. I refer to the manner in which these farmers subsidized the Canadian people to the extent of 30 cents per bushel on domestic consumption of wheat and wheat products during the period from March 1945 to February 1947.

Also at this time I wish to draw attention to the great contribution made by the federal government toward the opening up of the north country generally by building the Mackenzie highway. The fishing industry of the far north—to take only one example—benefits tremendously by the completion of this highway from Grimshaw to Hay River. Thousands of tons of fish are now trucked out over this road to markets in Canada and the United States.

The federal government is to be commended on the way it has gone forward with irrigation in southern Alberta. You would have to see this to appreciate it fully. Last July I travelled by car from Medicine Hat to Lethbridge, and just east of Taber I came to the irrigation district. Up until then the treeless land was dry and had hardly any crop, the grass was dry and brown and the weather was very hot. On entering the irrigation belt, however, it seemed to me like an entirely different world. The temperature dropped at least ten degrees. Trees and shrubs were in full foliage, and flowers were in bloom. Crops of peas and beans, corn and sugar-beets were in excellent condition.

One of the things that impressed me deeply, and a scene that I can still vividly recall, was a great field of flax in full bloom. This waving mass of purple was one of the most beautiful sights that I have ever seen. It is no wonder that the honourable senator from Medicine Hat (Hon. Mr. Gershaw) is so enthusiastic about irrigation.

I have enumerated some of the natural resources of Alberta, but the greatest natural resource of the province, as of Canada, is its people. Their energy, resourcefulness and courage are qualities that make me feel optimistic about the future of our country.

As far as the crucial international situation is concerned, I feel that we have excellent

men representing us at the United Nations. Canada has done her part well in the past, and we can depend upon it that this country will acquit herself equally well in the future.

After reading the Speech from the Throne and reviewing the history of this government under the able leadership of the present Prime Minister, the Right Honourable Louis Stephen St. Laurent, I feel that Canadians can look ahead with high confidence. Although we may not be able to find a perfect solution to all our problems, we can and will find a workable one.

Hon. Jean Marie Dessureault (*Translation*): Honourable senators, I take great pleasure in seconding the motion, so ably presented by the Senator from Bruce (Hon. Mr. Stambaugh).

I feel deeply the great honour bestowed upon me of seconding the Address in reply to the Speech from the Throne for which I thank the leader of this house most cordially. I am grateful to the leader of the government for the token of esteem which he has offered to me as well as to the county of Quebec East, which is proud of having numbered among its representatives the only two French-Canadian prime ministers, both of whom are among the most illustrious. This tribute is also meant for the city of Quebec, which I have the honour of representing in this chamber.

I would like to share in the tribute paid by the leader of the government, the leader of the opposition and by those of my colleagues who spoke before me, to the memory of Honourable Senator Ballantyne, who passed away during the adjournment since last session, and I wish to extend to the members of his family my deepest condolences.

As a representative in the Senate of the province of Quebec, I also wish to express my deep sympathy to the population of Three Rivers, especially to the families of the victims of the tragedy that happened yesterday, when the Duplessis bridge crumbled, plunging several families into mourning.

I also take pleasure in mentioning the recent appointment of three new senators from Newfoundland, and in congratulating them and welcoming the one of the three who is already among us (Hon. Mr. Pratt).

It seems fitting to point out that today, the 1st of February, is the 69th birthday of our most esteemed and distinguished Prime Minister, the Right Honourable Louis St. Laurent. I think I am expressing the feelings of every member of this house when I wish him a happy birthday and voice the hope that Providence may long keep him as active and as energetic as he is today, so that he may continue to lead the destinies of our country.

Without unduly praising the government and its leader, I believe that we have reason to be pleased and to thank Providence for having given us, to lead the destines of our country in these difficult and troubled times, such a worthy and able prime minister.

Mr. St. Laurent is regarded by his French-speaking and English-speaking fellow-citizens, not only as an ordinary politician, but as a great statesman, who is a credit to them in the national and international fields. His advice as chief of state is of inestimable value. I believe my colleagues share these feelings, and I am convinced that they reflect the views of the whole country. The great European newspapers have recognized our Prime Minister as an authority, and they have been unanimous in praising the various statements which he made during his recent stay in Europe. As usual, Mr. St. Laurent showed during the London and Paris conferences, that he possessed exceptional qualities of judgment and a deep knowledge of present-day problems. His services as mediator between the different members of the Commonwealth seem to have been highly appreciated. Among other comments, the *Figaro* of Paris had this to say on January 13 last:

> His influence as chairman of the Canadian delegation to the San Francisco conference, and later to the first and second sessions of the general assembly of the United Nations, helped to give his country a foremost place among the great powers. Mr. St. Laurent is not only "an eminent jurist and a highly esteemed politician," as the *Times* recently called him, he is a typical honest man in the fullest sense of the word.

In the light of such praise, honourable senators will agree, I believe, that we may well be proud of his able leadership.

Anyone who followed his work during the recent conference of the Prime Ministers of the Commonwealth, in London, and who accompanied him in thought to Paris, would be gratified at his wisdom and his leadership. For instance, we have noticed that other countries have also benefited from his sound counsel. Our Prime Minister has been identified with the wise steps taken by India in attempting to reach a reasonable settlement of the difficulties which are keeping the whole world in a state of anguish.

Canada is one of the first signatories of the Atlantic Pact to co-operate with the United States in the United Nations action in Korea.

The government has followed a sound and far-sighted policy, in keeping with the various racial elements of our population.

In this troubled world, Canada has become the inspiration of free nations and a ray of hope for all those who still have faith in freedom and democratic principles. Canada wishes to co-operate in upholding in the world an order based on justice and charity. Our country is taking her place among the great nations of the world, in order to accomplish the lofty purposes which Providence seems to have assigned to us.

Notwithstanding the complicated international situation and the difficulties of the moment, Canada is the envy of most of the other countries of the world. It is probably in this country that one may best live happily while enjoying the greatest measure of freedom. During the last decade, especially, Canada has become conscious of her true stature, which has been recognized by the whole world. She has reached a state of development and an era of prosperity second to none. She has acquired an enviable and foremost place among the nations of the world.

Maintenance of national unity is an arduous and highly important task, and I believe that it is the duty of each one of us who is fully conscious of his responsibilities to contribute to this task. All our provinces must work hand in hand in order to preserve national unity, which must be the cornerstone of all our efforts.

Both federal-provincial conferences, of September 25, in Quebec city, and of December 4, in Ottawa, have taken place in an atmosphere of calm co-operation and good will which has brought great comfort to our people. Substantial progress has been made in the sphere of federal-provincial relations. It is true that these conferences have not as yet completed their work, which is not surprising in view of the important and complicated problems involved; but the results attained so far are most gratifying and give rise to the hope that the delegates will eventually reach mutually satisfactory conclusions. The fact that the constitutional conference of last September was held in Quebec city gave the delegates an opportunity to enjoy the hospitality for which the province of Quebec is famous, and which moved them deeply.

(Text):

The Speech from the Throne emphasizes the seriousness of the world situation. The government's policy, together with that of our friends, is designed to prevent war. While our allies and ourselves are doing our utmost to bring a lasting peace to the world, we must nevertheless be prepared for any eventuality. For these reasons it seems to me only prudent that the government should have decided to introduce those measures which have been mentioned in the Speech from the Throne. The attempts of the United Nations to prevent aggression, to localize the conflict in Korea, and to bring about a peaceful settlement in the Far East, are well known. The government has played an important role in these activities. The invasion of Korea concerns the whole world, and is a test of strength between the Communists and the free world.

To assist under-developed areas, we are to be asked to make an appropriate contribution under the Colombo plan.

But not only in the Far East does there exist a threat to world peace. In Europe the Communists by their activities have left little doubt as to their real intentions to dominate both that area and the rest of the world. It is against this danger of Communist expansion and domination that member nations of the North Atlantic Treaty Organization are pressing on with their preparation for an integrated force to deter any such aggression. The appointment of General Eisenhower as its supreme commander is a most welcome decision. Having been supreme commander of the allied forces in Northwest Europe in the recent war, he is eminently qualified for the gigantic task of welding into an effective body the forces of the various member nations. The government has recommended to parliament that Canada should participate in this force.

Amongst other things, Canada is providing training facilities for the instruction of air crews of members of North Atlantic Treaty Organization. The experience we gained under the Commonwealth Air Training Plan during the last war will prove of valuable assistance in this new program.

We are today turning out Canuck and Sabre aircraft, two of the newest and best fighter planes in the world today. Naval supplies including ships and guns, and all kinds of military equipment, are to be produced. The government is creating a new department to deal with the various problems arising out of the increase in production for the needs, not only of Canada's armed forces, but also of those of our allies in the North Atlantic Treaty Organization.

My own province of Quebec will, I have no doubt, be playing an important role in this expansion of production for defence purposes. The rapid increase in industrial potential and capacity in the province of Quebec over the past few years has been highly remarkable. There have been new and large developments in the titanium mining and refining industry near Havre St. Pierre in the Saguenay district and at Sorel. There has been almost a three-hundred per cent increase in mineral production in Quebec over the past six years. New hydro-electric power, such as that from the Trenche development on the St. Maurice river, has added a total of over one-and-a-half million horse power to the province's output in the same period. The development of iron ore in the Ungava district has been very extensive, with an accompanying expansion in the production of steel. The twelve million dollar order for anti-aircraft guns, recently given by the United States Navy to a plant in Sorel, is indicative of this expansion.

It is such potential and development that will provide our part of the country with the opportunity to play an important part in Canada's contribution to the defence supplies for the North Atlantic Treaty Organization. I have not attempted to exhaust the list of ways in which my province contributes to the industrial potential of our country. I have only cited a very few examples. I have mentioned these only by way of indicating the capacity and the new developments in many fields in Quebec. I have not referred to the tremendous output of pulp and paper, of agricultural products, of base metals other than iron and titanium, of aluminum, of asbestos, or of tobacco.

In a world needing increased production to meet increased demands, in a world of uncertainty, where sufficient strength is necessary to deter aggression, Canada has the opportunity to take a vital part.

At the United Nations, Canada has been a leader in the efforts to arrange a cease-fire in Korea. Our Minister for External Affairs has contributed a great deal of sane and practical advice to the General Assembly at Lake Success. Not appeasement at any price, nor war at any price, but a satisfactory solution for a peaceful agreement has been the basis of our Canadian delegation's policy at the United Nations.

Such consideration as I have given to the economic health of our nation and the international state of unrest shows the need for our preparations for our own defence and security, and the need for the special powers mentioned in the Speech from the Throne.

The stresses and strains of the present require that every Canadian be prepared to give his contribution to the national cause and to the international cause of freedom and peace. The province from which I come is willing and able to play its part in this struggle for world peace and for the freedom and integrity of all citizens.

I am glad to see that the Citizenship Act will be amended to prevent the retention of Canadian Citizenship by those who have renounced their allegiance or shown that they are not loyal to our country.

I have referred, both in French and in English, to the subjects mentioned in the Speech from the Throne which to me appear most important; but the program refers to many other important questions for the security, progress and welfare of the Canadian people.

In conclusion, it is indeed a great honour for me to second the motion so aptly presented by the previous speaker, the honourable Senator from Bruce (Hon. Mr. Stambaugh).

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

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

The Senate adjourned until Monday, February 5, at 8 p.m.

THE SENATE

Monday, February 5, 1951

The Senate met at 8 p.m., the Acting Speaker (Hon. J. H. King) in the Chair.

Prayers and routine proceedings.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, February 1, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Stambaugh for an Address in reply thereto.

Hon. John T. Haig: Honourable senators, I am in a very fortunate position, for as none of my party colleagues are yet in the chamber, the party for the time being is unanimous in its approval of the words I am going to utter tonight.

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: There is not a single dissenter.

I first want to join with the mover (Hon. Mr. Stambaugh) and the seconder (Hon. Mr. Dessureault) of the Address in offering congratulations to the Governor General on the renewal of his term of office for another year. I am one of many who wish it had been renewed for another five years, for he has been a great credit to Canada and has given distinguished leadership in the difficult times through which we have been passing.

I wish to congratulate the mover and seconder of the Address. The mover is a comparatively new member of this house, and he acquitted himself well as a representative of the province of Alberta. I was unable to follow all that the seconder said while he was speaking, but I have since read a translation of his speech in Hansard, and he also made an excellent effort.

The usual practice in the debate on the Address is for the first opposition speaker to discuss the Speech from the Throne in some detail; but although many things worthy of discussion are mentioned in the Speech, I do not propose to follow that practice tonight.

The fact is that this session has been called to consider two matters, the first of which could be put under the heading of either international affairs or defence. Under present conditions those two headings are synonymous. The second question, which has not been dealt with as fully as it might have been, is the cost of living. I shall deal with these two problems to the best of my ability.

I should first like to say a word about the United Nations. I have said on previous occasions, and I repeat it now, that I am in favour of the continuation of the United Nations. I readily admit that that organization has made a great many mistakes. Time and again we have been concerned about its actions, and I have no doubt that a critic of that organization could find many mistakes to complain about. But I say most emphatically that until someone suggests a better method for the settlement of the differences of the nations of the world, I know of no other way than that of meeting around the table in the United Nations organization.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: In my professional experience, and in life generally, I have found that the differences between men and women can best be settled by meeting around the table. The differences never seem so great when both sides are present. Like some other honourable senators, I have had the honour of attending the United Nations organization as a Canadian representative, and while I was disappointed and at times angry about its operations, when I thought about the matter afterwards I wondered what I could have suggested that would have been any better.

I turn next to the matter of the agreement among the twelve Atlantic nations, called the Atlantic Treaty. While I will touch only briefly on this subject, I wish to say that our government, along with other governments, is entitled to a good deal of credit for the organization of this body. In my general discussion of international affairs honourable senators may conclude that I am in doubt as to whether it will succeed. True, I have my doubts, and only the future will show; but the Atlantic Treaty gives us a chance to get the viewpoint of other countries, and this may be very important to us.

Before launching into my main topic I should like to touch on the question of the Canada Wheat Board. As the five-year pool has ended, this matter becomes most important to the three prairie provinces. During the five-year period there was handled approximately 1 billion 400 million bushels of wheat. I have no inside information, but my estimate, based on reports of the audit to the end of April last year, is that the balance of proceeds available for distribution amounts to five or six cents per bushel. If anybody wants to read the details—I do not know why he should—he can obtain in *Hansard* of June 12, 1950, the figures from the annual reports of the Canadian Wheat Board, which take into account the world price of wheat.

Some people say there is no world price. There has always been a world price; it is recognized in the international agreement. For the information of those who do not live on the prairies, or in British Columbia, where people understand the wheat problem, I may mention that the world production of wheat is about six billion bushels a year. Of that amount approximately 600 million bushels are sold on the world market. It does not take much of a crop failure to wipe out 600 million bushels, and because of fluctuations in production the price of wheat has always been difficult to determine in advance. For example, in Manitoba, Saskatchewan and Alberta, through the frost which occurred on August 23 last year, the crop was reduced by at least 100 million bushels. I do not need to point out that such conditions cannot be foreseen. It is estimated that the Canadian farmers lost about $600 million because they were required to sell to Britain, under the wheat agreement, and also to the Canadian people, grain which would otherwise have commanded the world market price. Some may say that that is all water under the bridge, and that because of controls those engaged in other industries also had to accept reduced prices. However that may be, had our farmers sold their grain on the world's markets they would have received in the course of four years a little over $400 million more than they actually got. I do not base that figure on the world price, but on the price at which the pool itself sold its surplus wheat. Nor do I calculate this on the basis of the daily price, which is higher than the pool figure: I do not think it would be fair to do so.

Rightly or wrongly—I think, rightly; others may say, wrongly—the farmers of the prairie provinces believe they are entitled to some compensation from the people of Canada because the government, through an agreement made with another government, prevented them from selling their produce directly. I admit that in doing this the government accepted the advice of the wheat pools. I admit that in this matter the wheat pools of Manitoba, Saskatchewan and Alberta were wrong—absolutely wrong. Nevertheless the government of the day are responsible. They made the contract, they put the legislation through. To compensate the farmers of Western Canada to the extent of 25 cents a bushel would give them $280 million towards the $400 million that they lost under the British wheat agreement and also the $200 million of which they were deprived on domestic sales. At the price fixed under the British agreement, wheat was sold domestically at $1.55 a bushel, the government providing half of this amount by way of bonus. In my opinion the only fitting way to wind up this business is for the board, with the support of the Parliament of Canada, to pay 25 cents a bushel to the farmers as compensation for what they lost on the deal.

Hon. Mr. Burchill: Would the honourable senator be willing to give lumbermen the same consideration?

Hon. Mr. Haig: But we did not sell the lumber. We did not take the lumber away from you. All the farmers sought was to be allowed to sell their grain as you sold your lumber.

Hon. Mr. Burchill: Our lumber was under government control.

Hon. Mr. Haig: No.

Hon. Mr. Burchill: Yes, absolutely.

Hon. Mr. Haig: Under domestic control, but not foreign control.

Hon. Mr. Burchill: Export control.

Hon. Mr. Haig: You could sell as much lumber as you liked. In any event, it was not so much the control of grain that was so bad; it was the prohibition of sale.

I come now to two items about which I specially wish to speak. First I want to say a few words about the cost of living, which is a very troublesome subject. Following the practice of the department, which takes 100 per cent as the cost of living index for the years 1935 to 1939 inclusive, I find that at the end of December of 1950 the index was 172.5 and I have little doubt that by the end of January it had risen still further. No one knows how much it went up, but the reports for January indicate that the wholesale prices of commodities increased very substantially.

I notice that four of the Canadian labour unions have requested that prices be placed under control. Now, to my knowledge price controls have never been imposed without controls being placed on wages. I do not see how it is possible to control prices without controlling wages. Labour men will tell you that their prices are controlled, but that is certainly not the case. For instance, if certain workers go on strike, you eventually have to give in to them or close up your shop. There is no control of prices there. In the United States prices have been placed under controls, but controls have also been imposed on wages. The point is that no matter what commodity you produce, labour enters into the cost. I would gather from what I have read that 75 per cent of the cost of everything manufactured in this country is attributable to labour costs in one form or another. In my opinion no man in his right senses would even suggest to any government

that labour is justified in asking that prices be controlled when wages remain free from control. I have no doubt that our government will not for one moment even think of adopting a policy of price control unless at the same time it imposes a control on all wages. Of course, it is a difficult matter to control wages. Whereas in 1939 we had a surplus of labour in Canada, we now face a labour shortage and are talking about bringing in Europeans to fill our job vacancies.

Another thing that affects the cost of living is rents. A good many people claim that because the government controlled rents, it therefore kept down that particular item of the cost of living. But is that the fact? A house which was built in 1941 would be under rental control now; but a house built after January 1 of 1948, I think, or January 1949 is not under control for rental purposes. What made the cost of building rise? A house that in 1941 cost $5,000, today costs $10,000, and even at this inflated price it is grabbed up as soon as it is built. What is in the $10,000 house that was not in the $5,000 house? Nothing except occupation. The cost of labour and material has increased, but the fact is—as I have said before, and I say it again—that there was no inducement for anybody to build a house for rental purposes so long as rent control remained. The result has been that for a period of approximately ten years there has been practically no home building in Canada for rental purposes, and now it is claimed that rent control will be removed. But here is a point about rent control on which nobody has ever answered me. If the government got as a tax the surplus rent that the tenant ought to have paid, there might be some reason for the control. But just consider what happens if I let a house at $45 for which I should have got $100, I lose $55 every month. Who gets that? Not the government. No. One individual alone gets that benefit, and he pays no tax of any kind upon it. Can that be justified? In effect that is a secret tax put on by the government to benefit the individual who happens to be renting a house at less rent than he should be paying. That is something which cannot be justified in any way at all. A tax, to be fair, must be imposed on all under the same conditions.

I know it is not popular to advocate lifting the control on rent. I am aware that there are one hundred tenant-voters to every owner-voter; but a consideration of that kind should not affect government policy in a democratic country. The government ought to say, quite candidly, "We are going to allow rents to rise to whatever level people are willing to pay, but we will take as a tax everything over what the rent would be if fixed on the 1941 level." That is what the government ought to have done, and what it could have done without any difficulty at all, and then some individuals would not have been receiving benefit at the expense of others.

My honourable friend from Rosetown (Hon. Mr. Aseltine) having come into the chamber, I no longer have my party's unanimous approval of what I am saying.

Some Hon. Members: Oh, oh!

Hon. Mr. Haig: The situation arising from rent control is one of the factors in the high cost of living. In every big centre across the country—in Montreal, Toronto, Hamilton, Winnipeg, Vancouver and so on—the cost of building has gone so high that many people who otherwise would be building houses for rent can no longer afford to do so. What is going to happen? Fortunately the Finance Minister of this country has had the judgment to say that after the 30th of April rent control will be lifted. I understand that the provinces of Quebec and Ontario are at once going to put their own systems of rent control into effect. Well, thank goodness that in Manitoba we have not got people who will do that kind of thing.

Let me refer to another factor in the high cost of living. At the recent conferences of the dominion and the provinces the question of old age pensions came up, and the federal government said it would pay all pensions of people of seventy years and over without requiring any contribution by the provinces. That is in accordance with the recommendation of the committee which studied the question. The federal government also said, as I read it that it would pay half of the pension for people from sixty-five to sixty-nine years of age, provided that they were subjected to a means test and that the provinces paid the other half. Then the provinces raised the question, "Where shall we get the money?" And somebody—some bright boy from each of the provinces of New Brunswick, Quebec and Saskatchewan—suggested that there should be a 3 per cent sales tax.

Hon. Mr. Bouffard: In Quebec we already have a 5 per cent tax.

Hon. Mr. Haig: I did not know it was as bad as that. That is a big factor in causing the cost of living to go up. And that kind of tax is particularly bad because it hits the people who are least able to pay it.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Haig: A man with a large family has to pay proportionately more than the one with a small family. Mrs. Haig and I have

no children at home—we used to have some, but they have all gone—and neither of us buys many new clothes, for we make the old ones do, so we would not be seriously affected by a tax of that kind. But what about a neighbour with say, six children? The cost of everything he buys for his children goes up by 3 per cent. There is one good thing that can be said about the Dominion Government's sales tax: the amount of it is stated on the bill that you pay. If your bill for goods is $100, you see plainly stated that in addition there is a sales tax of $8.

Hon. Mr. Bouffard: It has to be shown on the bills in Quebec too.

Hon. Mr. Haig: Then that is a point to the credit of Quebec. But ordinarily these provincial sales taxes are hidden from the people who pay them. Why should the governments of New Brunswick, Quebec, Saskatchewan and British Columbia desire to impose sales taxes? Either they are not spending their money wisely or they are giving too many services. The people of my province are seriously debating whether they would even agree to a sales tax. I hope they do not. I can find no newspaper which has given editorial support to such a tax. I think I speak for many members of this house when I say that it is something we should guard against. The Fathers of Confederation were wrong about many things, but I believe they were right in deciding that the provinces should impose only direct taxes. That seeems to me a wholesome restriction, for it is designed to make sure that the people know where their government gets the money it spends, and which otherwise they are apt to think comes out of the sky.

The honourable member from Vancouver South (Hon. Mr. Farris) may say to me, "What is your remedy?" He is very clever at asking that kind of question. I do not blame him, for if I were sitting where he is I probably should ask the same question. Whether or not he would give the same answer that I do, I am unable to say, but I will suggest oné or two things that can be done to help improve the situation. No doubt others will be able to make additional suggestions.

We have not seen this year's estimates yet, but we know what large sums were spent by the federal, provincial and municipal governments last year. I am persuaded that the dominion and practically all of the provinces, including my own, and most of the municipalities, if not all, can cut down many of their expenditures. I say that, honourable members, because these are not ordinary times. Why are we here at this moment? We are here because we know in our hearts that we are passing through one of the most difficult periods in the world's history. I may be reminded that the world went through troublous times in the Napoleonic era and when Alexander the Great was pursuing his conquests. I may be asked if there was not a time when the Tartars marched across Europe. Did we not engage in a great struggle to defeat the Kaiser in World War I, and another great struggle to defeat Hitler in World War II? Yes, but I say the present is the darkest period in world history. I have two reasons for this.

In the first place, we are now facing a country of vast manpower that can ultimately be armed with the most modern weapons. Just think of some of the reports that have come out of Korea. One report—and I have no reason to doubt its accuracy—stated that before the Chinese took Seoul they deliberately sent their soldiers out to march over the mines that had been laid to protect the city, and troops kept coming on until all the mines were exploded and the army could then advance in safety. Apparently human life means nothing at all to them.

In times such as these it is our duty to urge governments to cut down expenditures to the very minimum, to save every possible cent—not only at Ottawa, but at Winnipeg, Quebec, Toronto, Fredericton, Halifax, St. John's and every other provincial capital—in order that we may make our maximum contribution to the public welfare.

Now I come to my second reason. The Governor of the Bank of Canada was reported to have said in a speech at Toronto—and I am surprised that a man of his ability should say such a thing—that taxes should be levied as a means of taking money away from the people. My opinion is that if there is to be a further tax levied it should take the form of a savings tax. That is to say, the money taken away from the people today will be given back to them at some future date. I believe that is one of the best ways of reducing buying power. Experience has shown that when the government announces heavier taxes the people decide to spend their money before it is taken from them. But if they could expect that in ten or twenty years —at the end of the struggle, whenever that may be—they would have their money returned to them they would show more co-operation. In my opinion that is the best way to draw off surplus earnings.

I was pleased that the government last September made a move to curtail credit buying. While some deserving persons will be prevented from getting credit, there are many to whom we must bring home the need

for the curtailment of spending. In my opinion the action could have been more drastic.

I come next to the question of production. Many people have advocated the levying of taxes in such a way as not to interfere with maximum production, and the giving of compensation for maximum and not minimum production. Let me illustrate. A man earning $20 a day should be encouraged to work harder, and earn $30 a day. The difficulty today is that the average man does not wish to earn more money on which he will have to pay a higher tax. Obviously, labour is not as productive today as it once was; and we ourselves are not as productive as we were. For myself, when I know that of every dollar I earn fifty cents is going to be taken by the government, I see no reason why, when my income has reached a certain point, I should not go to Bermuda for two months. Something should be done to remove such an attitude of mind on the part of the people.

I believe that the high cost of living is the cruelest thing we have to face today. It matters not how economical we are—and it is for the most part the women in the home who do the saving—the cost of living is so high that all savings are swept away. People on fixed incomes, for instance, those who carry a few life insurance policies or who have kept their bonds, are poorer today than they ever were. Although the cost of living index is said to be 172·5, it is actually much higher than that. By reason of this condition many people are facing stern privation, and I do not blame labourers, or teachers, or artisans for demanding more pay to meet the increasing costs. Parliament must look most seriously into this problem.

The last point to which I wish to refer is international affairs, or, if you will, defence. I have some knowledge about the First World War, but know very little about the events which led up to it; I was a member of this chamber in 1939, and saw the war clouds gathering over Europe; but this is the first time I have had an opportunity to view world affairs in a broad sense. Today we are faced with the threat of a war of ideologies. The nations who believe in God are opposed by a purely materialistic nation which believes that might is right. Some of the followers of Hitler in World War II may have had that ideology, but it did not appeal to a whole nation, as it does today.

I have never been able to understand why communism has an attraction for some people who enjoy the freedom of democracy. It is beyond my comprehension why some people in the city of Winnipeg should vote for a communist as a school trustee, and as alderman. Why some people in the province of Manitoba would vote for a communist candidate for the legislature, I do not know. I have in mind a certain man in Toronto; I knew his father and his uncle before him; whose belief that communism would help Canadians is something I completely fail to understand.

We have never before faced a dictator with the political power and modern weapons which Stalin has. The Russians at one time were supporters of Karl Marx, but they have long since left Marxism behind. That country today is beyond any doubt a dictatorship of power.

I can appreciate why a man in this country might want to belong to a labour union and go out to fight for its policies. In this connection I should like to repeat what I said on a previous occasion about an experience I had some years ago. In 1914 I ran for office in a district which was almost completely labour. I used to start about 4.30 in the afternoon to canvass the people in that area. One afternoon I called at a home where the father of the family, a labour man, worked in the Canadian Pacific Railway car shops, I believe it was. As he returned home his children ran to meet him in the same way as my children ran to greet me, and I was struck with the thought that he must have the same feelings that I have, and that he is entitled to the same consideration that I am. I never forgot the lesson which that experience taught me. Though the attitude of some men may appear to me to be wrong, I do not quarrel with them for joining a union and supporting its policies. But to return to a thought I expressed earlier. To me it is incomprehensible that any person in this country—or for that matter in the United States, Great Britain or France—should advocate communistic ideologies. But, as the investigation which took place in Ottawa showed, there are people in Canada who do such things.

There was a time when international affairs, or questions arising between our government and the representatives of such countries as China and Japan could be discussed in an objective way. But today international affairs mean defence. We can no longer separate the two. Canada is a small country with a scattered population and great natural resources. I do not need to enlarge on that first proposition. Canada has 14,000,000 people; the United States, 150 million; Britain, I suppose, about 45 million; Russia, 180 million. Were all our people located in Ontario and Quebec, their numbers would be quite impressive, but they are scat-

tered over a territory about 4,000 miles wide. No matter how much we may prefer to fight our battles in Europe—and I hope they will never have to be fought in Canada—we must keep a certain number of men in our own country if we are to carry on at all. So in our international relations regard must be had to that fundamental consideration.

In the second place, Canadians always think on these matters in terms of Europe, looking to Britain and France as our mother countries, but at the same time recognizing that we are as American as the Americans. To a large extent our affections incline towards Britain and France; but our business instincts are wholly American. I believe that that statement is as true of our people in Ontario, or Quebec, or the Maritimes as of those in the Western provinces. However that may be, in this struggle we as Canadians will put the needs of Europe in the forefront. I am not so critical of the present government and the extent of its efforts in Korea as I would have been had those efforts been made in Europe. But I repeat also that we are as American as the Americans, and when we criticize something the Americans have done, we should remember that we are in effect criticizing ourselves, since our reactions are very much the same as theirs.

In the third place, I would say that the future of the world will depend mainly on the efforts and the success of the United States. While we note her mistakes and shortcomings, let us never forget that the United States believes, what we believe in—freedom, and the supreme importance of the individual.

These are three of the propositions I have set down on the subject of international affairs. I notice that in another place an amendment has been moved in criticism of our government for having voted for the United Nations resolution to declare China an aggressor. I want to say that on this question, as far as I am concerned—and I hope I speak in this matter for the whole Conservative party, not only in this house but outside as well—we are one hundred per cent behind the government.

Some Hon. Senators: Hear, hear,

Hon. Mr. Haig: If we denounce aggression when it is pursued by some small state, and ignore it when the offender is one of the great nations, there is something wrong with our mentality.

My fourth proposition is that the world struggle with communism will be fought out in Europe; and in the supreme task of saving the world from the kind of slavery which Russia is practising, we must stand four-square with the people of the United States.

Perhaps, although it is contrary to good manners to do it in a debate of this kind, I may be permitted a personal reference, because this is a subject which deeply moves me. I think that our country stands at the cross-roads, confronting a great evil. I do not want to alarm anybody, but I hope all Canadians will realize that if the world is to be saved for freedom, and all that it means to the individual to live in a free country, we shall have to make a supreme effort. My readiness to support Europe may be partly due to the fact that three of my grandparents came from Scotland and one from Ireland; that my wife is of Scottish birth, and that one of her grandmothers came from France. So our roots in these old countries are deep, but not so deep as they are in Canada. Canadian boys went with credit through the last struggle, and we believe that if those of the present generation are called upon to face another conflict, they will give just as good an account of themselves as the generation which served from 1914 to 1918, and their successors who served from 1939 to 1945. Speaking for my party in this house, and for myself, I say that we will do everything we can to assist the government to make the best possible effort. We shall indulge in no carping criticism. We shall support them wholeheartedly. If the government make mistakes we shall feel free to point out those mistakes, but we shall do so as friends, in a spirit of good will.

I ask all honourable senators to show the same attitude to the people of the United States. Speaking personally, I want the American people to feel that we Canadians are behind them to the utmost. They may make mistakes; it may be—I have no doubt about it—that the British are more experienced in diplomacy, and that the French might have done better in that respect. Yet the Prime Minister of Great Britain and the Prime Minister of France, after their visits to Washington, have told the world that the United States are ready to give them full support. I believe that we Canadians are regarded, particularly by the people of Britain and France, as best fitted to act in the role of interpreter and to advise them as to their attitude towards the United States. And if we want the cause of freedom to win in the world, we have got to stand shoulder to shoulder, not only with Britain and France, but with every other free nation, and do our best to drive back the invader if he should attempt aggression.

Some Hon. Senators: Hear, hear.

Hon. Wishart McL. Robertson: Honourable senators, I heartily echo the compliments and the kindly references to the virtues of the mover and the seconder. Of

course every province in Canada is important in its own right as respects its wealth and resources and the achievements of its people; but at the moment there is something particularly fascinating about the provinces to which the mover and the seconder respectively belong, namely Alberta and Quebec, by reason of the glamour of the tremendous resources which have more recently come to light and which create so bright a prospect for their future. The honourable senator from Bruce (Hon. Mr. Stambaugh) and the honourable senator from Stadacona (Hon. Mr. Dessureault) are eminently equipped to refresh our memories and renew our inspiration by telling us of the tremendous part which their provinces, in common with the others, will play in the future of this country if, by God's grace, the terrors and dangers which our civilization is facing assume in time less hazardous and threatening proportions.

I listened with a great deal of interest to the speech just made by the honourable leader opposite (Hon. Mr. Haig), and I must compliment him on it. I do not see the logic of his argument about wheat payments, but I must say that he has been a consistent champion of his cause down through the years. I think the honourable senator from Northumberland (Hon. Mr. Burchill) was right when he said that practically all those engaged in the export business suffered in the same way, although perhaps not to the same extent. It was one of the characteristics of the times through which we passed, and indeed it may again be characteristic of the times we are facing.

There is very little I can criticize in my friend's remarks about the cost of living. I think it was the Prime Minister who pointed out in the debate on the Address that the government contemplates asking for the power necessary to enable it to introduce a system of price controls, if it feels that such controls would serve a useful purpose. Many of those who have a fresh memory of the situation which existed during the last war are more or less convinced that however necessary price controls may be as a temporary measure, they will not really solve anything and merely delay the inevitable result of a conflict between an increasing purchasing power and a diminishing supply of goods. The government of that great country to the south, with whom our trade is so bound up, have seen fit to impose a drastic control of prices because of the alarming way in which the price level was rising in that country. Their action will affect our economy for a time at least.

In thinking about this the other day I realized just how vulnerable we are in the matter of prices. The step taken by the United States government will certainly affect a whole range of manufactured goods —automobiles, electrical appliances and so forth—in this country. Goods which are frozen at $1 in the United States will almost automatically be frozen at $1.25 in Canada. That is the situation we face, but I am afraid we do not fully realize it. Whatever temporary measures may be adopted, I suppose the one reason for the rising price index is lack of competition. Practically speaking there has not been any competition in the manufacturing field since the early part of the last war. People have been too busy producing to compete—I am speaking generally now—and as far as I can see this situation will continue for an indeterminate period. Since we are all in the same boat, it seems to me that it would be the part of wisdom if the various countries which have a common interest were to get together and effect, even on a temporary basis, an exchange of goods and services without having prices automatically raised. Prices are already at such a high level that they could seriously affect our whole economy. The old argument that you impose high tariffs in order to keep out goods and maintain employment has gone by the board, and it will be a long time before there is any change in that respect. As I have said, I think it would be wise for those countries which are bound together to integrate their manpower and productive capacity, as well as their military strength, in order to solve this problem in the only possible way—through competition and the manufacturing of sufficient goods to meet the demand. However, this is not as easy to work out as it may at first appear.

I agree with the honourable leader opposite that important though the subjects introduced by the Speech from the Throne are, they dwindle into insignificance when compared with the general international situation, and I am going to follow my honourable friend in saying a word about this matter.

The international situation overshadows everything in importance and seriousness. There has been much evidence recently that our way of life is in very grave danger. Twice before it was seriously threatened; twice we survived. It may be more difficult for us the next time, since, while we will be better prepared, the nature of the weapons of offence and defence that will be at the disposal of the contestants is such that we shudder to think of the hollowness of the victory that would be ours. "Total war is tragedy" said General Eisenhower recently.

"It would probably be the suicide of our civilization." Our best hope at the moment is that—as the responsible authorities feel—the size of our preparations may well deter aggressors for years to come. General Eisenhower recently spoke of the possibility that our efforts to deter war might well last for from twenty-five to thirty years. Then behind our ramparts we can strengthen ourselves morally and economically, help to remove the causes of war by assisting those less fortunate, confident that in due course the ability of the aggressors to make war will wane, and that a new era of peace and prosperity will dawn over a troubled world.

There can be no doubt that the fate of the free world rests largely on the leadership of the countries of the North Atlantic Pact. If they can unite successfully, and stay united with one common purpose and aim throughout the long years that lie ahead, our way of life will survive; if not, the prospect is dark indeed. It was in this spirit and with this idea that we entered into the North Atlantic Pact. The fact remains, however, that there are those on this continent who think otherwise. They would have us, in effect, tear up the North Atlantic Treaty; they would leave Western Europe to its fate; they would have us retire to this continent, confident that here we could enjoy safety, peace and prosperity, indifferent to the fate of mankind elsewhere. For my part, I am firmly opposed to their proposals. Like my honourable friend opposite (Hon. Mr. Haig), I stand four-square behind the North Atlantic Treaty, and I shall do everything in my power to make it a success. I range myself squarely behind General Eisenhower, who was quoted as having said recently: "There is no acceptable alternative, because standing alone and isolated in a world otherwise completely dominated by communism, our system would have to wither away. We would suffer economic atrophy and then finally collapse."

Difficult as the task is, energetic action in building defences in Western Europe has, it seems to me, an excellent chance of succeeding in deterring aggression for some time at least. We know nothing, of course, of the real plans of communist imperialism. I am prepared to believe that the communists are anxious to accomplish the downfall of the Western world. I can well believe that as a first step they would like to bring all Western Europe under their domination and control. The reserves of manpower, the natural resources and the productive facilities which would thereby be added to their own would completely change the balance of power. If the prospects were that this could be done immediately by armed aggression with little organized resistance, they might well attempt it at an early date. On the other hand, if they felt they could only win this area after fighting a well organized defence force, it seems to me they would think twice before undertaking it, for even if they overran Western Europe, they would find nothing but a shambles. They are more likely to try other tactics. Their chances of gaining control of it intact without firing a shot are infinitely better.

This, then, is the situation. The United States and we are bound legally—or, should I say, by treaty—as well as morally and by the dictates of common-sense with our partners in Western Europe for our common-self preservation. This is, in effect, union of the new world with the old, and it is not in the interest of Western Europe any more than of ourselves. One half of the union—our half, Canada and the United States—is relatively safe from attack for some time to come. The Western European half is in more immediate danger; but even there, for the reasons I just gave, there may be a considerable respite. Wars and rumours of wars may exist elsewhere, and they are serious, but here the real issue will be joined. If we succeed here, mankind will survive. If we fail, darkness will settle over the earth.

We all should resolve to dedicate our energies, intelligence, patience and good will to the common cause. And, honourable senators, there will be ample opportunities for their use. The problems and difficulties are great, but they can be surmounted. We expect our governments to give definite leadership from time to time, but in democracies that fact does not absolve others, particularly members of parliament from responsibility. A problem of such seriousness and importance as this should have, I believe, our most careful consideration in order that we can contribute as much as possible. First we should take careful note of what we have to work with, appreciate the problems that have to be surmounted, face squarely up to them and, as occasion demands, assist as best we can in solving them.

Now briefly, what have we to work with? Our union—I am using that term at the moment because there is a union of interests—consists of two countries on this continent with a combined population of 165 million, and ten in Western Europe with a combined population of 172 million, a total of 337 million. The national income of the two countries on this continent in 1949 was over $234 billion, and that of the ten countries in Western Europe about $73 billion, a total of over $300 billion. As far as armed manpower is concerned, present plans contemplate that by the end of 1951 the total of men under arms in our half of this union will be not less than 3,500,000 and in the

European half something over 2,500,000 or a grand total of well in excess of six million. Out of this pool present plans envisage the creation of an integrated force under the command of General Eisenhower, to be stationed in Western Europe, and to comprise approximately 750,000 men. Supporting this huge armed strength is a wealth of natural resources, productive capacities and scientific skill. Though the area to be defended is huge, the size of these armed forces, if well organized and trained, united and skilfully led, would nevertheless seem to provide an effective defence against any possible combination of enemies.

How to unite these forces is another question. And, honourable senators, make no mistake about it, it is a problem. Though we on this continent have much in common with our Western European partners culturally, a combination of circumstances has created a wide economic gulf which will be difficult to bridge. Most of us have participated in two world wars, but we on this continent have felt their impact to a far lesser extent than have the people of Western Europe. The per capita income in the United States and Canada is probably three or four times as great as that on the continent of Europe. So the problem of integration will present numerous difficulties. The problem of integrating the armed forces will itself be very difficult, involving as it will questions of different rates of pay, dependents' allowances and living conditions. In addition, there is the ever-present problem arising from the fact that each individual country, while bound under the treaty, has the right to determine the extent of the assistance which it will give.

While the prospect of armed forces in excess of six million men is a comforting one from the viewpoint of defence, the cold fact is that it will be a very expensive necessity. The cost of maintenance and of equipment has reached staggering proportions, and on the present basis will be a continuing one indefinitely. However in one way or another it must be paid for, and, in addition, from the collective resources there must be provided very material assistance to the peoples of countries less fortunate than we are, lest they permanently align themselves with communism. For it must be remembered, honourable senators, that if concurrently with the other efforts that I have mentioned a satisfactory standard of living is not maintained for the peoples of our respective countries, there would inevitably be much social unrest which would seriously handicap our common cause.

Assuming again that armed forces are created and maintained in being, there comes also the question of direction and control. In recent days we have had one example of the inherent dangers of conflicting foreign policies among allies. In the negotiations at Lake Success we seemed for a few days to be on the edge of a precipice, and the end is not yet. What arrangements can be worked out in order that the foreign policies of the respective countries which comprise the North Atlantic Pact can be integrated so as to prevent a recurrence of that recent experience will be of the utmost importance. One such experience in a lifetime is enough. Although we are hopeful that the process of integrating the conflicting interests of the twelve members of the North Atlantic Pact will be in due course accomplished, there arises also the problem of enlisting on our side countries in the peculiar position of Western Germany. The problem of whether in the years that lie ahead she will align herself with the western world or with the group led by the Soviet Union, will be a difficult one to solve; but there is little doubt about the desirability of having her with us rather than against us.

The question of inflation remains a problem which will be common to all members of the pact. Quite possibly it will exist in its most acute form in the western European part of the union, but it will also be a severe problem in the United States and Canada. By reason of the assistance extended through the Marshall Plan, combined with her own efforts, Western Europe has accomplished a very satisfactory degree of recovery from the effects of war; however, her standards of living are well below ours, and she will have to face further belt-tightening in order to provide the wherewithal in goods and finances to carry her additional defence efforts.

The joint plans seem to contemplate that this continent, by reason of the great extent of our productive facilities, and the fact that such facilities are relatively safe from bombing attacks, will be called upon to provide a very large proportion of the munitions of war. For us this will mean shortages of consumer and capital goods for civilian purposes. Running concurrently with the need for production of goods for defence will be a continued demand for such items as housing and various types of new construction. If the productive effort of the various countries could be co-ordinated, it would not be unreasonable to suggest that at least during the periods of shortages there might be a much freer exchange of goods and services than exists at the moment. If, while we are supplying Western Europe with arms, that country could supply us with some badly

needed civilian goods, it might be mutually advantageous. The trading of guns for bathtubs might be worth considering.

The eminent British historian, Dr. Arnold Toynbee, recently delivered a series of lectures at Stanford University, in California. His remarks, which have occasioned widespread interest in the United States, have such a direct bearing on the problems which we face that I should like to place on the record, for the information of honourable senators who may not have read them, some extracts of what he said.

Dr. Toynbee offered two challenging ideas with respect to the situation which the free world faces today. He said:

> We shall have to become supra-nationally minded instead of national minded. We shall have to become religious minded again instead of being nonreligious minded.

He was convinced that a tremendous struggle for the minds of men was developing between two great schools of thought, and he believed that with the advent of the airplane and the splitting of the atom, crystallization around one world centre was inevitable. He continued:

> I think there are two open questions which are not only important, but really decisive for the future of the western world and the whole human race. Around which of the two possible alternative centres will this decisive superiority of power form itself? Will it be around the Soviet Union? Or will it be around the United States? And then, of course, is the second open question: Will the formation of one irresistible political centre of power be accomplished with or without a third world war? That's quite a grave question for people who are on the edge of the western world.

Of great significance to him was the approaching formation of an Atlantic Union army, with General Dwight D. Eisenhower as head. He remarked:

> That commander will be commanding, I suppose, the first common army that our western community has had since the last of the crusades. And, of course, in its present technological and social conditions a common army implies, I suppose . . . a whole echelon of common institutions, one behind the other supporting it—common weapons behind the united troops; common factories behind the weapons; common supplies behind the factories; common finance behind the supplies, and as you can't go very far in common finance without some form of common government, we come very near to seeing something like common government behind the common finance.

Dr. Toynbee seemed to believe that in the rallying of the countries of the western world some new constitutional instrument would have to be forged in order to make their defence efforts successful. He added:

> Let us give nationality in our western world scope in all linguistic, cultural, educational lines, in sports, but don't let's—because we can't afford this in face of our present Russian adversary—do not let us leave any edged tools in the hands of these factions in the western world, let us place edged tools under the control of a central western power, crystallized around a North America of such irresistible strength that neither Russia nor anybody else outside can afford to challenge it.

Convinced that the present situation required new co-operation, Dr. Toynbee concluded with these words:

> Let us take the moderate, statesmanlike . . . way, but in taking it let us not shirk the problem of providing not merely a common western army, but a common democratic form of self-government for our threatened and precious common western world.

As I read the remarks of this eminent man I thought of the resolution moved last session by the honourable senator from Waterloo (Hon. Mr. Euler), which was debated so eloquently and convincingly by honourable members of this house. On a recent trip to Washington I had the pleasure of meeting members of the United States Senate and of the House of Representatives, and to learn of their intense interest in the reasons that prompted the honourable senator to move his resolution. When I read the thoughts of some of the greatest thinkers in the world today, I am proud of the leadership the Senate of Canada has given in this field. This house planted a germ of thought which has had a profound effect on public thinking far beyond our boundaries.

While there are many other problems of foreign relations to be considered, I believe that our efforts to co-ordinate the defences of democratic countries in these trying times will be a challenge to the best thinkers and the finest statesmen the western world can produce.

Hon. Mr. McDonald: I move the adjournment of the debate.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, February 6, 1951

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King) in the Chair.

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Mr. Haig presented Bill B, an Act to incorporate the Hutterian Brethren Church.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Lambert presented Bill C, an Act to amend the United Church of Canada Act.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Aseltine presented Bill D, an Act to incorporate the Evangelical Lutheran Church of Canada.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Turgeon (for Hon. Mr. King), presented Bill E, an Act respecting the British Columbia Telephone Company.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Bouffard presented Bill F, an Act to incorporate Trans-Canada Pipe Lines Limited.

The bill was read the first time.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. J. A. McDonald: Honourable senators, in the first place I would like to join with the two leaders in their complimentary remarks about the speeches made by the mover and the seconder of the Address in reply to the Speech from the Throne. We enjoyed a treat last evening: we expected good speeches from the honourable leaders, but I believe they excelled themselves. There was much in their speeches to invite our best thought, and I only wish that I could keep the debate on as high a plane.

Honourable senators, with your indulgence, before I proceed with the two major parts of my subject today, I am going to refer to the motion of which notice was recently given by our honourable leader. If this motion is favourably considerered by honourable senators, it will give us an opportunity to inquire into and report upon whatever action in our opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people. As one humble member, I shall be pleased to support this motion, hoping that a thorough study of the organization and reponsibilities of the Senate will result in recommendations which, if accepted, will have the effect of making the Senate even more useful than it has been.

Among the questions which I think should be studied are these. First, could changes be made in the method of appointing at least a portion of the senators which would make this a more democratic body? Second, should there be any age limit for senators? It is necessary, of course, if the Senate is to render the greatest possible service, that it have the most generous co-operation of the governments. It is encouraging to know that we have this co-operation now because, as the government leader said a few days ago, at the last session of parliament, all bills not dealing with money matters, with one exception, were introduced in this house. Our nation has undergone great changes since confederation, and it may be that a study will show how we can better accomplish those things for which the Senate was established, including the protection of minorities. If there are changes that can be made to enlarge the sphere of usefulness of the Senate, I believe that they should be suggested by the Senate itself, and with this I should think the government would agree.

The United Nations Assembly and its important committees have done good work and have made much progress during 1950. An important step was taken by the Assembly when the representatives of the nations of free peoples voted to deal in the Assembly with further possible aggression by the communists, should desired action be vetoed in the Security Council.

We would be remiss if we did not at this time express the appreciation which we feel for the valiant and the self-sacrificing services of the United Nations soldiers in Korea. I am certain that I am expressing the sentiments of all honourable senators when I say

that we desire to extend our sincere sympathy to all who have suffered the loss of loved ones in this unfortunate struggle.

May I congratulate the members of our own parliament who were delegates to the United Nations Assembly, and who during the last session took an active part in its discussions. I feel sure that special words of commendation are due to our Minister for External Affairs for the fine judgment and the great ability he has shown. May I also at this time compliment the government upon the outstanding public service which it rendered, as a group, and individually, throughout the trying year which has recently been brought to a close.

The major crisis in Korea has somewhat overshadowed other government and United Nations Assembly proceedings. The problems of the Far East are so complicated, it seems to me, that it would be wise to take the advice of men like the Honourable Mr. Pearson, whose business it has been to make a study of these affairs. I wish to say, however, that a small price to pay for the avoidance of prolonged entanglement in the Far East would be to give the People's Republic of China a seat in the United Nations Assembly, on condition that all fighting stop, that a no-man's land be declared at the 38th parallel in Korea, and that the people of South Korea be given the assurance that they will have their freedom. Through a representative in the United Nations Assembly the people of China might be helped in understanding that the democratic nations of free peoples were only trying to prevent further enslavement by communist aggressors, and that they had no ulterior motives such as the Chinese have declared they fear.

Because of our most pressing obligations within the North Atlantic Pact of nations it would seem advisable not to spend in the Far East too much of what may be essential in Western Europe. As unity of purpose and action is so necessary to achieve the ultimate within our own nation, so it is within the countries that have united to oppose communism and thereby make it possible for us to maintain our most highly prized freedoms. Particularly would it appear that we should be on the alert to prevent the saying or doing of anything which would disrupt in the least the friendly relations existing between America and Britain. I pray that the new Peace Committee or Good Offices Committee soon to be appointed by the United Nations Assembly will receive the richest blessing of divine guidance.

So far as we are concerned in Canada, the most effective means of dealing with communism here and preventing its success is to achieve and maintain the maximum of unity, of confidence and understanding among ourselves. If we lack that confidence in each other and do not trust each other, then we shall have a divided nation which is apt to fall an easy prey to the revolutionary forces operating in our world today. We therefore need to strengthen our confidence in our way of life, and determine to make our Canadian institutions the most efficient and most successful in the world. If we are to achieve the greatest degree of unity among our people we must adopt tolerant and intelligent policies, and be prepared to co-operate to achieve common purposes.

Although in the cause of peace we must speed up military defence and adopt again a measure of undesired controls to prevent further inflation and make certain that necessary materials are available for defence, I believe that if the people of the free nations are to prevent the further spread of communism, it is particularly important that more attention be given to solving economic problems. Figures released recently by the United States statistical office show that the United States people have a per capita income of $1,453 a year. Canadians are in second place, with $958. The British, in sixth place, after New Zealand, Switzerland and Sweden, have $775. The Russians, in the twenty-third place, have $308. The poorest people in the world are the Indonesians, with an annual income of about $25; and next come the Chinese with $27 per year. People with such low incomes as those of the citizens of some far eastern nations, and even of some sections in our own western nations, provide fertile fields for the spread of communism.

The United States and Canada are to be commended for all that they have done to assist our brother nations that required assistance in rehabilitating themselves after the Second World War. They are still doing much and planning to do more to help those who require help to protect themselves against communism. It was heartening to learn that Canada had recently assisted Yugoslavia with food as well as arms, since that country's people were facing starvation because of a crop failure last year resulting from drought. This is all to the good, but I feel very strongly, honourable senators, that there should be an organized effort by all the free nations to send their surplus pooled foods to those in want. There would have to be, as has been suggested, a separate international organization or a subsidiary of the Food and Agricultural Organization, financed by those members of the United Nations who would support such a plan, to pay the cost of production to the producers and sell to

the intended consumers for what they could afford to pay. If that were done, some of our most pressing economic problems both at home and abroad would disappear.

In some countries, such as parts of South America, and in the United States and Canada, there are farmers who are afraid to produce to their maximum capacity for fear that because of surpluses they will receive less than the cost of production, although in other countries millions of people go hungry.

In this connection I would repeat what Prime Minister Nehru of India said to the Canadian Parliament on October 14, 1949. These were his words:

> There can be no security or real peace if vast numbers of people in various parts of the world live in poverty and misery, nor can there be a balanced economy for the world as a whole, if the undeveloped parts continue to upset that balance and drag down the more prosperous nations.

As a solution of this most serious and vexing problem of feeding the starving peoples of the world and alleviating the difficulties of agriculturists, I would suggest that our government and the governments of other free nations again give serious consideration to the projects suggested by the Food and Agricultural Organization and the International Federation of Agricultural Producers, the latter of which proposed the establishment of an international clearing house under the sixty-three-member Food and Agricultural Organization. I would urge the United Nations Assembly and the governments of the free nations to give the details of this proposal most serious consideration, for in this way some way can surely be found to compensate the producers of food products for their surpluses. If a pool were formed, Canada could contribute such commodities as grain, processed fruits and vegetables. These surplus foods could then be sold to the countries in greatest need at what they could afford to pay. The financial position of some of the most needy might be such as to permit them to pay little or nothing for these goods, for we know that the hunger of large numbers of people creates fertile ground for the spread of communism, and we might in this way help to arrest this robber of freedom.

The year 1950 has in some respects been an outstanding one in the history of Canada. The value of all goods and services produced in this country during the year was about $20 billion, or between nine and ten per cent above that of 1949. About half of the estimated increase in the value of the gross national production in 1950 was due to higher average prices than prevailed in 1949; the other half of the increase was due to greater output. Although the value of output has more than trebled since 1939, the physical output last year exceeded that of 1939 by about 75 per cent. In the same period the value of farm production increased by 10 per cent. During this period there was an increase of 25 per cent in the number of persons employed, and in spite of an increase in the labour force, unemployment today is only a fraction of what it was before the war. The output of farm products in 1950 was about 15 per cent higher than it was in 1949, the gain being due to increased yields of grain. Early frost damage substantially reduced the size of the wheat crop, and to a great extent its quality.

The value of exports of Canadian farm products will be found to be below that of the preceding year, which totalled $969 million. The most marked increase in exports has been in the movement of beef cattle and of beef and veal to the United States. There has been a sharp drop in egg exports, mainly due to the loss of the United Kingdom market. We had only three export contracts with the United Kingdom in 1950, namely wheat, cheese and bacon. The four-year wheat agreement ended on July 31 of last year, and the other two contracts continued to the end of the year. The 1950 Anglo-Canadian cheese contract has apparently been extended until next May.

The prices support program of the federal Department of Agriculture covers butter, eggs, cheese and bacon. In the case of butter, the Prices Support Board offers 53 cents a pound, basis Halifax, St. John, Montreal and Toronto, and 52½ cents at Vancouver. This will be continued until April 30 next. For eggs stored to the Board's specifications for the period from December 1950 to May 30, 1951, the board will pay 38 cents a dozen for Grade A large, and 36 cents for Grade A medium. As for cheese, the board will continue the price of 28 cents a pound at seaboard, namely at Montreal or Halifax, until April 30 of this year. The board guarantees bacon prices at $31.45 per hundredweight for Wiltshire sides from Grade A carcases, basis Toronto, and $30.95 for Grade B carcases.

I do not intend to deal extensively with the grain question for the reason that I am not as well informed on that subject as are many other honourable senators. It would be interesting if those who are familiar with the matter would tell us what is the situation as regards supply and costs. In passing, I wish to note the prices at which the Canada Wheat Board is now buying wheat, oats and barley. The figures, basis Fort William, are as follows:

Wheat, No. 1 Northern, $1.60 (up 20 cents);
Oats, No. 2 C.W., .75, (up 10 cents);

Barley, No. 3 C.W., 6-row barley 1.13 (up 20 cents).

On the whole, prices received by farmers in 1950 declined slightly from the 1949 level, whereas the costs paid by farmers for goods and services used for production and for living continued their upward trend.

Canadian farmers are hopeful that the government will find it possible to continue the livestock feed freight assistance policy inaugurated in 1941. If for some reason this policy were discarded, our producers would find themselves in a most difficult economic position. The policy helps not only the deficient grain producing areas in British Columbia and the six eastern provinces, but it also gives a very necessary additional market to the producers of coarse grains in the prairie provinces. For these reasons, the policy has the support of farmers in all parts of Canada. Fortunately, the attention of the leader opposite (Hon. Mr. Haig) is otherwise engaged, or I am sure he would have something to say on this question.

I feel certain that I voice the sentiments of all honourable senators when I say that we are very sorry for the many grain growers who last year suffered losses through frost, and we sympathize with the unfortunate potato producers who are taking a loss because of insufficient markets for their good crop.

But the hardest hit of all primary producers were Canada's apple growers, particularly those in British Columbia and Nova Scotia. The growers in Ontario and Quebec have the advantage of home markets for a large part of their crop. If the growers in British Columbia and Nova Scotia could find additional markets elsewhere, it would be most helpful. The two heavy apple-producing seaside provinces, which sold a large portion of their crops in Great Britain, lost that market at the outbreak of the recent war, and have not since regained it because of exchange and monetary troubles in that country. It should, however, be noted that the governments have on several occasions since the close of hostilities, helped to market surplus apples in Britain, as they did during the war.

The British Columbia fruit growers suffered severe loss last year by reason of frost damage, which killed 335,000 trees of the most profitable varieties. I trust that the federal and provincial governments may find a way of compensating these growers, to some extent at least, for the loss they suffered. We should keep in mind that the growing of an orchard requires from eight to twelve years of expenditure before it will produce sufficient fruit to be profitable.

The apple producers of Nova Scotia are feeling the loss of the British market most because a larger percentage of their crops went overseas prior to the war, but also by reason of the fact that the producers in the eastern provinces have had a smaller proportion of their orchards in the better dessert varieties which are so much in demand on our local markets.

With your indulgence, honourable senators, as I know the situation from first-hand experience I shall deal with it in a little more detail; and I would like honourable members to assist us by getting in touch with members of the government and trying to impress upon them the need of doing something to help apple-growers, who are more numerous in British Columbia and Nova Scotia than in any other province, and need, I believe, more than any other class of producers, the assistance and co-operation of the government.

The following figures will give some idea of the reduction in shipments. During the 1934-1938 period, 46 per cent of the total Canadian production, and 82 per cent of the production in Nova Scotia, were forwarded to export markets. Ten years later, in the period 1944-1948, Canadian apple exports fell to 18 per cent, and Nova Scotian apple exports to less than 10 per cent—a drop of 72 per cent. A market has been found in Britain for only about 10 per cent of the 1950 crop, or 200,000 boxes, and this contract had to be accepted at $2 a box for some of the best varieties. Because the contract was signed so late in the season, I believe, a very large portion of the crop had already been sent to the processing plants, so that in the result it is doubtful whether more than 75,000 boxes will be shipped to Britain.

The assistance which has been given by the dominion and provincial governments with the hope of helping to save this valuable industry has been greatly appreciated. Since the loss of the British market, the chief market for Nova Scotia apples, financial aid has been provided by the federal government each year up to last year, and I am hopeful that some aid may be forthcoming for the 1950 crop, as without it I do not know how many of the growers can pay their production costs. The assistance rendered Nova Scotia growers has been helpful to producers in other provinces, because it has prevented a flooding of Canadian markets by our fruit.

When necessary, considerable portions of the crops have been processed and sold or given away by the government.

In rehabilitating this industry, over 600,000 old trees, and those of unprofitable varieties, have been removed, the larger portion of this number under bonus, and the provincial government has helped in grafting the younger trees of poor varieties with better dessert varieties. The growers are hopeful that the government may very soon agree to pay a bonus towards the cost of removing another 400,000 trees this spring.

Although many apple growers have done well by getting into other branches of farming, such as growing small fruits, dairying, or the production of beef, poultry or hogs, a large number still require assistance to purchase needed stock and equipment. It is for these farmers who have not yet completed the change-over, through getting rid of unprofitable old trees and grafting marketable varieties, and who have not the necessary funds to buy needed stock and equipment to enable them to take up other and more profitable branches of farming, that I make at this time an earnest appeal to our governments to grant necessary help. This group of our people have lost their main market, and are in greater need than others if they are to maintain a decent standard of living. I have thought that one practical way of assisting them would be to offer loans at low interest rates through appropriate farmers' organizations, for the purchase of needed good quality stock and equipment. Had more of our farmers several years ago made the changes required for their rehabilitation, they would be in a better position today; but at the present time they have not the money necessary to buy good stock and equipment; and that is why I have suggested a way in which they could now be started in more profitable branches of farming.

Our farmers also require the continued assistance of our government in developing new markets; the further lowering of tariffs; and the provision of reasonable and proper transportation. I still think that the Maritime Commission should find some way of providing an improved and regular annual steamship service from western Nova Scotia to the central New England markets. It should be realized that it is but an overnight trip from the ports of western Nova Scotia to the New England centres which constitute a more natural market for our produce than do markets that are a thousand miles or so westward. It was this consideration that used to move one of my friends, a very talented man, to half-mast his flag on Dominion Day. This improvement of service I have mentioned is essential if those engaged in the farming and fishing industries are to maintain and improve their standard of living, and it is also important to the tourist industry.

Real progress has been made through the medium of cold storage, box packing and a marketing program to supply markets with the quality and varieties of apples that consumers demand. Our system is practically the same as the growers of British Columbia have been following with outstanding success. I earnestly hope that Cornwallis-Annapolis Valley growers will not have to experience the very difficult times through which British Columbia growers passed in their trial and error method before adopting the present system.

Recent court cases have shown that the Marketing Act and the regulations under it should be carefully reviewed by competent legal talent with the co-operation of the Attorney-General's department. The Nova Scotia fruit industry would also benefit by carrying on an efficient advertising campaign. Advertising has spelled success for the citrous growers of the south, and has helped the British Columbia growers in the marketing of their crops.

With the growth of population the number of potential apple consumers is increasing. We should market at least twice as much fruit at home as we have been doing. The per capita consumption of apples in Nova Scotia is only one-half bushel per year, or one apple every five days. I think everyone will have to agree that the Apple Marketing Board has greatly improved the storage and packing of quality fruit. I have been proud of our apples as they have been displayed during recent marketing seasons. I suggest that more thought should be given to increasing sales of apples to those who cannot afford the prices of top-grade fruit.

We have a wonderful people. I know of no finer anywhere. I confidently believe that, with their industry and ability, and the continued co-operation of our governments, the difficult problems with which they are confronted can be solved. We have an excellent product which can be sold in larger quantities in our domestic market; and if there is a continued improvement in world affairs and an easing of currency problems, profitable overseas markets for our apples will be available again, though not by a return to the pre-war methods of marketing.

In conclusion I would respectfully urge that the government, when placing war industries, should keep in mind this depressed fruit area, where labour is available. And,

since military training is again to be taken up in earnest, we hope that Aldershot, one of the best camps in the last war, will be used to capacity.

Hon. F. W. Gershaw: Honourable senators, first of all I wish to congratulate the mover and seconder of the Address on their splendid contributions. I was particularly pleased to hear the mover give such a clear-cut description of the great resources of the province of Alberta.

On practically every occasion that I have spoken in another place and in this chamber I have urged the powers that be to bring moisture and water to the dried-out areas of southern Alberta. Much has been done along this line, and plans have been made to give relief to those settlers who have suffered so much from drought. While I do not claim any credit for myself in this matter, I wish at this time, on behalf of the people of those districts, to thank the Minister of Agriculture, the Honourable Mr. Gardiner, and the Minister of Trade and Commerce, the Honourable Mr. Howe, for the support which they have given to this irrigation program.

I realize that at this time the issue which transcends all others is that of preparedness to resist the forces of communism throughout the world. Since 1917 the Third International have set out to expand their territory and extend their doctrine. They liquidated the kulaks in their own country, and they have started out to eliminate the class enemy in every other country of the world. This subject has been discussed by other speakers, but I think that the way to discourage communism in our own country, and to have our way of life known as a good one, is to improve economic conditions within Canada and the general conditions within the homes of our people. For this reason I wish to briefly discuss today the health situation in Canada and to make a special plea for those who are physically handicapped and those who are suffering from incurable diseases.

Never in the history of our country has so much been spent on health measures as is being spent at the present time, and certainly never has so much been accomplished in the way of curing and preventing disease and spreading health measures to the remote areas of this far-flung dominion.

During this session of parliament it is quite possible that the Indian Act will be revised, so I wish to make a few observations about health conditions among our Indians. Away back in 1874 the Mounted Police made their amazing march from Eastern Canada across that great vacant country to the foothills of the Rockies. At that time the police doctors did what they could to help the Indians. As was always the case, the traders and missionaries were the first to go into the great unknown land, but there was also an overflow of bad men from Montana and other states who entered the country and secured valuables from the Indians in exchange for their liquor, which was called "firewater" because it was so potent that it would burn. Then the liquor-crazed Indians began scalping and killing the white settlers. But never was a more terrible revenge devised than that carried out by a trader named Evans, after he and his partner had been attacked by the Indians in the Cypress Hills. The Indians killed his partner and stole their horses, and Evans swore to wreak vengeance on them. He went down to St. Louis, Missouri, where he secured great bundles of blankets which had been affected by an extremely virus type of smallpox. He shipped these blankets up to the Indian country, where they were left on the banks of the rivers for the passers-by to find. The Indians found his treasure-trove, and as a result perhaps tens of thousands of them perished from smallpox. In 1877 the Dominion Government sent out doctors in an attempt to vaccinate the entire Indian population, but despite this effort the disease raged for many years.

Up to the present time the health of the Indians has not received a great deal of attention. Five years ago the 8,000 Eskimos and the 130,000 Indians in our country received about $2 million for health services, whereas this year the government is planning to spend $10,700,000 on health measures among these people. In fact, a campaign is being waged against disease, malnutrition, and ill health wherever it may be found. At the present time there are approximately 1,000 health workers among the Indians. Something like sixty doctors, a number of dentists and 185 nursing sisters form a permanent staff, and there are also a number of part-time health officers assisting in this work. The effectiveness of the efforts of these people will, of course, depend entirely on the quality of service they render; but from what we know of the people who are dealing with this problem, we can be sure that the spirit of adventure has not disappeared. They are skilfully and unselfishly living up to the highest traditions of their noble professions. Airplanes have been brought into service to take in needed vaccines and to bring desperate cases out to the hospitals. Tuberculosis, which spreads like wildfire among these people, who had no immunity, has been a great scourge. By modern methods of treatment the mortality rate has been reduced by 40 per cent. Children are vaccinated with the BCG vaccine, and chest X-rays were taken in 1949 of about 75 per cent of the entire population. The benefits of modern medicine

are being given to these people, and those who are working among them say that because they are now receiving the family allowance their children are better clothed, better fed and are getting better care in every way.

Some Hon. Senators: Hear, hear.

Hon. Mr. Gershaw: Much has been done in the general field of medicine, but much still remains to be accomplished. Away back in the time of Julius Caesar the expectation of life was only twenty-three or twenty-four years. One hundred years ago, in 1850, life expectancy was thirty-nine years. In 1900 the life expectancy rose to forty-nine years, and at the present time it is about 67·7 years. These figures are perhaps a little deceiving in that the greatest advance has been made in conquering contagious diseases of children and various other infantile diseases. At the present time a man or woman who has reached the age of fifty can only look forward to a life expectancy of about two years more than he or she could have looked forward to in 1900. Much remains to be done in conquering certain adult diseases, and under the able leadership of the Honourable Paul Martin the Department of National Health and Welfare has embarked on a large scale health program. Over a period of five years something like $165 million is to be provided for this purpose.

There are three objectives in view. The first is to assist the provinces to make surveys in order to definitely determine their needs. Twice each year provincial and dominion representatives are to meet here in Ottawa to talk over these problems, to co-ordinate their activities, and to prevent overlapping and duplication of efforts.

The second objective is to assist in hospital construction. Hospitals all over the country are overcrowded. Prepayment plans and other schemes have induced people to use the hospitals more, so that there is a great need for more accommodation. Here I want to voice a complaint which is being expressed among medical men and hospital men generally. I do not know how carefully emigrants who leave distant shores are screened before coming to Canada, but the complaint has been made that quite a few displaced persons and other immigrants afflicted with chronic diseases like tuberculosis are finding their way into the hospitals soon after arriving in Canada. I do hope that a very strict physical examination of prospective immigrants will be made, because at present our hospitals are very crowded.

The third great objective of the department is to provide sums for research and assistance in combatting specially devastating diseases. Tuberculosis is the Great White Plague. As you, Mr. Speaker, well know, it could be called one of the "the captains of the men of death". It can be eliminated, and to a great extent it is being eliminated, for the causes and progress of the disease are now well known. A total of about four and a half million dollars is being made available by the dominion to the provinces for research and assistance, each province being paid a flat sum, plus an amount based upon population and number of cases.

Just here may I say that recently discovered drugs have given new hope to those suffering from tuberculosis. Among these drugs is streptomycin. A number of cases of tuberculosis were carefully x-rayed, and it was found that the sputum was positive and the disease fairly well advanced. After the patients had been treated with streptomycin for a period of about three months, examination then revealed that in approximately 89 per cent of the cases the sputum was negative, and the x-ray films showed that considerable healing had taken place. The hospital stay of the patients was therefore shortened.

However, cancer is still the great scourge of mankind. In some mysterious way cancer seems to be linked with the aging of our tissues, and owing to the steady increase in the proportion of people in the older age group the disease is of course becoming more common. As you so well know, Mr. Speaker, when a cancer begins the cells multiply rapidly, take on a wild overgrowth, and in a short time there develops a malignant tumor, which will spread by metastasis to different parts of the body. No one knows why the cells take on that wild overgrowth; that is a problem which is being studied today in universities and national cancer institutes. The Department of National Health and Welfare is spending about three and a half million dollars a year with the provinces on a matched basis for the support of research, a sum which averages per capita about three times as much as is being spent for the same purpose in the United States.

Of course, a good deal has been discovered about cancer. In its treatment the X-ray, radium and surgery all have a place. Time is the important factor, because nearly all these tumors can be cured if treated early. It is found that in about eighty-five out of one hundred cases early and complete removal by surgery offers the best hope of permanent cure. In these days much more can be done by surgery than was possible in days gone by. To begin with, the diagnosis has been greatly facilitated by use of the X-ray and the modern microscope. Then, too, anaesthetics are administered now with much less shock to the patient than was usual in the past. Intravenous treatments and blood transfusions are also very helpful. However, more important than all these is the effect of penicillin and

allied drugs. Since Lord Lister's discovery that infection was caused by germs, medical science has made it possible to prevent infection in many ways. Penicillin, a drug which goes a long way towards curing infection once it has started, was recently discovered by Sir James Fleming, of London.

Another very devastating and disabling disease is arthritis. It causes pain and deformity, and often is complicated by kidney and heart trouble. This disease also presents a problem which science has not yet been able to solve, and, as honourable members probably know, a number of associations are engaged in a study of the problem. Recently such drugs as ACTH and cortisone have been experimented with to quite an extent, and though they have been found helpful their effect is quite limited. That is, the symptoms subside while the drugs are being given but return after treatment is discontinued. However, progress has been made, and we are probably on the threshold of greater developments in that line.

I wish to make a special plea for the handicapped, those forgotten people who have become permanently disabled in some way by disease or accident. Many people besides those eligible for financial protection by workmen's compensation boards suffer accidents—the loss of a limb or limbs, the breaking of the spine, and so on—and are permanently deformed and disabled. Total disability is also frequently caused by cerebral and nervous diseases. Young people with ambition who would like to be self-supporting are often attacked in this way, and afterwards find themselves unable to secure employment. Take the disease of disseminated sclerosis, for instance, of which there are many cases here. This disease was discovered in 1835, and no case that has been correctly diagnosed has ever recovered. At numerous spots throughout the nervous system of the body the disease causes a shrinking and atrophy of small areas. This is accompanied by blurring of the vision, by disturbed reflexes and scanning speech, until complete paralysis sets in. There is no spontaneous cure, and no treatment that very materially affects the course or outcome of the disease. The considerable number of people disabled by it are in a particularly sad plight, especially if they have not the means to pay for their own treatment because then they have to apply to the municipality for help or depend upon charity. The department has taken the matter under consideration and is now making a survey to learn the number of sufferers from this and other incurable diseases and how many of them have no personal incomes. I do hope that it will be possible to do something for these people. I realize how very difficult it is to administer a sickness pension and to see that justice is done. There are, however, many incurable cases which merit help and assistance.

In closing I wish to point out that health means complete physical, mental and social well-being. To this end education by means of films and pamphlets is most helpful. Good food, adequate housing and mental contentment also have some influence. The extensive social security program which has been put into operation in Canada, at a cost of about $455 million per year, is making many of these things at least possible. Of this amount $97 million goes into old age pensions. I am hopeful that before this session closes provision will be made whereby these senior citizens need no longer divest themselves of all their assets, or make statements to the effect that they are almost poverty stricken, before they can benefit by the pension. Family allowances, which cost the country about $297 million a year, are bringing sunshine into a great many homes. Some help is being contributed by the provinces by way of medical care for pensioners and recipients of the mother's allowance.

Although much has been done in this field, one gap remains to be filled in the relief of human suffering and distress. I refer to those who have incurable diseases and who suffer severe physical handicaps. These persons require education and training, rehabilitation and physical restoration, as well as sheltered employment and something by way of material assistance. Simply expressing our heartfelt sympathy for them is by no means enough. These people have to live with their disabilities; their hopes for the future are dim indeed, and their lives are darkened. When those of us who are healthy suffer some minor ailment we complain most bitterly, and we forget that these people live in an atmosphere of twilight.

The following few lines of poetry seem to express the situation very well:

Some murmur when their skies are bright
And wholly clear to view,
If but one speck of dark appear
In their great heaven of blue;
And some with thankful joy are filled
If but one ray of light,
One ray of God's great mercy,
Gild the darkness of their night.

Some Hon. Senators: Hear, hear.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 7, 1951

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King) in the Chair.

Prayers and routine proceedings.

COMMITTEE OF SELECTION

PRESENTATION OF REPORT

Hon. A. K. Hugessen presented the report of the Committee of Selection.

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

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Hayden presented Bill G, an Act to incorporate Traders General Insurance Company.

The bill was read the first time.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. A. K Hugessen: Honourable senators. my first duty—and it is a very pleasant one indeed—is to join with those speakers who have preceded me in expressing congratulations to the mover and the seconder of the Address in reply to the Speech from the Throne, the honourable senators from Bruce (Hon. Mr. Stambaugh) and from Stadacona (Hon. Mr. Dessureault) respectively. I am sure we all agree that they performed their functions in a most effective and pleasing manner. I should also like to join in welcoming to this house the three new senators who have recently been appointed from Newfoundland, particularly the honourable gentleman who has already been sworn in, and from whom, I understand, we are to have the pleasure of hearing tomorrow. Then, honourable senators, I think I shall follow the very good example set me by the honourable senator from King's (Hon. Mr. McDonald) in his speech of yesterday afternoon, when he commented on the extraordinary merit of the speeches delivered by the two leaders in this house on Monday evening.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: If they will allow me to be so presumptuous as to say so, I think that both of their speeches were very admirable and on an extraordinarily high level.

All the speeches which have so far been heard in this debate have dealt in very large part with the present international situation, and the speakers have really done nothing more than to reflect the Speech from the Throne itself. I propose to follow their example.

Perhaps the most pregnant paragraph in the Speech from the Throne is the third, which I may be allowed to quote:

> The increased menace in the Far East reinforces the mounting evidence that communist imperialism is determined to dominate the world by force or fear of force, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations. It is equally important that the free nations should make it abundantly clear that they have no aggressive designs and that they are resolved to aid in constructive endeavours to improve the standards of human welfare in under-developed countries.

That paragraph is followed by reference to the dispatch of Canadian troops to Europe to serve in the combined forces under General Eisenhower, by references to greatly increased expenditures for defence, to the setting up of a Department of Defence Production, and to other related matters.

It is not my intention this afternoon to discuss in detail the military and the financial effort which this country will be called upon to make. There will be ample time for discussion of those features during the session; and indeed the speech which was made by the Minister of National Defence in the other place on Monday gave in a good deal of detail, the particulars of our projected military effort. I shall content myself with saying that I think the country is overwhelmingly behind the government in the determination that Canada shall do her full share in resisting communist aggression; and I believe that the country is willing to make whatever sacrifices it may be called upon to make, whether of men, of materials or of money, provided only that the necessity for such sacrifices is clearly explained to them at the time.

It is my further belief that at this time all sections of the country are more united perhaps than they ever were before, and that the questions which in old days used sometimes to divide us rather bitterly—questions as to the application of our manpower and so on—have largely lost their sting. They have been relegated to the region of what the poet once called

> Old unhappy far-off things
> And battles long ago

I was filled with admiration for the statement on this subject made in the other place by the Prime Minister last Thursday afternoon. I think that the way in which he expressed the intention of the government to deal with these questions in a completely dispassionate and impartial manner, meeting the questions as they arise and telling the country from time to time what our necessities may be, is perhaps the highest form of statesmanship, and I for one am perfectly willing to leave to the Prime Minister and to our government the final determination on all questions of that kind.

Now, what is our situation today? Canada and the other nations of the Atlantic Pact are called upon to make a great effort to increase our military strength, and so far we can see no end to that effort. One feature that lies at the very root of the whole thing, and which has been emphasized time and again by General Eisenhower, and is also emphasized in the gracious Speech, is that it is essentially a defence effort. It is not an effort which involves any aggressive designs against anybody in the whole wide world. All that we of the Atlantic Union nations are doing is to follow that wise old Roman precept, which some of us learned in our Latin lessons in our school days, which goes, *si vis pacem, para bellum,* meaning, if you wish for peace, prepare for war.

The gracious Speech says that:

> . . . communist imperialism is determined to dominate the world by force or the fear of force—

I am inclined to think that it is the fear of force, rather than force itself which is the main weapon in the communist armoury today. I shall have a few words to say on that branch of the subject a little later. But what we are now setting out to do is to meet and to overcome the fear of force in the only way in which it can be overcome, that is, by ourselves becoming so strong that the fear of force will have lost its power to affect us. A well-armed nation is not afraid, and we must become a well-armed nation.

The few observations which I wish to make this afternoon on the international situation will be largely confined to Europe. Although Korea and the Far East are much in our minds, I do not intend to deal with them, and that for two reasons which seem to me to be good and sufficient. The first is that the present position in Korea and the Far East is so fluid, so difficult to assess and so apt to change that anything which one might say this week may next week be completely inapplicable. Secondly, I think it is perhaps wise to leave what is to be said and done in the Far East to those who have expert and up-to-date knowledge, of which company I do not profess to be one. And, here, I want to pay respectful tribute to the actions and speeches of the Prime Minister and of the Minister of External Affairs throughout this whole Korean crisis. I think they have done honour to Canada. I should like also to extend a word of praise to the whole of our delegation to the recent session of the United Nations, including our own representative, the honourable senator from Cariboo (Hon. Mr. Turgeon). Perhaps I should add, as a third reason why I do not intend to discuss Korea this afternoon, that the honourable gentleman has been to Lake Success and knows the situation thoroughly, and we are going to have the pleasure of hearing from him tomorrow afternoon.

There is, however, one thing about Korea that I do want to say. It was said most admirably by the leader opposite (Hon. Mr. Haig) on Monday evening last, but I think it bears repetition. We hear criticisms, from sources in this country and in England, of certain aspects of the Far Eastern policy of President Truman and the United States Government. It may be that some of these criticisms are justified. Personally I would be more inclined to criticize certain public men and certain organs of public opinion in the United States which seem to me during the last few weeks to have indulged in hysteria and to have been perfectly willing, with complete irresponsibility, to plunge us all at once into full-scale war against communist China. Be that as it may, I do say that, looked at in the very broadest way, the policy of Mr. Truman and the United States Government in Korea has been both right and courageous. Let me ask honourable senators to cast their minds back only six months to last July, when Mr. Truman first authorized American forces to help the South Koreans in their fight against North Korean aggression, and when he asked for and obtained the support of the United Nations to resist that aggression. The whole free world applauded, and the whole free world was right to applaud, because after all that was the first real test of collective security under the United Nations charter. It was a challenge, and a challenge that was successfully met under the leadership of President Truman. So I repeat that, as a whole, United States policy in Korea has been both right and courageous.

Let me remind honourable senators—and the reminder perhaps is a rather painful one—that there was a very similar test under the League of Nations only twelve years ago. In that case the nation concerned was not Korea but Czechoslovakia, and the principal personality involved was not the President of the United States but the Prime Minister of Great Britain. Oh, there the result was neither right nor courageous!

Whatever has happened in Korea, there has been no appeasement and no Munich pact. For myself, I find it difficult to tolerate criticisms of President Truman and of the United States Government by people, wherever they may be, who approved of the Munich pact and of the betrayal to Hitler of the gallant little republic of Czechoslovakia.

But whatever we may think about Korea, I suppose we shall all agree—and it has been said several times already in this debate—that Korea is only a side-show. The future of the western world will not be decided in Korea but in Europe; and it is certain phases of the European situation which I now ask leave to discuss.

There is one great unanswered question in Europe today, a question that each of us asks himself from time to time, and it is this: Will Soviet Russia start World War III by attacking Western Europe within the next few months or years? The apprehension and the uncertainty about the answer to that question is the "fear of force" which is referred to in the Speech from the Throne. Anyone who tries to answer that question at all reasonably must do so with many qualifications. First of all, he must admit that conditions are likely to change very quickly and to vitiate any judgment which one might now form. Secondly, he must admit that there are some factors which perhaps are totally unknown, and other factors of which the relative weight is very difficult to assess. Thirdly, he must say quite frankly that he may be entirely mistaken in his judgment. But having done this, and having made all these qualifications, I venture to say, with great temerity, that as conditions exist today I believe that an all-out attack by Soviet Russia on Western Europe is unlikely; or perhaps I should even qualify that and say, not very likely.

Let me give the house the reasons which have led me to that view. In dealing with Soviet Russia we have always got to remember that we are dealing with two different factors. We are dealing first of all with Marxist dogma, and secondly with Russian imperialism. It is a mixture; and the proportions vary, they are not constant. Now I think it is true to say that at the beginning of the revolution, in the days of Lenin, the Marxist dogma as he expounded it was supreme. Lenin, as honourable senators will recall, denounced and renounced. Russian expansionist aims. Under Stalin conditions have changed. Russian expansionism has come more and more to the fore and is now, I would say, by very long odds the predominant element in the mixture. Nevertheless, Marxist doctrine is still professed as the official belief of the rulers of Russia.

Looking at the question of military invasion of Western Europe from the viewpoint of Marxist doctrine, the answer seems to be clear. As I have had occasion to point out once before in this house, that doctrine is that the capitalist countries are bound inevitably, sooner or later, to collapse from their own internal weaknesses and stresses and strains. If that is so, and if that is what the rulers of Russia really believe, obviously war is for them an unnecessary gamble; they have nothing to do but wait, and sooner or later the prize will fall into their lap. A few years ago I would have been inclined to give more weight to that argument than I would today, because as the years roll on the realization must be increasingly forced on the rulers of Russia that the economy of the western world, which they confidently expected to collapse immediately after the war, and which all their literature shows that they confidently expected to collapse, is giving no sign of collapse but is in fact getting stronger; and I would suppose that the faith of the leaders of Russia in that particular Marxist dogma must by now be somewhat dim. But to the extent that they still believe in the Marxist theories which they continue to profess, that belief is, for what it may be worth, an argument against their going to war.

To turn from economic theory to cold facts and political realities: I think there are a number of cogent reasons in support of the view that I have expressed. The first is the atom bomb. As you all know, in the view of Mr. Winston Churchill the atom bomb is the chief protection of the West at the present moment. Of course the extent and duration of western superiority in the atom bomb are unknown, but I think there can be no doubt that today the Soviets greatly fear this weapon. If you want to get an inkling of what is in the minds of the leaders in the Kremlin, you can very often derive it from a consideration of the propaganda that is being put out by their puppets in the Western World. We know what that propaganda has been during the last year or two. There has been the Stockholm peace pledge, and there have been those so-called peace conferences in various centres throughout the world, upon which a vast deal of money and time and effort have been expended. It is interesting to note that the chief feature of the Stockholm peace pledge and of these peace conferences has been the slogan "Ban the atom bomb". I think that is a significant indication of what the leaders of Soviet Russia wish to accomplish by this propaganda, disguised under the name of peace. They want to develop a public opinion in

the West which will prevent the use of the atom bomb against them in time of war.

Let me advance now to my second reason—Russia's internal weakness and the strain that the war, and Stalin's foreign policy since the war, has placed on the Russian people. Honourable senators may think it rather strange that I should talk about Russia's internal weakness. But it must be remembered that from the ouside a dictatorship always looks impregnably strong; and that is particularly the case where you have an impenetrable barrier like the Iron Curtain. One of the strongest reasons for the Iron Curtain, of course, is to hide from the people on the other side of the curtain whatever weaknesses may develop behind it. But consider for a moment what the condition of the people of Russia must be today. We have heard a good deal lately about the war-weariness and apathy of the people of Germany and France. I suggest that it is as nothing compared to the war-weariness and apathy which must exist among the Russian people today. During the war they were subject to infinitely greater catastrophes, both in human suffering and in material destruction, than any other people in the world, except perhaps those in some parts of Germany. Since the war that strain has been continuously kept up by the expansionist policy of their leaders, with its emphasis on armaments and capital equipment rather than on consumer goods.

We all know what a wonderful job has been done in Western Europe by the rehabilitation that has been carried on with the help of the Marshall Plan. If we want to get a picture of the condition of the people of Russia today we must figure out what the condition of the people of Western Europe would have been at the present time if they had had no Marshall Plan to assist them for the last three or four years. The question comes at once. Can these tired, weary people of Russia be driven to make the further sacrifices involved in a war of conquest in far-off countries? Remember, this will not be a great patriotic war. This will not be a war in defence of their own territory, in which the people of Russia have always throughout their history shown the greatest of bravery and endurance. This will be a war of invasion of Western Europe. Can the people of Russia be got to stand that sort of thing in their present condition? That is the type of question which the leaders of the Kremlin will have to ask themselves, and which I think they may find very difficult to answer.

Then, again, there are the strains caused by the expansionist policy of the last few years. I refer particularly to the satellite states which Russia has created all round the western perimeter of her borders. In this respect Stalin has departed radically from the policies adopted by Lenin. As I said before, Lenin was an anti-imperialist, and one day he expressed the reasons for his anti-imperialism in a very striking way. Lenin said that when Russia conquers a country she always tries to turn the inhabitants into Russians, and the result has always been a dismal failure. Well, history certainly seems to support that view. For one hundred years, in the nineteenth century, imperialist Russia tried to make Russians out of the Poles and the Finns, but she never succeeded; and as soon as they got the opportunity, at the end of the First Great War, the Poles and the Finns broke away and formed their own nationalistic states, bitterly opposed to Russia.

It is a rather interesting question whether Stalin is not following the same mistaken policy today and whether the ultimate result will not be the same. The Soviets are doing their best to remake the Poles, the Hungarians, the Czechs, the Rumanians, and the other satellites into their own image. They are trying to make Russians of them; second-class Russians, if you like, but still Russians. How successful have they been? How satisfied is the Kremlin today with the condition of its satellites? Recent events seem to cast a very doubtful light upon what the answer to that question might be. Over the last year or two, in every one of the satellites, we have had nothing but a history of trials, of purges and executions, and of repeated changes of governing personnel. Even as late as yesterday we read in the newspapers that the one-time foreign minister of Czechoslovakia had disappeared, that a number of high communist officials in that country had been arrested, and that the president of Czechoslovakia was being held a prisoner in his own castle, surrounded by troops.

But there is still a more important question. How far can the Kremlin depend upon these satellites in the event of a European war? Remember, these are proud peoples, proud nationalities, some of them with a long tradition of democratic government. I refer particularly to the Hungarians, who had the very first parliament in the history of Europe, and to the Poles and to the Czechs. Remember this further, that the thin veneer of Marxist communism which the Soviets have been trying to use as a sort of political cement to bind the satellites to them, is rapidly wearing off and disclosing underneath the naked form of Russian expansionism. As that process continues, it inevitably arouses in opposition to it one of the most

powerful forces in the human mind today, the force of nationalism and nationalist feeling.

We have had one very striking example of that process in the case of Yugoslavia. So long as it was merely a question of a united belief in the doctrines of Marxist communism, Yugoslavia was perfectly willing to follow along with Soviet Russia, but as soon as it became clear that what the leaders of the Kremlin really wanted was not Marxist communism but complete subservience to all the economic and political designs of Russia, Yugoslavia broke away. Now, can the leaders of the Kremlin be certain of the satellite peoples and of the satellite armies? Can they be sure that if occasion arise there will be no more Yugoslavias? That is the sort of question which the Soviets will have to ponder very seriously before they decide to attack Western Europe.

I mentioned Yugoslavia. I think there is something more that should be said about that country. Yugoslavia is a member of the United Nations, but it is not a party to the Atlantic Treaty, and the obligations of the western world to Yugoslavia are not as great as they are to our own allies of the Atlantic Pact. Nevertheless, on the basis that what we have to fear in Europe is not so much the theory of communism as the cold fact of Russian aggression, I believe that we of the West should give Yugoslavia all the help we can to meet that aggression. In the last few months there have been rumours, and indeed more than rumours, of large increases in the satellite armies of Hungary, Rumania and Bulgaria, all immediate neighbours of Yugoslavia, trained by and equipped with weapons supplied by Russia. Though I have expressed the opinion that to me it seems unlikely that Russia will herself start aggression in the West, it may be not so unlikely that she might try to push those satellites into an attack on Yugoslavia. Well, I think the leaders of the West should make it perfectly plain to those satellites that an attack by them on Yugoslavia will mean war with the West. Yugoslavia, let me remind honourable senators, is no second Korea. It has a numerous and gallant, but poorly-equipped army. If the satellites knew that we would supply equipment, and perhaps an air force, I believe they would think twice before they would tempt providence at the urging of their masters in the Kremlin.

There are many other aspects of this whole situation which could be discussed, but with which I do not wish to weary the house today. I hope I have said enough to give reasons why in my view the Soviet is unlikely to take the risk of plunging Europe into war today. But, as I said before, those conditions may of course change.

Hon. Mr. MacLennan: Why would you favour helping one communistic country rather than another? Why would you favour helping Yugoslavia, which is just as communistic as Russia or China?

Hon. Mr. Farris: Not as imperialistic, though.

Hon. Mr. Hugessen: Simply on the basis that what we have to fear in Europe is not communism, but Russian expansionism and imperialism. I hoped I had made that plain.

Hon. Mr. MacLennan: I do not like any communistic country, no matter what its name is.

Hon. Mr. Hugessen: Well, even if Russia does not go to war with the West, the threat of force is still there. And of course there is little doubt that today the military might of Russia is far greater than anything that Western Europe can set against her. It now becomes the business of Canada and of the other members of the Atlantic Treaty to remove the fear of force in Western Europe as quickly as we can by providing the counter-force which will remove that fear.

Hon. Mr. Lambert: I do not wish to interrupt my honourable friend's very excellent speech, but as he has referred to the attitude of the West, may I ask whether he has given any thought to the position that France, Western Germany and Italy might take in connection with a possible attack on Yugoslavia?

Hon. Mr. Hugessen: Well, that is of course a very difficult question to answer. The policy which the Soviets seem to have pursued up to now has been not to engage their own forces, but just to engage the forces of their satellites in cases where it appeared that a swift and easy victory was certain. I am sure that that is what they thought they were going to achieve in Korea. And it is felt that they may have the same feeling about Yugoslavia, that if they could get the satellites to attack Yugoslavia and vanquish that country the West would sit back and regret it but do nothing. I think they probably have been undeceived by what has happened in Korea. All I was attempting to say was that I think we of the West should make it quite clear that we will go to the help of Yugoslavia just as we went to the help of Korea. And probably with much more reason.

Somebody once said that Russia is neither as strong nor as weak as she appears to be at any given time. Perhaps we are inclined to exaggerate her strength today, just as we

were inclined to minimize it in the years following the Bolshevik revolution of 1917. But I do want it to be thoroughly understood that nothing I have said this afternoon is to be taken as belittling the danger that exists in Europe today, or the urgent need for rearmament. After all, our Minister of External Affairs is the man who must know most about this situation, and, as he said in his admirable speech in the other place last Friday, the danger in Europe is great. But I do think there is no reason for us to become hysterical, as certain political figures and certain publications in the United States have given evidence of doing during the last few weeks. I am glad that there has been no reflection of that hysteria in this country.

What I have tried to do is to analyse certain features of the European situation along the lines suggested by General Eisenhower in his broadcast to the American people last Friday evening, when he said:

> We should examine the current situation fearlessly, neither shutting our eyes to obvious dangers nor permitting fear to warp our judgment.

Honourable senators, in these difficult and critical times there is one thought in which I find much consolation. When you get down to the root of the thing, it is not so much the competing political systems of communist dictatorship on the one hand and democracy on the other, that matter; it is the men behind those systems. If we of the western world keep together and if we stand true to our belief in God, in the sacredness of the human personality, and in the free and unfettered play of the human mind, we have an immense advantage over the deluded and downtrodden dupes of any dictatorship. The free man is always worth more than the slave.

The other day I came across an English translation of a Greek poem, written more than 2000 years ago, which expresses very aptly the idea that I am trying to convey. This is how it reads:

> It is not streets where proud-roofed mansions stand,
> Nor masonry of ramparts deftly planned,
> It is not dockyard, quay, or jetty
> That, in themselves, can make a city—
> But men, with hearts to use what comes to hand.

Some Hon. Senators: Hear, hear.

Hon. Mr. Turgeon: Honourable senators, I beg leave to move the adjournment of the debate.

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

The Senate adjourned until tomorrow at 3 p.m.

Appendix

REPORT OF COMMITTEE OF SELECTION

Wednesday, February 7, 1951

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

Joint Committee on the Library

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

Joint Committee on Printing

The Honourable Senators Barbour, Blais, Bouffard, Burke, Comeau, Davies, Dennis, Euler, Fallis, Isnor, Lacasse, Nicol, Paquet, Stambaugh, Stevenson, Turgeon and Wood. (17)

Joint Committee on the Restaurant

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

Standing Orders

The Honourable Senators Beaubien, Bishop, Bouchard, Duff, DuTremblay, Godbout, Hayden, Horner, Howden, Hurtubise, MacLennan, McLean, Pratt and Wood. (14)

Banking and Commerce

The Honourable Senators Aseltine, Baird, Beaubien, Bouffard, Buchanan, Burchill, Campbell, Crerar, Daigle, David, Davies, Dessureault, Emmerson, Euler, Fallis, Farris, Fogo, Gershaw, Gouin, Haig, Hardy, Hawkins, Hayden, Horner, Howard, Howden, Hugessen, King, Kinley, Lambert, MacLennan, Marcotte, McDonald, McGuire, McIntyre, McKeen, McLean, Moraud, Nicol, Paterson, Pirie, Pratt, Quinn, Raymond, Robertson, Roebuck, Taylor, Vaillancourt, Vien and Wilson. (50)

Transport and Communications

The Honourable Senators Aseltine, Baird, Beaubien, Bishop, Blais, Campbell, Daigle, Davis, Dennis, Dessureault, Duff, Duffus, Emmerson, Euler, Fafard, Farris, Gershaw, Gouin, Grant, Haig, Hardy, Hayden, Horner, Howard, Hugessen, Hushion, Isnor, Kinley, Lacasse, Lambert, MacKinnon, MacLennan, Marcotte, McGuire, McKeen, Moraud, Paterson, Petten, Quinn, Raymond, Reid, Robertson, Stevenson, Veniot, Vien and Wood. (46)

Miscellaneous Private Bills

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

Internal Economy and Contingent Accounts

The Honourable Senators Aseltine, Beaubien, Beauregard (Speaker), Campbell, Doone, Fafard, Fallis, Gouin, Haig, Hayden, Horner, Howard, King, Lambert, MacLennan, Marcotte, McLean, Moraud, Paterson, Quinn, Robertson, Vien and Wilson. (23)

External Relations

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

Finance

The Honourable Senators Aseltine, Baird, Barbour, Beaubien, Bouffard, Buchanan, Burchill, Campbell, Crerar, Davies, DuTremblay, Euler, Fafard, Farquhar, Farris, Ferland, Fogo, Golding, Gouin, Haig, Hayden, Horner, Howard, Howden, Hugessen, Hurtubise, Hushion, Isnor, King, Lacasse, Lambert, McDonald, McIntyre, McKeen, McLean, Moraud, Paterson, Petten, Pirie, Reid, Robertson, Roebuck, Ross, Taylor, Turgeon, Vaillancourt, Veniot, Vien and Wilson. (49)

Tourist Traffic

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

Debates and Reporting

The Honourable Senators Aseltine, Bishop, DuTremblay, Fallis, Ferland, Grant and Lacasse. (7)

Natural Resources

The Honourable Senators Aseltine, Barbour, Beaubien, Bouffard, Burchill, Comeau, Crerar, Davies, Dessureault, Duffus, Dupuis, Farquhar, Ferland, Fraser, Haig, Hawkins, Hayden, Horner, Hurtubise, Kinley, MacKinnon, McDonald, McIntyre, McKeen, McLean, Nicol, Paterson, Petten, Pirie, Raymond, Robertson, Ross, Stambaugh, Stevenson, Taylor, Turgeon, Vaillancourt and Wood. (38)

Immigration and Labour

The Honourable Senators Aseltine, Beaubien, Blais, Bouchard, Bourque, Buchanan, Burchill, Burke, Calder, Campbell, Crerar, David, Davis, Dupuis, Euler, Ferland, Fogo, Haig, Hardy, Horner, Hushion, MacKinnon, McDonald, McIntyre, Pirie, Reid, Robertson, Roebuck, Taylor, Turgeon, Vaillancourt, Veniot, Wilson and Wood. (34)

Canadian Trade Relations

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

Public Health and Welfare

The Honourable Senators Blais, Bouchard, Burchill, Burke, Comeau, David, Davis, Dupuis, Fallis, Farris, Ferland, Gershaw, Gladstone, Golding, Grant, Haig, Hawkins, Howden, Hurtubise, Lacasse, McGuire, McIntyre, Paquet, Pratt, Robertson, Roebuck, Stambaugh, Veniot and Wilson. (29)

Civil Service Administration

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

Public Buildings and Grounds

The Honourable Senators Barbour, Dessureault, Fafard, Fallis, Haig, Lambert, McGuire, Paterson, Quinn, Robertson and Wilson. (11)

All which is respectfully submitted.

A. K. Hugessen,
Chairman.

THE SENATE

Thursday, February 8, 1951

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King) in the Chair.

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

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

Hon. Herman W. Quinton, of St. John's Newfoundland, introduced by Hon. Wishart McL. Robertson and Hon. Ray Petten.

PRIVATE BILL

FIRST READING

Hon. Mr. Lambert presented Bill H, an Act respecting the Dominion Association of Chartered Accountants.

The bill was read the first time.

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

Hon. Mr. Lambert: Next sitting.

PRIVATE BILL

SECOND READING

Hon. John T. Haig moved the second reading of Bill B, an Act to incorporate the Hutterian Brethren Church.

He said: Honourable senators, I will not delay you with a long explanation. The bill complies with the Act referred to in the rules. The people to be incorporated are followers in religion of the original missionary named Hutter, who came from Holland and settled in South Dakota, U.S.A. These people are all farmers and settle in what they call colonies, and the first colonies that came to Canada moved to Manitoba in 1917. They buy tracts of land and carry on general farming. Since 1917 some colonies have moved to Alberta, and now they are established in the two provinces.

They are first-class farmers and fine people. In Manitoba they comply strictly with the law and have well conducted schools, and I presume the same is true in Alberta. We have never had any trouble with them at all. When the last war started they were at first exempted from military service, but some of their young men did volunteer and join the forces, and the people as a whole did fine work in helping the Red Cross and other such patriotic bodies.

The purpose of the bill is to incorporate the persons named therein as a body politic and corporate. A curious fact which will be noticed from the list of incorporators is that they are nearly all named Hofer, a name which is very common among these people. They are a very democratic group and each colony holds its own elections, at which it chooses its cleryman, manager, and officers. Every member of the colony over the age of twenty-one has a vote in these elections.

As I have said, in Manitoba we have never had the slightest trouble at all from these people. In our province there has been some criticism of their practice of buying large tracts of land, because it has been said that this makes it more difficult to establish and maintain what might be called a settled community. However, this complaint has been investigated more than once by the legislature, and nothing has ever come of it. I know a good many of these people personally, and before I came to the Senate I acted,—at least, my firm acted—as solicitor for them. They are a very fine type of people, and I am pleased to see that they are asking for the incorporation of the Hutterian Brethren Church.

For the information of honourable senators, I may say that the *Toronto Star* of about two weeks ago published a history of the Hutterian people. The article is well worth reading.

When this bill has been given second reading, I shall move that it be referred to the Committee on Miscellaneous Private Bills.

Hon. Mr. Reid: May I ask the honourable gentleman in how many provinces this church will operate?

Hon. Mr. Haig: The Act of course will apply to the whole of Canada, but the activities of the church will be carried on only in the provinces of Manitoba and Alberta.

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

REFERRED TO COMMITTEE

Hon. Mr. Haig moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill C, an Act to amend the United Church of Canada Act.

He said: Honourable senators, the explanatory note on the right-hand page of the bill sets out adequately the reasons for this legislation. Its purpose is to amend section 18 of the United Church of Canada Act, passed in 1924, and dealing with the investment privileges of the church.

In the face of inflation and the lowered interest-earning capacity of bonds, the United Church of Canada, in common with other religious and charitable institutions, has been confronted with the problem of making its funds meet the growing demands. The investments of the Church, which have been limited to trustee security bonds, are to be increased and extended in accordance with the authorization given under the Canadian and British Insurance Companies Act. The purpose is to improve the status of the pension fund.

The General Council of the United Church was authorized to make this application in 1948, and in this connection I may say that I hope this legislation will not come too late to give this organization an opportunity to improve its position. It frequently happens that circumstances change so suddenly that it is not possible to realize the full advantage to be gained.

If the house sees fit to give this bill second reading, I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills.

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

REFERRED TO COMMITTEE

Hon. Mr. Lambert moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. W. M. Aseltine moved the second reading of Bill D, an Act to incorporate The Evangelical Lutheran Church of Canada.

He said: Honourable senators, this bill is to incorporate a religious society. The bill, which is a very simple one, has been approved by the Registrar and by the Law Clerk of the Senate. This church body is at present known as the Norwegian Lutheran Church of Canada. It has in this country approximately 80,000 members, most of whom reside in the four western provinces. The head office is at Saskatoon, Saskatchewan.

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

REFERRED TO COMMITTEE

Hon. Mr. Aseltine moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

COMMITTEE OF SELECTION

CONCURRENCE IN REPORT

Hon. Mr. Hugessen moved that the report of the Committee of Selection be concurred in.

The motion was agreed to.

JOINT COMMITTEE ON LIBRARY

MESSAGE TO THE COMMONS

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

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

The motion was agreed to.

JOINT COMMITTEE ON PRINTING

MESSAGE TO THE COMMONS

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

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

The motion was agreed to.

JOINT COMMITTEE ON RESTAURANT

MESSAGE TO THE COMMONS

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

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

Hon. Mr. Haig: Honourable senators, I have always been a member of this committee, and while I do not intend to take any credit for myself, I want to say that the service in our restaurant and cafeteria has improved tremendously. In my opinion the food and service is especially good, and I think we should be very pleased with the

work that this committee, under the leadership of the Speakers of both houses, has done.

The motion was agreed to.

STANDING COMMITTEES

MOTION OF APPOINTMENT

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

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

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. Gray Turgeon: While it is natural that any honourable senator, in rising to speak, should feel hesitant and perhaps nervous, at the same time this particular debate affords one the pleasure of saying a word in appreciation of the excellent addresses made by the mover and the seconder of the Address in reply to the Speech from the Throne. Their remarks reflected the seriousness of the points brought out in the Speech from the Throne, and I am sure they caused honourable senators to ask themselves just what they could do to help meet the troublesome situation with which we are now confronted. I also want to say a word in praise of the other speeches which have been heard in this debate, particularly those delivered by the leader of the government (Hon. Mr. Robertson), his deputy (Hon. Mr. Hugessen) and the leader of the opposition (Hon. Mr. Haig).

I should like to read one short passage from the speech made by the leader of the government, and which contained within it a quotation from Dr. Arnold Toynbee. The leader of the government said:

Dr. Toynbee offered two challenging ideas with respect to the situation which the free world faces today.

He said: "We shall have to become supranationally minded instead of national minded. We shall have to become religious minded again instead of being nonreligious minded."

This statement by Dr. Toynbee made me think that one of the greatest headaches suffered by the people of the free world is caused by the activities and spread of communism, and that communism is completely designed for the destruction of spiritual life, just as the atomic bomb or any ordinary military weapon is designed for the destruction of material life. In speaking about the war which the communists are trying to force upon the free peoples of the world, I want to join with Dr. Toynbee and say that what we require is a renewal of faith. We spend a good deal of time in our parliaments and in the United Nations dealing with human rights and fundamental freedoms, but how often do we tell ourselves that human rights and what we call human dignity come to man at the time of his creation and from God above? Well, during the last few years we have permitted faith to become of less and less importance in our lives, and I am now suggesting that we follow the advice of Dr. Toynbee and do everything we can to reinvigorate our faith. It happens that I am a Roman Catholic in religion by birth, by practice and by unbounded faith; but when I appeal for a renewal of faith I am not confining myself to the faith of my own church. I am thinking of the faith of all Christian religions, the faith of the Jews, the faith of the Hindus and the Moslems, the faith of the peoples of China and of Africa. By faith I mean something which leads man to look beyond material things and provides him with a supernatural guide and hope of a better life to come. Regardless of the church to which a man belongs, that is what I mean by his faith. And that is the greatest weapon that the free world can conceive against communism.

Some Hon. Senators: Hear, hear.

Hon. Mr. Turgeon: Now, honourable senators, it is my duty as well as my pleasure to say a few words about the work done during the last General Assembly of the United Nations at Lake Success and Flushing Meadow. As was pointed out yesterday, it happened that I was one of the five official delegates to the Assembly from Canada. Before saying anything at all about the work of our delegation, may I first pay a sincere tribute, not only as a member of the delegation but as a Canadian, to him who was the head of our group at New York, the Secretary of State for External Affairs. Besides doing extraordinarily good work as a representative of Canada, he performed an excellent service

on behalf of all the peoples represented at the General Assembly who were not already prejudiced against the free world. As you know, sixty nations are now represented at the General Assembly, and I think that our own Secretary of State for External Affairs unquestionably stands highest in general regard among the representatives of all these nations.

Some Hon. Senators: Hear, hear.

Hon. Mr. Turgeon: He is esteemed in that enviable way not alone by the delegates representing members of the Atlantic Pact, and our sister nations of the British Commonwealth, but as well by the delegates of all the free countries, regardless of their geographic location and to a large degree regardless of the political views held by them.

As honourable senators know, in addition to its five official delegates Canada was represented by five alternate delegates. Then there was a group of departmental advisers and assistants, mainly from the Departments of External Affairs and Finance. And I would not be true to myself if when speaking here today I did not at once pay tribute to those departmental advisers and assistants for the manner in which they carried out their duties. They worked hard, very hard, day and night, their work was always well done, and their advice was always substantial and well worth the most serious consideration.

We also were fortunate in having there with us a group of unofficial parliamentary advisers. It is unnecessary for me to tell you that all our politicial parties in parliament were represented there—Conservatives, CCFers, Social Crediters and Liberals. Every morning, six days a week—every day except Sunday—the Canadian delegation met in the Biltmore Hotel at 9 o'clock. We went from there about a quarter after ten by motor cars to Lake Success or Flushing Meadow, and we got back at night whenever the work was finished, anywhere from half past six to eight o'clock, and then carried on our studies in order to be ready for the next morning's meeting. And at our morning meetings everything was discussed openly among us all; nothing was given only to the official delegates and held back from the parliamentary or departmental advisers. We discussed what had taken place the day before and the attitude that it would be wise for the Canadian delegates to take on matters expected to come up that day and possibly the next day. And I want to say here that at no time whatever did the government send us any direct instruction as to what action we should take on any particular item that was coming before the General Assembly. The official delegates discussed everything freely with the parliamentary and departmental advisers and in this way we formed the best judgment we could.

I also wish to point out that two members of this chamber—the leader of the government (Mr. Robertson) and the senior senator from Ottawa (Hon. Mr. Lambert)—joined us after awhile and, although not official delegates, sat around the table in conference with us. Two other senators were in New York, but found it impossible to take part in our deliberations.

In June last the honourable gentleman from De Salaberry (Hon. Mr. Gouin), Chairman of the Senate Committee on External Affairs, presented to this house the committee's report, which contained an item drawing attention to the fact that Canada's contribution to the expenses of the United Nations was, in the committee's opinion, too large in proportion to that of other nations. Without question the implication of the report was that the Soviet bloc were not contributing the same percentage of their national income as was Canada. Now, as honourable members here know, the assessment against each member country of the United Nations is based first upon the national income, and then other factors are taken into consideration, such as the per capita income, the ability of the nation to secure foreign currency, and particularly the degree of destruction and economic discomfiture suffered by the country during the last war. Now it is unnecessary for me to point out that certain countries did suffer much more in that respect than Canada did. This was the first time that I was present at a General Assembly of the United Nations, but from what went on when the United Nations Administrative and Budgetary Committee was dealing with the question of national assessment, it was quite apparent that members of the Canadian Parliament—both from the Senate and from the House of Commons—who had been previous delegates to the United Nations, had performed their task well in laying the foundation for changes in the appropriations.

The changes provided that the percentage to be paid by the Soviet Union be increased by ten per cent, while that of Canada be increased by one-tenth of one per cent. An increase of ten per cent was imposed also on Byelorussia and the Ukraine. I may say that this is the first time since the United Nations came into existence that there has been an increase in the percentage paid by the Soviet Union.

Hon. Mr. Reid: I apologize for interrupting my honourable friend, but may I ask how many of the nations are actually paying their appropriation?

Hon. Mr. Turgeon: The payments so far as the United Nations is concerned have been very satisfactory. Up to 1949 nearly every dollar had been paid; there were a few countries in arrears in 1950, and what will happen in 1951 I cannot say. There are only six nations—the five big powers and India—which pay a larger percentage than Canada pays. In the change of appropriations India's percentage was increased by five per cent.

We were able to judge and appreciate the excellent work done by those who have represented us previously on the Administrative and Budgetary Committee. I understand that our colleague the honourable senior senator for Ottawa (Hon. Mr. Lambert) was a member of that committee a couple of years ago, and the fine work done at that time is finding expression today.

I may add that from now on the percentages will be made as the committee rightly interprets the national incomes in accordance with the requirements of the United Nations.

It may be of interest to honourable senators to know that the total operating expenditure for the United Nations in 1951, exclusive of the specialized agencies, will be approximately $47 million, less an anticipated income of about $6 million.

One of the organizations carried on by the general assembly of the United Nations, of great interest to all members of this chamber, is UNICEF, or what is commonly referred to as the Children's Emergency Fund, which has expended $150 million in aid of needy children throughout the world. The life of this body has been extended for a period of three years. The Children's Emergency Fund, to which there are twenty-six subscribing countries, has as its president Dr. Ludwik Rajchman, the delegate from Poland, who is about to retire. It has a program committee consisting of ten members, and the chairman of that committee is a Canadian. I refer to Mrs. Sinclair of the Department of National Health and Welfare, who was one of our alternate delegates to the last general assembly. Under her direction and that of the chairman of the general fund the group has done a great deal of work.

The Senate of Canada, through the activities of a special committee, has shown much interest in the question of human rights. The No. 3 committee of the United Nations dealing with human rights has met with a great deal of trouble, and I fear that the implementation of the draft covenant will be delayed. I recall that at the last session of parliament we were hopeful that the implementation would take place this year, but I now have doubts that this will be accomplished. One of the causes of the delay is the request by Canada, the United States and some other countries for a federal reservation clause which would permit Canada, for instance, to sign the covenant with all the measures of implementation, without feeling that as a national government she would be assuming the rights and invading the constitutional field of the various provinces. The suggested federal reservation clause was not accepted.

A further reason for delay was a dispute over whether human rights and fundamental freedoms should include cultural, social and economic freedoms as well as political and civil freedoms. The question is still open and I regret that the implementation of the covenant—not the making of it—by the member nations of the United Nations will be delayed.

I come next to matters affecting the International Refugee Organization, a subject to which our Standing Committee on Immigration and Labour has in the past three or four years given careful consideration. As honourable senators know, the arrangements recently made by IRO will continue until the end of September, 1951. A new high commissioner was appointed to take office on January 1, and the definition of "refugees" for future use has been amended to apply to those who become refugees or displaced persons not later than January 1, 1951.

It is understood that the IRO has sufficient funds to carry on until the end of September next, after which time the high commissioner in charge will be practically without funds. After that date the organization must do what it can to provide a legal status for refugees and displaced persons. In this connection I suggest that the honourable senator from Rockcliffe (Hon. Cairine Wilson), chairman of the Committee on Immigration and Labour, should call a meeting of that committee fairly soon, so that we may go into the whole situation affecting refugees and displaced persons.

I turn now, honourable senators, to the question of the resolution passed by the United Nations at its general assembly, declaring that the invasion of Korea by the Chinese was an act of aggression. Although that action has been questioned by some, I absolutely assert that that was the only decision that could have been reached by the United Nations. I would point out that the UN had already declared the invasion of South Korea by the North Koreans to be an act of aggression, and that the trespass

on Korean territory by anyone—whether Communists or others—would be an act of aggression.

Criticism has been offered by some to the setting-up of the Cease-Fire Committee, which was an effort on the part of the United Nations to stop the war before the resolution denouncing China as an aggressor was passed. It has been said by some that the setting up of the committee was an act of appeasement. Again I say no, it was not appeasement, but an effort by members of the United Nations, supported by Canada, to save the world from the bloodshed which at any moment may befall it through a general war. Those of us who agreed to the establishment of the Cease-Fire Committee were anxious to take every step that could postpone and perhaps dissipate the fear of, and the possibility or probability of war. But, just as I approve of the work of the Cease-Fire Committee, so also I assent to the application of the term "aggression" to the invasion of Korea by Chinese Communists.

The resolution which declared the act of China to be aggression also provided for sanctions and other measures against the aggressor. Largely at the suggestion of Canada's chief delegate, the Secretary of State for External Affairs, the application of that part of the resolutions which related to sanctions, and other measures of what I may call punishment, was postponed; and I am hopeful that something will take place to bring about a cease-fire before the imposition of sanctions.

Hon. Mr. Lambert: May I ask my honourable friend to make clear whether or not those references in that resolution to sanctions were not entirely dropped from it, and that it was confined merely to condemnation of aggression? The clauses dealing with sanctions or the consequences of aggression were, I understand, omitted.

Hon. Mr. Turgeon: I think that what the honourable senator has in mind is that the resolution was changed through an amendment by the delegate from Lebanon. But at any moment the matter can be raised again and the United Nations may apply sanctions; and it was upon that understanding that the change was agreed to.

What I am about to say relates to what the honourable senator has in mind. My recommendation, naturally, must be regarded as purely personal. It is this: that, before the United Nations applies what are termed sanctions, it should request the President of the General Assembly, without awaiting any further communication from Peiping, publicly to ask the Chinese Government to have their armies withdraw from South Korea as far as the 38th parallel; at the same time, provided the Chinese Communist Government accepts the proposal, he should request the unified command of the United Nations to halt their troops at the 38th parallel. The President could tell both parties to the conflict that acceding to his request would permit the Good Offices Committee of the United Nations to start work immediately.

There has been much comment on the refusal of the Chinese Communists to agree to the proposal of the cease-fire committee for a general conference. Personally I cannot understand why the Chinese should refuse, or even hesitate. Who are the members of that committee? The chairman, Mr. Nasrollah Entezam, is himself the President of the General Assembly. He is also the chief delegate from Iran. We all know that Iran is a part of the Middle East, and that its great natural resources of oil and other products would make a battleground in a war between Russia and Europe. It is certain that the Chief Delegate from Iran wants to avoid war with Russia. Another member of the committee is Sir Benegal Rau, of India, whose government has recognized Communist China and is openly on terms of great friendship with it. Sir Benegal Rau does not want war. He is an admirable man, of whose attainments any nation might be proud. He has done a great deal for India, and helped largely in the general work of the United Nations. The other member of the committee is Canada's own representative, Mr. Pearson. Acting as head of the Canadian delegation, Mr. Pearson presented a motion, which was adopted by the General Assembly, to set up a committee to study the question of what group should represent China in the General Assembly; that is, whether the representatives of Nationalist China or Communist China should be recognized. Incidentally this is the first time that the possibility of recognizing Communist China's claim has ever been contemplated by official action. But the Chinese communist group refused to meet this committee. I am inclined to think that they have forgotten some features of past history to which I shall take a little time to refer.

I have already remarked that comm unism is used by the Soviet Government as a political weapon. For centuries Russia set herself to arouse public opinion and employ human reactions for definite objectives. When the Czars ruled the empire, they sought, and for a short period secured, a monopolistic control of the Straits of Bosphorus and the Dardanelles, connecting the Black Sea with the Mediterranean. When they were deprived of this prize, they took over a cultural campaign of Panslavism begun by some Germans

early in the nineteenth century and adapted it as an instrument of Russian imperialism.

It will be recalled that at the Yalta Conference an agreement was made by the U.S.S.R. with the United Kingdom and the United States. At that time the terms of this pact were kept secret, and no doubt properly so, as they provided for the entrance of Russia into the war with Japan. The details were published later. I am impressed with the significance of that agreement particularly in relation to the position of Communist China today. It gave the Soviet Government, first the Kurile Islands. Secondly—and I quote from the agreement, it stated:

The status quo in Outer Mongolia (the Mongolian People's Republic) shall be preserved;

I intend to deal with that later.

The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz.:

(a) The southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union;

(b) The commercial port of Dairen shall be internationalized, the pre-eminent interests of the Soviet Union in this port being safeguarded, and the lease of Port Arthur as a naval base of the U.S.S.R. restored;

(c) The Chinese-Eastern Railroad and the South Manchurian Railroad, which provides an outlet to Dairen, shall be jointly operated by the establishment of a joint Soviet-Chinese company, it being understood that the pre-eminent interests of the Soviet Union shall be safeguarded and that China shall retain full sovereignty in Manchuria.

Honourable senators, these are the things which I think justify my suggestion that, despite the fact the Chinese communists have been declared aggressors, the president of the General Assembly should appeal to them to withdraw immediately from South Korea to north of the 38th parallel. Then the Cease-Fire Committee, or whatever committee may take its place, will be able to enter into negotiations. Here is the point:

It is understood that the agreement concerning Outer Mongolia and the ports and railroads referred to above will require concurrence of Generalissimo Chiang Kai-shek. The President—

That is the President of the United States.

—will take measures in order to obtain this concurrence on advice from Marshal Stalin.

Today Soviet Russia is denouncing the United States as aggressors and as having imperialistic aims towards China, yet just half a dozen years ago the Soviet Union, through Marshal Stalin, requested the President of the United States to act as mediator so that Russia could receive from China what this Yalta Agreement provided she would get if she went into the war against Japan.

Speaking in the Senate in April of 1948 I pointed out that one of the great causes of the dispute between Stalin and Trotsky in the mid-twenties was the fact that Trotsky at that time wanted to spread communism throughout Europe. Stalin said they could not spread communism in Europe until they had secured some control over Asia. Stalin pointed out that they could not get any control of Asia until they had control of China, and particularly control of Sinkiang, the northwest portion of China, Inner and Outer-Mongolia and Manchuria. Surely the communists in China remember that part of Chinese history today. Outer-Mongolia belonged to the Chinese Empire until 1911 at which time Czarism was in control of Russia, and Outer-Mongolia declared its independence. In 1924, the very time when Stalin and Trotsky were at war with each other, a revolution sponsored and supported by Soviet Russia took place in Outer-Mongolia and the Mongolian Peoples Party was formed.

Again referring to the request made by Russia that the United States act as mediator in their dispute with China, we all remember the "Open Door" policy, which was purely a United States one, applied to China. The United Kingdom was sympathetic to this policy and helped in every way. The "Open Door" policy, relating specifically to traffic and tariffs and tolls, was particularly designed to protect the integrity of China and to make sure that Chinese independence and ownership of its own territory would be maintained. This was the policy carried on throughout the years, and after the Boxer uprising in China, the United States received a small portion of the reparations paid by China as a result of this war; but they gave back to the Chinese in money, four-fifths of the total reparations they received from China. To show their appreciation, the Government of China used that money for the education of Chinese youths in China and in the United States.

These facts partly explain why I make the suggestion that the president of the General Assembly of the United Nations should use his voice in order to bring about the end of the war in Korea. Just as Stalin and communist Russia got control of Outer-Mongolia, they now want control of Inner-Mongolia and Manchuria, and through Manchuria they want Korea. The Russo-Japanese War of 1904 was fought directly for control of Manchuria and Korea. That was the objective of Japan as it was the objective of Russia. Under the Czars, and later under the Soviets, Russia has wanted control of the warm waters of the Mediterranean and the warm waters surrounding Korea and the Yellow Sea.

Part of our duty is to see that these things are not forgotten, and to make sure that the peoples of the world, particularly those of Asia, realize that the so-called cold war is being forced upon the world by an imperialistic policy of Soviet Russia that is exactly the same as the old imperialistic policy of czarist Russia. The only difference is in the weapons. If those of us who are fighting for the preservation of human rights and fundamental freedoms can only make this fact known throughout the world, particularly in Asia, we shall win the cold war and avoid a hot war. I shall leave honourable senators with this thought, and in closing I want to say that I am glad to support the motion of the Address in reply to the Speech from the Throne.

Some Hon. Senators: Hear, hear.

Hon. Calvert C. Pratt: Honourable Senators, as a new arrival in the Senate of Canada, may I be permitted to add my congratulations to those already extended to the mover and the seconder of the Address in reply to the Speech from the Throne. I am fortunate that on the first occasion upon which it has been my privilege to sit in on the debates in this Chamber I have had the opportunity of hearing such speeches as were made by the honourable senators.

I may be excused at this time from making any extended remarks on the subject of the Speech from the Throne. I would like to say, however, not only as a member of the Senate, but as a citizen of Canada, how thankful we all should be that we have leaders in government who are prepared to shoulder, self-sacrificingly and, we pray, effectively, the heavy burdens placed upon them in these trying times. As the years have rolled on the Dominion of Canada has grown in stature and in world influence until responsibilities of government are no longer confined primarily to affairs at home. In the great international emergency of this time the welfare and future destiny of peoples are largely shaped in what may be termed the councils of the world, and not alone in the parliaments of the nations. It seems to me that the address to which we have just listened from the honourable senator from Cariboo (Hon. Mr. Turgeon) was very illuminating and brought home to us forcibly how the welfare of all countries is moulded by the happenings in what I have termed the councils of the world.

I am sure it is the devout prayer and hope of every true citizen of this land, no matter what his politics, creed or class, that our leaders in those councils, and those who direct them, will be divinely guided in the tremendous responsibilities they have undertaken.

May I also be permitted to express my personal and very sincere appreciation of the cordial greetings and good wishes which I have received from so many honourable members. I particularly appreciate the kindly words of welcome which the honourable senator from Inkerman (Hon. Mr. Hugessen) extended to me yesterday and to my colleagues who are about to enter this chamber. And I am very happy to have been present this afternoon when my good friend from Newfoundland (Hon. Mr. Quinton) was sworn in as a member of this chamber.

Some Hon. Senators: Hear, hear.

Hon. Mr. Pratt: Newfoundlanders generally, as well as the representatives of that province in the Senate and in the other house, naturally view the problems of the government and economic life of Canada with fresh and inquiring minds. Having until less than two years ago lived apart from the Dominion of Canada, we now find ourselves a part of this great nation, and are in the process of adapting ourselves to the new status. In the past nothing but the greatest friendliness and good will existed between us, but we were just friendly neighbours; now we have entered the family—not as adopted children, but as blood relations; for after all, what more potent relationship could there be than membership in the British Commonwealth of Nations, and a mutual love and respect for our great traditions and the heritage of the free institutions of our peoples?

Robert Frost, the well-known American poet, in the poem known as "Mending Walls", has penned a line in which the farmer in the illustration says to himself as he is building the fence, "Good fences make good neighbours". Newfoundland had its fences in its tariffs and its laws, which were made to suit the particular conditions of a self-governing country. The only fence now remaining—the Gulf of St. Lawrence—is not of our making or yours. It is a very real fence, but not insurmountable with the spirit of mutual helpfulness. The other Canadian provinces removed their fences generations ago, and the perfect harmony which now prevails, if I may assume such to be correct, is the result of adjustment and readjustment over the years; and to preserve harmony that process goes on. Now the man-made fences have been removed, and we have come within the family circle. The family life, however, is new to us. To make the life happy, congenial and helpful, calls for a complete understanding by each of the other, and the application of the same process of adjustment and readjustment as we go along.

If I may presume to say so, in the interest of the highest development of this family life, desirable though mutual understanding certainly is, it is even more urgent that Newfoundland be well known through Canada than that the rest of Canada be well known in Newfoundland. Only in a small measure can the unsolved problems of Newfoundland affect the welfare of the dominion as a whole, but the attitude of the federal government and of the people of Canada towards our province can affect us vitally. We have our immediate problems of readjustment to the new status. Some of them are inherent in our geographical position, away to the east; some of them are due to Nature itself, as with every country in varying degrees; and some of them are born of the sudden change from the position of neighbours, each concentrating on her own affairs, to one of living together under one roof.

It is a pleasure for me to say that the warmth of the welcome which the province of Newfoundland received upon entering the dominion has left a deep and abiding impression upon our people. Our province has been visited by the Prime Minister, most of the cabinet ministers, the Leader of the Opposition, and many of the members of the federal and provincial parliaments, all of whom are anxious to know us and understand us. Neither have we been passed over by the federal departments, the chief officers of which have visited us frequently. All that is to the good, and their interest and good will is much appreciated. We wish to be better known by the people of Canada as a whole. This I realize will take time, but it will pay off in good and friendly relations.

One sometimes hears the expression, even in Newfoundland, that we should be treated as the other provinces, no better and no worse. On the face of it that may appear to be quite fair, but it is one of those generalities which however well-meant is ill-considered and dangerous. There is no precise yardstick existing by which to measure the needs as between the other provinces, nor indeed the equitable treatment of Newfoundland. As I have just intimated, your economy from the Atlantic to the Pacific has been interwoven and made to pattern over generations. Inequalities may still exist, but time has done much to provide the remedy. Our economy to a great extent has to be re-made to a new pattern which requires its own treatment.

Being off in the Atlantic Ocean by ourselves, our trade—and it is by trade that our people live—has not been interlocked with Canadian trade any more than our politics were joined with yours. Being producers of goods which in the main are similar to those produced in other parts of Canada, we found our markets elsewhere, and in a great measure we must continue to do so. For centuries our fisheries have been supported by overseas trade. In these times of world upheaval, when international commerce is complicated and frustrated by inconvertible currencies and restrictions of one kind and another Newfoundland requires the special interest of the Federal government to maintain the flow of goods which our people must produce to live. In recent years Great Britain took us under her wing in maintaining our European trade for salted fish, which is vital to the earnings of a large portion of our people. We exported our goods to certain European markets under British trade and currency clearance agreements in times when Canadian exports to those same markets were much restricted. Our European trade started more than four centuries ago, and it has gone on practically without interruption ever since. It is a matter of vital concern that we be not pushed out of these markets now in this period of currency difficulties, and that our place be not permanently taken by European producers. We recognize that since the entry of our province into the dominion this problem has received the close attention of the federal government. No service that the Government of Canada can render Newfoundland is of greater urgency than this. Our switch from the British tie to the Canadian tie left this problem wide open. Unless the flow of our salted fish to Europe can be maintained it will be disastrous to that branch of the fisheries in the Maritime Provinces, which would have to meet the competition of our surplus supplies in the Western Hemisphere markets. One would indeed be fatalistic in his outlook if he were to regard such measures of relief as are necessary in these Extraordinary times as being of a permanent character. We must certainly view the present international currency difficulties as temporary, and all that is being done now should be considered as just "holding the line".

There is no other province that has so little opportunity of finding its basic trade within the Dominion as has Newfoundland. Nearly everything we produce is produced by the other provinces, and in competing we are at a geographical disadvantage. Canada is one of the great exporting countries of the world, and it may be of interest to point out that the ratio of exports of Newfoundland to its gross national product is nearly three times as great as that of the dominion as a whole. The whole dominion has a ratio of about 24 per cent of export trade to total national

income. Newfoundland's ratio is 67 per cent. Canada's ratio of imports is about 21 per cent, while that of Newfoundland, if we include purchases from other provinces as imports, is almost 85 per cent. That is one of the outstanding problems of our province, particularly in these difficult times; but in the over-all picture our export trade is of very considerable advantage to the dominion. The assistance which can be rendered by the federal government in enabling Newfoundland to maintain its centuries-old trade with soft currency areas, is a small matter compared to the other advantages that come to Canada through our overwhelming dependence on exports. The greater part of our export trade is to areas where we receive dollars in payment, and in that no problem exists. The margin requiring other currency payments is relatively small, but is enough to vitally affect the livelihood of a large proportion of our people.

When we were just friendly neighbours, the fence between Canada and Newfoundland in foreign exchange was removed, and we voluntarily placed ourselves under the Foreign Exchange Control Board of Canada. In times of Canada's great need for American dollars, Newfoundland, through its earnings by dollar exports, and by the American military base operations, contributed in some years scores of millions of dollars to the dominion. That contribution still goes on in a very substantial measure.

From comments one frequently hears it would almost appear that the impression is held by many that the new province is entirely on the receiving end of the Canada-Newfoundland union deal. Whether or not there is sufficient thought in that direction to justify me in dwelling on the subject, some facts of the province's contribution to the dominion will not be amiss.

Giving and receiving is the essence of good human relations, and you can be assured that your new Canadian brothers will show restraint in interpreting the sacred words—"It is more blessed to give than to receive."

I have shown the vital interest that our province has in exports. Conversely, we have to bring into our province an unusual proportion of the goods we consume. Historically, our importations were largely from England and the United States. Just prior to world war II, our purchases from the Dominion of Canada ran about 35 per cent of the total—mostly agricultural and dairy products. We shopped for the lowest prices in all the world's markets, having custom duties which applied equally to all countries, except a minor preference on goods of British manufacture. In 1948, just before union, we purchased from the dominion goods to the value of about fifty million dollars, or about 52 per cent of our total imports. These purchases, of course, were on an export basis, free of excise and sales taxes. With the incoming of confederation and the substitution of the Canadian tariff, our own buying position swung completely into the Canadian orbit. While statistics are not available for inter-provincial trade, it is safe to estimate that we are now buying annually from the other provinces from eighty to $100 million worth of goods. The excess is made up largely of manufactured products. This is no mean figure in Canadian economy, and reflects a substantial contribution to Canadian industry and government revenue. The important fact to bear in mind in considering this aspect of our contribution to the Dominion of Canada is that the sales from Newfoundland to the other provinces still remain in the vicinity of eleven million dollars, that being the figure in 1948. In that year Newfoundland was the fifth in importance of the export markets of Canada. It is fairly certain that the diversion of trade to the other provinces since that time would make the value of Newfoundland trade comparable to that of Canada's third or fourth most important export market. In these days of multiple taxes, assessment on goods as manufactured and sold, and on corporation profits, the revenue of the federal government on the volume of trade Newfoundland gives to the other provinces is very considerable. I realize, of course, that it is not possible to record the relative contribution of each province to the federal revenue. The great manufacturing provinces of Quebec and Ontario pay at the source on the trade they do with other provinces that are not so well established in manufacturing; but there are probably more balancing factors on the mainland than apply to Newfoundland with its one-way trade.

Honourable senators, I have faith in the future of our province. We are far from outstanding in agricultural possibilities, but that deficiency adds to the earnings of the provinces which, in that regard, are more generously blessed. Removed as we are from the big centres of population, we shall not in the foreseeable future be a great manufacturing province, processing consumer goods. Our progress will be in the development of our natural resources, for distribution to the markets of the world. Our great iron mines at Wabana, situated at tidewater, are right now undergoing great expansion. Our mineral wealth, now being energetically explored, appears likely to open up new possibilities of importance. On our forest

resources have already been built two of the greatest pulp and paper industries of the world. We are now having a further extension of the use of our forest wealth. The great area of Labrador, with its ascertained forest resources, its undoubted mineral possibilities, its unrivalled water power, its fisheries and its climate—which is not nearly as bad as its reputation—provide a setting for future developments of great importance.

In assessing our future possibilities, it is our fishing wealth which stands pre-eminent. What it has produced in the past is no criterion for the future. Newfoundland was populated by people from the British Isles who came to fish. They scattered themselves around in more than a thousand coves and harbours, and on the headlands where fishing was best. Salting was the only means of preserving their products. No vocation in life creates more self-reliance and sturdiness than living off the sea. The life was a hard one; but they stuck it out, for the sea was in their blood. Those who came to Newfoundland to fish pioneered the trade from the western hemisphere to Europe. In the days when the standard of living was universally judged by whether or not there was enough food to keep body and soul together, they existed comparably with people elsewhere. They built their homes, their churches and their boats. They enjoyed community life.

But things have changed. It is idle to speculate as to whether the old days were better or more satisfying than the present. Living standards of today are part and parcel of our civilization. Only within the present generation have Newfoundlanders had other means of earning a living than by fishing, and still 50 per cent of our people are dependent upon the product of the sea. Only in very recent years, with the development of quick freezing and canning, has there been a means of preserving the product other than by salting. With the rapid increase of population on the North American continent, and the more palatable forms in which fish can be preserved, the prolific supplies of wide variety along our coast will, to my mind, cause a very great change in the economic wealth of the province of Newfoundland. It will not come over night. It will occur as rapidly as modern methods of transportation and distribution to the consumers of fresh and frozen fish are developed. That development is under way, and our fishing industry will, in the not distant future, come into its own. Newfoundland capital and Newfoundland labour are bringing about this change right now. Within the last eight years or so, ten million dollars —mostly local capital—have been invested in new processing plants and refrigerated transportation in the province.

We are greatly encouraged by the active interest that the federal Department of Fisheries is taking in the problem of the rehabilitation of our fishing industry. I cannot think of any other form of assistance that can be rendered to the Province of Newfoundland that will produce such lasting benefits in the economic life of our people. It is a fortunate circumstance that the technical services of that department are undergoing great development at this early stage of our entrance into the dominion.

The Province of Newfoundland is not standing aside and allowing the federal government to put things right in this adjustment period. It is bravely striving to set its house in order. Surveys of potential resources are being actively undertaken; finances of the province are being used to give an impetus to industrial development, and local private capital is being invested to a substantial degree. Many of the manufacturing establishments, which produce a wide variety of goods for local use, and employ several thousand workers, have met the impact of competition from the larger plants of the other provinces man-fashion by modernizing and fighting their way through. What is needed is that public facilities and services, which are a federal responsibility, be brought up to date in the quickest possible time. These are complementary to industrial progress. It is true that expenditure for defence which puts a great strain on public finance is of paramount importance. Nevertheless, in this transitional period it is urgent that Newfoundland advance along the path of progress of the other provinces, and that the economic level of the people of Newfoundland be lifted to that enjoyed by the people of the neighbouring provinces.

I have not the time, neither is this the occasion, to particularize at length on the details of such federal participation in these matters. There are, two points, however, as applying to industry—which subject is the main theme of this talk—that I might mention. They have been emphasized by the Premier of the province on more than one occasion. The Industrial Development Bank is, I understand, prevented under its charter from rendering assistance to the fishing industry. I wonder why! Surely, so vital an industry, one with such tremendous future possibilities under modernized methods, should not be debarred from the operations of

that institution. Another function which the Federal Government could rightly undertake is more active participation in industrial resources surveys, which the province is now financing to a burdensome degree.

Honourable Senators, I hoped I have not unduly delayed the progress of the debate. I have only tried to make some contribution to the need, which I mentioned in the early part of this Address, of making our province and its problems better known to the people of the rest of Canada.

Some Hon. Senators: Hear, hear.

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

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

The Senate adjourned until Monday, February 12, at 8 p.m.

THE SENATE

Monday, February 12, 1951

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

Prayers and routine proceedings.

FINANCE COMMITTEE

CONCURRENCE IN REPORT

Hon. T. A. Crerar presented and moved concurrence in the first report of the Standing Committee on Finance.

The report was read by the Clerk Assistant as follows:

Your committee recommend that their quorum be reduced to nine members.

Hon. Mr. Reid: Honourable senators, as a member of this committee, may I ask when the committee met? No notice of the meeting was given to me.

Hon. Mr. Robertson: The usual procedure is to call a general meeting for organization purposes. All senators who are named by the Committee of Selection attend this meeting and elect the chairmen of all standing committees except the Committee on Divorce, which elects its own chairman. Meetings of the individual committees are not called at the organization stage. However, this is a young institution, and it may be possible to make changes.

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION

Hon. Wishart McL. Robertson moved:

That a Special Committee of the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

He said: Honourable senators, one day shortly after I was appointed to the position of leader of the government in the Senate, I was forced to admit to the house, as I have often had to do since, that there was no business before us on the order paper. I distinctly remember that an honourable senator sitting opposite—if I remember correctly, the late Senator Ballantyne—asked me if I would not use my good offices with the government of the day to provide the Senate with more work, and he suggested specifically that more government business might be introduced in this house. I was only too willing to comply with his request, which he presented in the courteous manner characteristic of him.

At the first opportunity I sought an interview with the late Mr. Mackenzie King, who was then Prime Minister. I explained my problem, and he at once agreed to place the matter before his colleagues. Subsequently he did so. I was on the point of leaving when he asked me to sit down, and in an intimate and delightful conversation—such as many honourable senators no doubt recollect with pleasure—he proceeded to discuss with me the question of the Senate and its functions. He took me back over the years and mentioned the discussions which had taken place about the Senate since confederation. He told me about different times when he and others had made proposals for Senate reform, that books had been written on the subject and, as I understand it, that some elections had been partly fought over this question. He said that inevitably any suggestion of Senate reform arises to a certain extent from the attitude of the government of the day, which perhaps has had a disagreement with the Senate, and thinks that something should be done about it. He said that over the years such differences of opinion had been the cause of change in second houses in various countries. The Prime Minister told me: "I have always had it in mind to do something about the Senate before I cease to be Prime Minister, but there are so many things to be done from one day to another that it is difficult for me to concentrate on this question. I think action should be taken at a time when the relations between the two houses are happy ones, because then the change could be made under very much better circumstances. After all, any proposal that the government would make would have to be concurred in by the Senate." He said: "My own view, for what it is worth, is that the Senate itself should give consideration to this problem." Then he turned to me and suggested that I, having just assumed the responsibility of leader of this house, at his hand, should take the initiative. He went on to say that he could give no undertaking; but that if in due course the Senate in its wisdom prepared proposals which appealed to him as being practical, and which would be looked upon favourably by the country, he would submit them to his colleagues for consideration.

Honourable senators, needless to say I was very much impressed by that conversation. I can particularly recall Mr. King speaking about the growing complexity of modern government, and how difficult it was for parliament to keep abreast of it all. He said it was a matter of regret that the Senate, which was

equal in authority and responsibility with the House of Commons, and which numbered in its membership men of vast experience and wide general knowledge, could not be made more use of in the general business of the country. I returned to the Senate, and in an informal way discussed this conversation with some of my colleagues. The idea which had been advanced had a mixed reception. Some members were very much in favour of it and, indeed, never ceased to urge me to do something about it; others were not so certain about it. I recall one friend, who is not in the Senate now, but whose judgment I depended upon a great deal, being opposed to it. He did not argue that sometime, somehow, some changes would not have to be made, but he said to me: "Your position is that of the government leader in the Senate, your responsibility is to the government, to initiate legislation and get it through, and the better your are able to accomplish that the better you will discharge your responsibility to those who appointed you to office. True, you are also leader of the Senate, but that is only incidental; your primary position is that of government leader". He went on to say: "You are relatively new in this position, and my advice to you is to concentrate on the business of doing what you were appointed to do and not worry too much about the Senate. It has withstood a good many attacks and suggested changes of one kind and another. My advice to you is to concentrate on carrying out the duties of government leader." That advice was very easy to follow then, and is perhaps as easy to follow now. Primarily my position was as outlined in that statement. The government leader comes into this house without having been chosen by his colleagues. I do not know what goes on behind the scenes, but the peculiar fact is that the members of the Senate have nothing whatever to do with the choice of their leader, except to the extent that some of them may be able to influence the government of the day.

So, honourable senators, from that day to this, with one or two minor exceptions, I have done nothing about the matter. But it has been very much in my mind. I was very proud and happy to be appointed to this house. I consider appointment to the Senate to be one of the greatest honours that can come to anyone. It gives one an opportunity to render outstanding service to one's country, particularly at a time when it is in need of outstanding service, for, as Mr. King said, the complexity of the problems that this country faces and will continue to face is very great. So far as I am concerned, I have never ceased to thank my lucky stars that I was appointed to the Senate, because I have been in the past, and still am, desirous of doing more than I have done.

May I say also that I have been delighted to be associated with the men and women who are members of this house. I doubt if it is possible to find anywhere else, under one roof, such an accumulation of talent and of business and professional experience. We have among our members, as we have had in the past, leading newspaper publishers, men who have achieved great distinction in other lines of business, men representing in a senior way all the primary industries, prime ministers of provinces, senior ministers of the Crown in both the federal and provincial fields—in short, men of such wide experience and eminent ability in various spheres throughout this country as to be able to cope intelligently with any question that comes before parliament. And it is to me, as Mr. King said it was to him, a matter of deep regret that, because of circumstances that do not seem to be the responsibility of any particular member, only a small fraction of the ability and experience of our members is utilized.

I repeat that I am proud of being a member of the Senate of Canada. So far as I know, almost every country in the world has a second legislative chamber in some form or other. The reasons that brought this institution into being at the time of confederation have kept it in being ever since, and in my judgment they will keep it in being, in one form or another, as long as Canada lasts.

But while I am proud to be part of this institution, I regret to have to say that I do not think it holds in the public mind today the degree of prestige to which its past, present and potential usefulness entitles it. My placing of this notice of motion on the order paper was not prompted by anything said to me by the Prime Minister, or by any member of the government or of this house, although one or two senators have from time to time urged me to do something about the matter. If you like, it was my own conscience that prompted me to the extent that I, a split personality so to speak—partly a representative of the government, and to some degree at least leader of the house—thought that I should do something. Therefore I have placed this motion before the house.

I am not going to promise that I shall not take up the time of the house for some time yet. What I am going to suggest that the Senate should do is perhaps not very different

from what it is now doing; but I think that in one way or another we might be able to do more of it.

Now let me give my view as to what the Senate should do.

1: First and foremost, I believe that the Senate should continue to be the protector of minority rights of all kinds. Though this is the one most important reason for the Senate's being called into existence and staying in existence up to the moment, it has called for the least effort on the part of the Senate, largely owing to the good judgment of Canadian governments since confederation. Nevertheless, the fact that the Senate has to pass upon government measures and has the power to stop the passage through parliament of those that it considers unfair, may have had a deterrent effect on persons in government who otherwise might have put forward proposals adversely affecting minority rights.

2: I think that the legislation that comes before the Senate should be carefully studied by us in all its stages. It goes without saying that the study of legislation which is presented to us is one of our primary functions; and without doubt, under prevailing practices such legislation receives the most intensive study in the Senate standing committees to which it is invariably referred. An enviable reputation for thoroughness in this respect has been built up in the past. But the system has two shortcomings. The first is that, for one reason or another, the attendance at a committee represents a relatively small portion of the total membership of the house; and the second is that little or no publicity is given to the work done. At various times individual senators have urged that we should undertake a detailed consideration of legislation in Committee of the Whole House when the bills are reported back from the standing committees. Personally I have never objected to this suggestion, although I have been doubtful of its value unless there were provided greater facilities than exist at present for the answering of questions which honourable senators might ask. There is no doubt that in actual practice the failure to examine legislation in Committee of the Whole House deprives many senators of the opportunity of participating in the consideration of legislation, and this failure eliminates an excellent source of publicity as to the extent of the Senate's work.

3: It should give the most careful consideration to governmental expenditures.

While examination of the estimates by Senate committees last year showed a considerable advance over previous years, there is still room for improvement. It might be possible to have them also considered in the Senate itself, through the medium of an appropriate committee of the house. Needless to say, the necessary facilities for explanation in the house would have to be provided. I would again point out that though the work in committees is thorough, for some reason only a relatively small proportion of the membership of this house attends the meetings.

4: The Senate should undertake at least one public inquiry each session into some problem of current public interest, and it should report its conclusions. Through the initiative of individual senators, inquiries of this type have been carried on in recent years, and I believe that a public service has thereby been rendered. This practice should be continued.

5: The Senate should so constitute itself as to play a useful and acceptable role in the relations between federal and provincial authorities, now that we are in the process of acquiring the right to amend our own constitution. In recent months the representatives of the federal and provincial governments have been discussing methods of amending the Canadian constitution in Canada. At present the method of amending our constitution has been by way of an Address from the Senate and House of Commons to His Majesty the King, praying that a measure covering the desired amendment be laid before the Parliament of the United Kingdom. As a matter of practice the British Parliament has always acquiesced in constitutional amendments proposed by both Houses of Parliament of Canada. But it has been contended that if a highly controversial matter developed, the Parliament of the United Kingdom would become the protector of territorial and minority rights. When the time comes that we have power to deal with this important matter in Canada, the responsibilities of the Senate will be even greater than they are today. The protection of minority and territorial rights will, I suggest be one of the duties of the Senate, and this house should be so constituted as to be in a position to discharge that responsibility to the satisfaction of all concerned.

6: While in no way seeking an enlargement of its constitutional powers, the Senate should seek a mutually acceptable agreement with the House of Commons to share with that body some of its ever-increasing responsibilities, thereby lightening its load. I cannot undertake to say in detail in what way this can be accomplished, but I base the reasonableness of my suggestion on the simple fact that the House of Commons has more work than it can accomplish without sitting night and day on a tiring and exhausting schedule

We who have equal responsibility have time to spare, and are willing to share the load. This has been accomplished by mutual agreement as regards the disposal of divorce legislation. It might well be possible to accomplish it in some other matters as well.

May I now say a few words about my conception of the position and responsibility of the Senate generally? I am indebted to our Law Clerk and Parliamentary Counsel for a very excellent paper which he prepared last year on the ideas which the Fathers of Confederation had in mind when confederation was being proposed.

In introducing the motion for the approval of the resolutions passed at the Quebec Conference in the House of Assembly of Upper Canada, and after discussing the difficulties which had existed in the relations between the two Houses in the Legislature of Upper Canada, Attorney-General Macdonald, afterwards Sir John A. Macdonald, spoke of the Upper House to be established under the Canadian Constitution, as follows:

> The Council was becoming less and less a substantial check on the legislation of the Assembly; but under the system now proposed, such will not be the case. No ministry can in future do what they have done in Canada before—they cannot, with the view of carrying any measure, or of strengthening the party, attempt to overrule the independent opinion of the Upper House by filling it with a number of its partisans and political supporters. The provision in the Constitution, that the Legislative Council shall consist of a limited number of members—that each of the great sections shall appoint twenty-four members and no more, will prevent the Upper House from being swamped from time to time by the ministry of the day, for the purpose of carrying out their own schemes of pleasing their partisans. The fact of the government being prevented from exceeding a limited number will preserve the independence of the Upper House, and make it, in reality, a separate and distinct chamber, having a legitimate and controlling influence in the legislation of the country. The objection has been taken that in consequence of the Crown being deprived of the right of unlimited appointment, there is a chance of a dead-lock arising between the two branches of the legislature; a chance that the Upper House being altogether independent of the Sovereign, of the Lower House, and of the advisers of the Crown, may act independently, and so independently as to produce a dead-lock. I do not anticipate any such result. In the first place we know that in England it does not arise. There would be no use of an Upper House if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the Lower House. It would be of no value whatever were it a mere chamber for registering the decrees of the Lower House. It must be an independent house, having a free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that body, but it will never set itself in opposition against the deliberate and understood wishes of the people.

I believe, honourable senators, that Sir John A. Macdonald and the other Fathers of Confederation contemplated that the upper house would be an independent house, and that its constitution would prevent it ever becoming swamped by any one party. However, I am quite sure the Fathers of Confederation never considered the possibility that the efflux of time would bring about, in as effective a way as if there had been unlimited power of swamping, a composition of the membership which they sought to avoid. Honourable members will recall that when senators were appointed to represent three divisions, the British North America Act provided that, if at any time it was deemed fit, two additional senators for each division, or a total of six, could be appointed. With the amendment of the Act by which a fourth section was added, provision was made for the appointment of a total of eight additional senators, two from each division. This would hardly be regarded as power to swamp, in the ordinary sense of the term.

I emphasize the fact that the conception was that this house would be independent and would act in a semi-judicial capacity; and I believe it has fulfilled its functions in this regard. Speaking with a background of some experience, for I have been government leader for five and a half years, I confess that my most difficult moments in this house have been when the fate of some piece of government legislation which I have introduced has hung in the balance. Those difficult moments have not been occasioned wholly by the official opposition; they have come in large measure from honourable senators nominated by the same government that appointed me. I believe that this house adopts a much more judicial attitude towards legislation than the country gives it credit for. But while it is important to maintain this attitude, it is no less important to have it recognized by the public.

One of our problems at the moment is that, because of unusual conditions, the number of members of one party—appointees of a Liberal government—has exceeded in the last two or three years any party majority which has existed since Confederation. That disbalance is likely to become even greater in the next few years. That problem, I think, is one to which we should address ourselves if we desire the Senate to maintain the appearance of being what the Fathers of Confederation desired it to be, an independent house.

Until about 1945 the maximum number of senators appointed by any one government, representing either of the two major political

parties, was sixty-three. There were in 1896 sixty-three Conservatives, ten Liberals, and three Independents. By 1912 the positions had been reversed, and the composition of the house was then seventeen Conservatives, fifty-seven Liberals, and nine others. The proportions varied from time to time until 1930, when appointees of the Liberal government numbered fifty, to forty-six Conservatives; by 1936, just before the elections, the number of Conservatives had increased to sixty-three. At the present moment, as honourable senators know, eighty members have been appointed by Liberal governments; there are eleven vacancies, which, were they filled on the same basis as heretofore, would make a total Liberal membership of ninety-one, and the official opposition consists of eleven senators. What the future has in store we do not know, but I think there cannot be the slightest doubt that the situation which has arisen is one that the Fathers of Confederation never anticipated, and although I have not lost sight of the practical questions which must be faced in connection with these matters, I will go so far as to say that it is not a condition which commends itself to the great body of the Canadian people.

In the light of this state of facts I intend to make some suggestions which this committee, should it be set up, might consider, although they are not intended to limit in any way the scope of the committee's work. I would like them to consider, first, what policy might be devised to guarantee a reasonably adequate representation in the Senate of the various minority schools of political thought. For seventy-five or eighty years, conditions so operated that there was never a time when the political thought of the country was not adequately represented. That situation does not now exist, and I believe that as a consequence, in more ways than one, the usefulness of the Senate has been impaired. From somewhat the same point of view I would like the committee to seriously consider what changes are likely to occur when Canada obtains the right to amend her own constitution. Provided that virtually its entire membership is not drawn from one segment of political thought, the Senate was in a position to play a very useful part in connection with the constitutional relations which will obtain between the provinces and the federal government. Once the right to amend our constitution has been obtained, should 100 per cent of the Senate membership represent only one political party, and that party be in power, it might be that the provinces would not be encouraged to regard the Senate as the sheet anchor of their constitutional rights. So, for more reasons than one, I hope the committee, if appointed, will give this subject their serious consideration.

I recall a saying of Sir John A. Macdonald to the effect that while it is in the power of the Senate to criticize and amend and postpone, it cannot set itself against the other house. I believe that view is absolutely sound. The membership of the other place represents the people, and as such its will must finally prevail. As long ago as the time of confederation, some honourable senators and other people were of the opinion that our system of appointments remove us too far from the public; and there have always been those who advocated an elective Senate. I can see the argument in favour of it, but I am opposed to it. It has occurred to me, however, that a useful compromise might be reached. I would suggest that the semi-judicial characteristics of the Senate be maintained by appointing two-thirds of its members as at present, and the remaining one-third for five-year terms, at the expiration of which they should be eligible for re-appointment.

Hon. Mr. Farris: By whom would they be appointed?

Hon. Mr. Robertson: That would be a matter of detail. I doubt very much whether any system could be adopted that would take away from any central authority the appointment of senators. Mind you, honourable senators, we could recognize various types of political thought just as easily as we have recognized Canadian public opinion on matters which are not covered by our statutes.

Hon. Mr. Hugessen: For instance, the cabinet.

Hon. Mr. Robertson: Or in the appointment of Senators. For instance, in the matter of appointing senators there have been no statutory provisions stating that a man shall be a Protestant or a Catholic, or that he be of this or that racial origin. But down through the years certain practices have been followed, and because they have appealed to the common sense of the great majority of people, they have almost had the force of law. If this can be true of one thing, it can be true of another.

Hon. Mr. Roebuck: Will the honourable leader permit me to ask a question?

Hon. Mr. Robertson: Certainly.

Hon. Mr. Roebuck: If it were required that all or some senators return every five years in order to have their re-appointment confirmed by the appointing authority would

that not destroy the independence of the Senate, to which my honourable friend has subscribed?

Hon. Mr. Robertson: Does my honourable friend ask why, if it is good for one-third of the membership of the Senate it is not good for three-thirds?

Hon. Mr. Roebuck: Exactly.

Hon. Mr. Robertson: That is a fair question, and I think that my proposals might have been somewhat different had I discussed these various points with a cross-section of my colleagues. Perhaps I can answer my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) by merely repeating that I believe the essential characteristic of the Senate is its semi-judicial capacity. This objective might be achieved with a membership of ninety-six senators as satisfactorily as by a membership of a hundred and two senators, just so long as appointments are distributed equitably throughout the geographical area of the country. When it comes to forming an opinion, however, even judges often rely on counsel to advance argument. I think that two-thirds of the membership of the Senate would represent a clear majority of semi-judicial opinion; at the same time I think it would serve a useful purpose to have people bring fresh current opinion into this house at regular intervals. This would be particularly true, should one of the factors which the government of the day might make use of in appointing senators be the desirability of reflecting the current interests of a provincial government. It would be difficult for life appointees to represent such current interests, because a provincial government might be replaced in three of four years. I do not deny that my proposal has its disadvantages, but I should like honourable senators to consider whether or not it might be worth while to have a constant stream of public opinion made available to the house.

I advance now with a good deal of hesitation to another proposal which I think the committee ought to discuss. I would suggest that consideration be given to the adoption of a policy providing that future appointments to the Senate be made subject to a compulsory retiring age. In offering this suggestion I almost feel as though I am being disloyal to some of my best friends in this chamber. Just to illustrate the flux of time I would point out that I was sworn in as a member of the Senate on March 2, 1943—along with the Honourable Senators Campbell and McIntyre—and that now I am forty-third on the list of the senators according to seniority. During my tenure of office I have had no greater friends—friends whom I have looked up to and respected—than those over the age of seventy-five. In passing, however, I would suggest that the compulsory retiring age be seventy-five, and that upon retirement pensions be provided from a contributory pension fund, and that the recipient could elect that half his pension be paid to his dependent on a basis similar to that which is in effect for Supreme Court judges. These proposals have to do with the future and not with present members; but, as honourable senators are aware, on more than one occasion the wife of a senator has suffered great hardships when left stranded by his death.

I also suggest that consideration be given to substituting for the position of "Leader of the Government in the Senate" some new machinery that would enable Senate members to be better informed on all aspects of government policy, and which at the same time would provide the Senate with leadership of its own choosing.

An Hon. Senator: Hear, hear.

Hon. Mr. Robertson: While I have done my best in the position I hold in the Senate, I feel that a house, comprised of 102 members of inquiring minds, should be provided with more detailed information than has been the case during my tenure of office.

Hon. Mr. Hardy: And during the tenures of the other leaders.

Hon. Mr. Robertson: If the Senate has to depend entirely on one man, it seems to me that it could not have had a better man for leader than, say, the late Senator Dandurand, the Right Honourable Arthur Meighen, or my immediate predecessor, the honourable senator from Kootenay East (Hon. Mr. King).

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: They brought to this house a very wide knowledge of public affairs. I served under the leadership of the honourable gentleman from Kootenay East, and I appreciate all that he did; nevertheless I believe that the present system does not permit senators to obtain all the information they should have on the complex matters dealt with by parliament today. Let me try to illustrate what I mean. The Legislature of Nova Scotia has 37 members, of whom eight or nine are cabinet ministers, at all times able to answer questions asked in the house about their respective departments. Ontario has a legislature of 90 members and I believe that about fifteen of them are cabinet ministers. The House of Commons, composed of 262 members, has in addition to the Prime Minister 18 other cabinet ministers and 13 parliamentary assistants, a total of 32 persons specially qualified to furnish information on government policy

and legislation. But this Senate of 102 members depends on how many for information? On just one. It is true that when a bill is sent to committee the minister of the department concerned will, at our request, appear with his deputy and other departmental officials to answer any questions that we may wish to put. But besides being able to obtain information through standing committees, members of the House of Commons and of every legislature can question ministers in Committee of the Whole.

My point is that in the Senate, to which all legislative measures have to be submitted, it is not possible for a senator to receive in Committee of the Whole the information which he is entitled to receive. To be able to give a full explanation of every measure that comes before us would require far more ability and knowledge than I think any one person possesses, unless he be a superman, and I certainly make no claim to being that. The fact is that my honourable friends opposite have been very tolerant. When they have asked for more information than I happened to have at hand, they have been willing to wait for it, a week or two if necessary, and have not complained. But how much easier it would be to discuss legislation intelligently here if there were always present someone with a thorough grasp of the whole matter being dealt with, and if when a measure was being considered clause by clause he was able to call upon one or two departmental officials for the fullest particulars upon any details.

Hon. Mr. Aseltine: May I interrupt the honourable leader? Do we not get full information in our standing committees now? Every member of the Senate has a right to attend the sittings of any committee, whether he is a member of it or not. I personally can say that I have never left a committee to which a bill was referred without feeling that I had all the information that I required.

Hon. Mr. Robertson: Time and time again I have emphasized in this house that every senator is entitled to attend meetings of any committee, whether he is a member of the committee or not. But I think we will all agree that in practice there are always some senators who feel diffident about coming to meetings of committees to which they do not belong. That is particularly true of junior senators. But whatever the reason for non-attendance of some senators, I can point to bill after bill which has been considered in committee by only a relatively small percentage of our total membership.

Now I come to another suggestion. I seriously think that if the Senate is to be what it is supposed to be, it should elect its own leader, subject to its will. That is a power commonly possessed by groups of persons banded together for any specific purpose. I would elect the Senate leader at regular intervals, say every five years, and have him subject to recall, and generally deriving his power from the house, as is usual in parliamentary institutions.

Hon. Mr. MacLennan: Suppose the Senate elected a Liberal as its leader, and the colour of the other house changed very much from what it is today. Would that Liberal senator be given a seat in a Conservative government?

Hon. Mr. Robertson: I suggest that the leader of this house should not be a member of the government. I am government leader here by appointment, and I am leader of the Senate by default, because no one else has been appointed to the position. The members of this house did not choose me, and whether they want me or not as leader they can do nothing about it. We have said time and again that this is an independent house, and I contend that an independent house ought to be able to elect its own leader, whose responsibility it would be to co-operate with the administration of the day—no matter to what political party the members of that administration belonged—in expediting the business of parliament according to the will of the majority in the Senate.

Hon. Mr. Haig: I should like to ask a question of the honourable leader. Suppose the Senate had been empowered to elect its own leader, and suppose—it will take a lot of imagination to consider this as at all possible, but I am putting it just for the sake of the argument—suppose that when the new parliament met at the middle of September, 1949, a majority of senators had said, "John T. Haig, we elect you our leader."

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: What would have happened? Though then a member of the government, it is quite possible that I should have had to recommend to this house that certain government legislation be not passed. I think that kind of thing would result in chaos.

Hon. Mr. Robertson: I will take my honourable friend up on that argument. To begin with, I am suggesting that the leader of the Senate should not be a member of the government. And, secondly, I say that the representation of the government in this house is a most important matter, so important that it ought to be much better done than it is at present, so far as concerns the giving of information to this house on government policy and measures. I think that any possible government, to whatever political party its

members may belong, would have the co-operation of this house. It is quite possible that if a Conservative government were to win the confidence of the House of Commons tomorrow some people here might think that government measures coming over for our consideration were not up to the standard of measures which used to come from the government when composed of Liberals; but I feel sure that the Senate would co-operate fully and treat every measure on its merits, as it has done in the past. During the last fifty years nearly every government has for most of its period of office had a majority against it in the Senate. Laurier had a majority against him here until almost 1912. Someone told me the other day—I think it was the senator from Sherbrooke (Hon. Mr. Howard)—that it was not so very long ago when Mr. King said, "With that appointment I shall for the first time have a majority of Liberals in the Senate." I believe that the leader of the house should not be fixed with responsibility of the government by whom he has been appointed and also have responsibility as a member of this house. I think the two functions should be separated.

Hon. Mr. Davies: May I ask the honourable gentleman a question? Does not the leader of the government in this chamber of necessity have to be a member of the cabinet? If he is not, how is he going to interpret the view of the government on legislation presented to this house? Further, is it likely that a leader appointed by this house would be acceptable to the Prime Minister?

Hon. Mr. Robertson: I again point out that the government of the day appoints its leader in the Senate to handle its legislation and get the estimates passed. It so happens that when a senator is appointed to represent the government in this house he simultaneously takes the position of leader of the Senate, by reason of there being no other leader. In this sense I refer to a majority leader, and I am not speaking disrespectfully of my honourable friend.

Hon. Mr. Farris: Is it not true that, if we chose to do so, we could now appoint a leader of the Senate, apart from the leader of the government?

Hon. Mr. Robertson: Certainly, it is true. I would remind honourable senators that when I considered speaking on this subject on a previous occasion, a senator counselled me not to bother. He said that my job was to get legislation passed and to get estimates voted with as little discussion in the house as possible, and that if I did this I was doing a good job. My view is that however good that may be for the government I represent, it is not a healthy state of affairs for the Senate. We all know that when a club or organization is formed, it immediately elects a president, or leader, and he is continued in office at the discretion of the organization.

Hon. Mr. King: By the appointment of one leader it is assumed that this house is to be of one mind. That just does not happen here. If one leader is appointed, a second leader should also be appointed.

Hon. Mr. Robertson: I would suggest that the question of who is to present the legislation is a mere detail. I come back to the original conception that the Senate is to be an independent body; and as such, it seems to me, it is most elementary that it should have its own leader who would co-operate with the administration of the day. My view is that the members of this house should not be dependent upon having a leader sent to them, as though they were not capable of choosing one for themselves.

I must apologize to the house for having taken so much time, but I have said what I have because I am proud of this institution and think it can make a greater contribution to the people of Canada than it has made in the past. Honourable senators will, I trust, treat my remarks as merely opening the discussion. I hope that everyone will participate in it. Some may agree in whole or in part with what I have said, while others may disagree with me entirely. In any event, I reserve the right to change my mind on the subject after having heard the thoughts of my honourable friends.

Hon. John T. Haig: Honourable members, I do not intend to continue the debate tonight, but I would like to say a few words to avoid any misunderstanding. The remarks of the honourable leader have been most interesting.

Hon. Mr. Lambert: May I rise to a point of order? This motion has not as yet had a seconder.

Hon. Mr. Robertson: It has been seconded by the senator from Inkerman (Hon. Mr. Hugessen).

Hon. Mr. Haig: Since my appointment as leader on this side of the house in September, 1945, a most happy relationship has existed between the leader of the government and myself. Although on questions that come before us we disagree more often than we agree, I wish to say publicly that during all this time he has never misled me by anything he said, and I have tried to accord him the same consideration.

Some Hon. Senators: Hear, hear.

Hon. Mr. MacLennan: Is it like "Freeman and Stubbs, buttering each other from alternate tubs?"

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: It has been suggested by some of my friends in this house that such a discussion as this might not be advisable. I regret to say that I cannot agree with them. In my opinion there is a tremendous misunderstanding on the part of the public as to the purpose and work of the Senate.

Hon. Mr. Lambert: Would my friend include parliament generally in that statement?

Hon. Mr. Haig: Perhaps we should include both houses. But I do not think there is much misunderstanding of the Senate on the part of members of the other house, for whenever one of them has an opportunity to come here, he never publicly refuses. There are many university professors and others who rely on gossip appearing in the press, and who have an entirely wrong impression of the purpose of the Senate.

I am going to try to bring to the public some information about what the Senate has done in the past, what it is doing today, and what it hopes to do in the future. If every member of this house will take part in the discussion, I am sure it will be thoroughly worth while.

I agree with the honourable leader that no more important appointment can be given to a man or a woman in Canada than an appointment to the Senate. The responsibility resting on this house is very great. For my part, I am not very much worried about whether the composition of its membership is all Liberal, all Conservative or what have you. We need only go through the record to learn that Sir Wilfred Laurier had very little trouble with the Senate until he got a majority in it. The same is true of Sir Robert Borden. When the Right Honourable Mr. Bennett came into power his party was in the minority in the Senate, but as soon as he gained a majority his legislation got kicked all around.

Before concluding these few remarks, I plead with all the members of my party to take part in this debate, regardless of whether or not they agree with my views on the question. If we have a full discussion the public will understand the matter thoroughly. I am quite sure that none of us want to be members of this house if we fail to give adequate service to the people of Canada.

Honourable senators, I move the adjournment of the debate.

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

DIVORCE BILLS

FIRST READINGS

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

Bill I, an Act for the relief of John Andrew Hague.

Bill J, an Act for the relief of Jane Louise Welle Kennedy.

Bill K, an Act for the relief of Frances Danforth Stephens Ross de Lall.

Bill L, an Act for the relief of Daphne May Hodgson Frosst.

Bill M, an Act for the relief of Celia Frances Cantlie Molson.

Bill N, an Act for the relief of Rowland Walter Tyner.

Bill O, an Act for the relief of Maeve Mary Margaret McPherson Mackenzie.

Bill P, an Act for the relief of Judith Francis Cohen Besner.

Bill Q, an Act for the relief of Edith Mary Bentley Towler.

Bill R, an Act for the relief of Patricia Galley Mulvey.

Bill S, An Act for the relief of Ethel Kershaw Warren.

Bill T, an Act for the relief of Petrus (Peter) Surkala.

Bill U, an Act for the relief of Doris Demree McMullen.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

PRIVATE BILL

SECOND READING

Hon. J. H. King moved the second reading of Bill E, an Act respecting the British Columbia Telephone Company.

He said: Honourable senators, the purpose of this bill is to increase the authorized capital of the company from $25 million to $75 million. The growth in population of the province and the area served by this telephone company has been of a character and kind to make further large expenditures necessary. The company estimates that it will require an expenditure of $10 million per year for the next few years.

The company inaugurated an expansion program in 1946, and has issued the capital authorized to the extent of $20 million. I am informed by the company that it is proposed to issue the remaining $5 million of stock shortly, probably before this bill is assented to by the house.

The company operates 90 per cent of the telephone lines, and the major portion of the

long distance lines, in the province of British Columbia. The population of that province as computed by the Bureau of Statistics on June 1, 1950, was 1,138,000, and of this number, 900,000, or 79 per cent of the population, reside in territory served by the British Columbia Telephone Company.

Between 1940 and 1950 the population of British Columbia has grown from 805,000 to 1,138,000, an increase in ten years of 41·4 per cent. The increase in population in the whole of Canada during the same period was only 21·7 per cent. Since the end of 1945 the number of telephones of the company has increased from 163,135 to 246,486, an increase to December 31, 1950, of 50 per cent. Notwithstanding this gain in stations, the company had on file at December 31, 1950, 22,967 unfilled applications for service. Surveys and economic studies indicate that a heavy demand for service will continue for some time. The company regrets that it has not been able to fill all the applications on hand, but this is partly due to the extraordinary population increase, and partly to the difficulty of securing equipment and material for these extensions.

In the year 1940 the company completed 1,688,397 originating long distance messages. In 1950 they completed 5,469,408 such messages—a gain of 224 per cent. It is estimated that the originating long distance messages in 1951 will exceed 6,000,000.

The company serves the capital city of Victoria and many outlying stations on Vancouver Island. It also serves the city of Vancouver—the third largest city in Canada —Greater Vancouver, New Westminster, adjoining municipalities, the Fraser Valley, and the Kamloops district. It also has stations throughout the Kootenay as far east as the Crowsnest, including the towns of Trail, Nelson, Creston, Cranbrook, Kimberley and Golden, covering that important section of the province. It connects with the northern portion of the province, and utilizes on a toll basis the government lines to Prince George, and the Canadian National line from Prince George to Prince Rupert. That gives it a coverage in the northern portion of British Columbia.

I have stated the main financial proposal in the bill. There are two other proposals. It is provided that the company be allowed hereafter to issue preference or preferred shares of a par value of either $25, or $100 each; to make provision for the subdivision of any outstanding preference or preferred shares of a par value of $100 each into shares of a par value of $25 each, if deemed advisable by the directors, and subject always to the consent of at least 75 per cent in par value of the holders of each class of such preference or preferred shares proposed to be subdivided.

This proposal is in line with what is taking place in the larger companies, industrial, insurance, banks and others, who wish to make their stock more generally available to the public, realizing that the public should have an opportunity of owning or buying stock and sharing in the profits that may come from their business.

The company also asks that it be allowed to pay a commission on the sale of its shares. At the present time that is not permitted. It will be done under the supervision of, and the rate of commission to be paid will be determined by the Board of Transport Commissioners.

Telephone service has become one of the most important public utilities in Canada. A telephone is almost a necessity in every home, office and business; and I have no doubt that the moneys asked for the company will be utilized not only for the advantage of the company, but for the benefit of the people of British Columbia.

Should the bill receive Royal Assent and become law, stock issues of the company will remain subject to the approval of the Board of Transport Commissioners.

I think I have covered the three main features of the bill. If honourable senators are sufficiently interested to read the bill, they will find that the explanatory notes set out the objects of the proposed legislation.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill H, an Act respecting The Dominion Association of Chartered Accountants.

He said: Honourable senators, I should just like to say a few words in explanation of this bill. It simply asks for the change of name of The Dominion Association of Chartered Accountants, which was incorporated in 1902. At the annual meeting last August it was resolved that an amendment be sought to the Act, whereby the present name would be changed to that of The Canadian Institute of Chartered Accountants, which in French would read "L'Institut

Canadien des Comptables Agréés". I think this request is a reasonable one. It would not change the legal rights or privileges of the association under the Act.

The explanatory notes to the bill indicate that the association seeks to have its name changed in order to facilitate its dealings wi h international bodies of accountants. If there are other reasons for this change, honourable senators could be so advised in committee, if the bill is given second reading.

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

REFERRED TO COMMITTEE

Hon. Mr. Lambert moved that the bill be referred to the Standing Committee on Miscellaneous and Private Bills.

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, February 8, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Stambaugh for an Address in reply thereto.

Hon. Mr. Grant: Though the order for resuming the debate stands in my name, I am unable to proceed tonight, and would ask that the order stand until tomorrow.

Hon. Mr. Burchill: Honourable senators, I have a few remarks to make and should like to proceed now, if it is agreeable to the house.

The Hon. the Speaker: Has the honourable senator the leave to proceed now?

Some Hon. Senators: Yes.

Hon. G. P. Burchill: Honourable senators, I do not intend to extend the debate at any length, but as this session of parliament is concerned with weighty matters which are vital to all of us, and because the program to meet the urgency of the situation which the Speech from the Throne has outlined will be so far-reaching in its application as to touch the lives of almost every Canadian citizen, I feel that we are more or less obliged on such an occasion to at least record our sense of the seriousness of the times and express our opinion of the government's plans and proposals.

The mover and seconder of the Address in reply (Hon. Mr. Stambaugh and Hon. Mr. Dessureault) acquitted themselves well, and I congratulate them. I also extend my congratulations to their provinces on the almost boundless sources of new wealth in oil wells and mineral deposits which they told us about. My friend, the honourable senator from Lethbridge (Hon. Mr. Buchanan) keeps me supplied with information about the phenomenal development and growth in Lethbridge and southern Alberta. As a Canadian I rejoice with my western colleagues. I am only sorry that I cannot match the discoveries in the West by reporting something of a similar nature from the Maritime Provinces.

While forest products, such as lumber, pulpwood and pitprops, are very much in demand, adverse weather conditions handicap operations and restrict woods production. Continuous soft weather in the fall has seriously interfered with our fishermen. The potato market has been disappointing. We have no new sources of wealth to report. Our greatest export has not been oil, iron or even wood or pulp, but brains—

Some Hon. Senators: Hear, hear.

Hon. Mr. Burchill: —which we have sent all over Canada and the United States, where boys brought up in Maritime homes and educated at Maritime schools and universities are leaders in the fields of religion and education, are presidents and general managers of banks and trust companies, and occupy executive posts in commerce and industry.

Some Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: And on the bench.

Hon. Mr. Burchill: Our young people are our greatest asset, and we do not like to see them obliged to leave their homes in their native provinces to seek a livelihood elsewhere because there are insufficient inducements in the way of satisfactory employment to keep them in the Maritimes. This is the big reason why the representatives from the Maritimes in parliament are asking the government to give the provinces by the sea an opportunity, as far as it is possible to do so, to produce a share of the national defence requirements.

In the sphere of international affairs it is difficult to add anything to the excellent speeches which have already been made by the leaders on both sides of this house, and by the honourable senator from Inkerman (Hon. Mr. Hugessen), with whose sentiments, I take it, we are all very much in accord.

I have just finished that most admirable book by the Right Honourable Winston Churchill, entitled *The Hinge of Fate*. In this book Mr. Churchill has made several references to Mr. Averill Harriman, confidante of the late President Roosevelt, who acted for the President and not only was present

at the several conferences when Messrs. Churchill, Roosevelt and Stalin met, but who accompanied Mr. Churchill to Moscow when he met Stalin alone on the occasion of his first meeting with the Russian dictator. Mr. Churchill evidently had a very high opinion of Mr. Harriman, and Mr. Harriman is one of the few men living who know the intimate history of all negotiations with the Soviet, both past and current. He is today special adviser on foreign affairs to President Truman.

I was interested yesterday to read in the New York *Times* the following extracts from a speech which Mr. Harriman delivered at Philadelphia on Saturday before the World Affairs Council of Philadelphia, at the University of Pennsylvania. Referring to the present world situation, he said:

> This struggle cannot be won by any single method —not by military strength only, nor exclusively by economic and social programs, nor by moral force alone. Anyone who attempts to find an easy way out by concentrating on one area or one phase of the conflict does not understand the character of the threat we face and is courting disaster.

Expressing impatience with "people who try to feel the pulse of the French and British every day, as to whether they will fight or not, Mr. Harriman said:

> We Americans should remember there was a time when people in Europe were wondering whether we would fight. We gave them their answer, and they will answer us when they are ready.

Mr. Harriman went on to say that the leaders of the Soviet Union are engaged in "a financial mission" to impose their system on the rest of the world, "and no country is exempt from their designs." He stated that they have a world-wide strategy that "can only be met by a global strategy" centred in Washington.

He voiced "implicit confidence" in the outcome of the free nations' struggle against the threat of communist domination. Having "gained the initiative" through the Marshall Plan and the North Atlantic Treaty, as Mr. Harriman put it, the democracies are strengthening the situation by building up collective military forces in Europe under General Eisenhower, by resisting aggression in Korea, and by United States economic and technical assistance to independent peoples.

And he made this significant statement:

> As the free world becomes stronger we can expect increasing difficulties for the Kremlin in maintaining their rule over the unhappy people behind the Iron Curtain.

Honourable senators, that seems to me to put the issue squarely before all freedom-loving peoples; and having satisfied our minds that there is no other course, it is our duty to prepare for the worst, and at the same time to be not without hope. It is unfortunate that civilization has not in its higher development reached that stage where reason and mutual trust and confidence will prevail. It is evident that force and power are still required. As in the government of our cities and communities the force of law is still necessary to maintain order, so in international affairs the policeman with a strong arm is essential for the maintenance of world peace. Great Britain, in the days of its might and power, and with the assistance of the British taxpayer, supplied that police power, and the people of the rest of the world, including those in the North American continent, relaxed under that protection and thought the world a pretty good place to live in. Today the world must look for another policeman: the United Nations must take on the job.

On one occasion when Lord Beaverbrook was addressing some university graduates I heard him say something like this:

> If a man is to be successful he must be able to cope with the uncertainties of life and learn to improvise when occasion demands.

He pointed to Mr. Churchill's gift for improvisation and stressed the fact that it was this ability of that many-talented statesman which enabled him to lead England through, particularly in the early days of the war when she fought alone. Now, with Lord Beaverbrook's statement in mind, it would appear that quick decisions again might be necessary to meet world-wide strategy with what Mr. Harriman describes as "global strategy"—in Korea today, Iran tomorrow, Yugoslavia next day.

It may be that the United Nations Security Council will be required to improvise. At any rate, during these momentous days its machinery is on trial. We pray that it may be flexible enough to meet every thrust and strong enough to restrain evil forces and keep the peace. It should have the active support of all free men the world over, for tonight our Christian civilization depends upon it.

In closing I wish to commend the policy that our Secretary of State for External Affairs has adopted on that Council. I feel that he deserves the support and sympathy of every member of this house.

Some Hon. Senators: Hear, hear.

Hon. Mr. Beaubien: Honourable senators, in the unavoidable absence of the honourable gentleman from Montague (Hon. Mr. Grant), I move adjournment of the debate on his behalf.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, February 13, 1951

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

Prayers and routine proceedings.

PRIVATE BILL

PRESENTATION OF PETITION

Hon. T. A. Crerar presented a petition on behalf of William Arden of the City of Calgary, and Robert Murray Abernethy and William Clarke Gibson of the City of Vancouver, praying to be incorporated under the name of Border Pipeline Corporation.

He said:

I may say to my colleagues that this is a most respectable petition. The company is seeking to be incorporated not for the purpose of transporting that ephemeral substance known as gas, but rather that more solid substance known as oil.

Some Hon. Senators: Oh, Oh.

MIGRATORY BIRDS CONVENTION BILL

FIRST READING

Hon. Mr. Robertson presented Bill V, an Act to amend the Migratory Birds Convention Act.

The bill was read the first time.

RADIO BILL

FIRST READING

Hon. Mr. Robertson presented Bill W, an Act to amend The Radio Act, 1938.

The bill was read the first time.

DIVORCE BILLS

SECOND READINGS

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

Bill I, an Act for the relief of John Andrew Hague.

Bill J, an Act for the relief of Jane Louise Welle Kennedy.

Bill K, an Act for the relief of Frances Danforth Stephens Ross de Lall.

Bill L, an Act for the relief of Daphne May Hodgson Frosst.

Bill M, an Act for the relief of Celia Frances Cantlie Molson.

Bill N, an Act for the relief of Rowland Walter Tyner.

Bill O, an Act for the relief of Maeve Mary Margaret McPherson Mackenzie.

Bill P, an Act for the relief of Judith Francis Cohen Besner.

Bill Q, an Act for the relief of Edith Mary Bentley Towler.

Bill R, an Act for the relief of Patricia Galley Mulvey.

Bill S, an Act for the relief of Ethel Kershaw Warren.

Bill T, an Act for the relief of Petrus (Peter) Surkala.

Bill U, an Act for the relief of Doris Demree McMullen.

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

PRIVATE BILL

SECOND READING

Hon. P. H. Bouffard moved the second reading of Bill F, an Act to incorporate Trans-Canada Pipe Lines Limited.

He said: Honourable senators, I do not think it is necessary to give a detailed explanation of this bill. Its purpose is to incorporate a company whose objective is the construction of a gas pipe-line from the province of Alberta to the city of Montreal. It will serve the main centres along the lines of the C.P.R. and C.N.R., and will have side lines running through Toronto, Ottawa, Hull and other cities. The company may also serve the territory eastward from Montreal to Quebec.

It is an all-Canadian company which will operate only in Canada. The proposed pipe-line will measure about 2,200 miles in length and, as I say, will serve the centres which I have mentioned.

Hon. Mr. Aseltine: What about Rosetown?

Hon. Mr. Euler: Where is it?

Hon. Mr. Bouffard: I have not got Rosetown on my list, but if it is insisted upon that Rosetown be served, and it is not too far off the main line, we might give consideration to running a line through there.

Some Hon. Senators: Oh, oh.

Hon. Mr. Bouffard: The company intends to spend a large sum of money in utilizing the natural gas of Alberta. It will carry on its work with the permission of the Gas Conservation Board of Alberta and it will also adhere to any rulings handed down by the Transport Board at Ottawa. It will be operated in accordance with the Pipe Line Act.

The Trans-Canada Pipe Lines Limited is an ordinary corporation with a capital stock of 5 million shares. The clauses of incorporation are the usual ones found in similar bills.

At the beginning the pipe-line will carry 365 million cubic feet of gas per day, and it may increase this amount to 500 million cubic feet per day. The company will not distribute the gas in any city in Canada, but will make gross sales to the main distributing companies across the country. In other words, the company will not enter into competition with the existing distributing companies but will encourage the organization of distribution companies to serve communities where gas is not now used. The company has entered into conversations with most of the main distributing companies operating where it is proposed to build the pipe-line—among them being the Consumers Gas Company of Toronto and the Montreal Hydro Company—and it seems that it has been greatly encouraged to spend money and carry gas down east. At the present time there is no company incorporated which proposes to operate east as far as Montreal. So far as I know the only company which intends to operate in the east at all is the Pacific Coast line, which will run to Winnipeg and from there down to the States.

The financing of the company will be done through the sale of its shares, and also the sale of bonds and debentures. The company intends to make a distribution of its bonds, debentures and common stock amongst the Canadian people to as great a degree as possible, so as to encourage investment in the company among the people who will be consumers of its gas.

Hon. Mr. Lambert: Will my honourable friend permit a question just here? In the Montreal *Gazette* of this morning I noticed that on the first page, prominently displayed, there was a reference to this bill, and it was stated that Texas capital would be represented in it. Can my honourable friend indicate the probable division of the capital in the enterprise as between United States and Canadian investors?

Hon. Mr. Bouffard: The project has not advanced far enough to make it possible for anyone to say anything definitely on that point yet. The present sponsor of the whole project is the Delhi Oil Company, a Canadian concern, which is backed up by the Delhi Oil Company of Texas. The company has already spent a tremendous sum of money in Alberta, and on the particular project which this bill concerns it has already expended more than $300,000. So far it has been exclusively American money that has been spent, but later the company intends to invite Canadians to take as large an interest as possible in the concern. I am sure there will be a proper and just division of the capital as between American and Canadian investors. It must not be forgotten that the amount of money needed by the enterprise will be tremendous, at least $250 million.

May I say one more word about the whole undertaking? If gas from Alberta is used in the proposed project, Canadians will save at least $60 million a year on their purchases of oil and coal from United States fields. I believe that in future we shall need to conserve our American funds, and therefore this expected saving will be very much to the good for the Canadian people.

If the bill is given second reading, I shall move that it be referred to committee, where an expert from the company will be present to answer any technical questions that honourable members may wish to ask. I think that the mo ion for adoption of the principle of the bill is not the proper stage at which to discuss financial and other details.

Hon. Mr. Davies: May I ask the honourable gentleman a question? If this bill goes through and the pipe line is built, does he anticipate that there will be a reduction in the cost of gas to the people of Ontario? From what I have read in the newspapers today I gather that the price of gas to the consumer is now quite high, and that it is going to be higher. I wonder whether this company which proposes to spend $250 million looks forward to a substantial reduction in cost to the consumer.

Hon. Mr. Bouffard: It is rather difficult to say what the reduction in cost will be, but I would point out that the heating value of natural gas is about twice that of artificial gas manufactured from coal. In that way the cost to the consumer will be reduced, but we cannot now say to what extent. That information may be available when the bill is before the committee. I may say that the companies which have been communicated with as distribution outlets for the natural gas are quite satisfied that they will be able to sell better gas at a price that is lower than today's price.

Hon. Mr. Euler: Will the large quantities of gas to be brought to Eastern Canada by this proposed line interfere in any way with the export of gas to the west coast of the United States? Is the supply sufficient to take care of both markets?

Hon. Mr. Bouffard: This question will be submitted in detail to the Gas Conservation Board of Alberta; but I would point out that the gas to be exported to Eastern Canada will come from other districts in Alberta than the Peace River area, which is now the

source of the gas that is being exported to the west coast. In any event, the Gas Conservation Board of Alberta will have the matter placed before it, and it will decide whether or not there is enough gas to serve both eastern and western markets.

Hon. Mr. Lambert: Does my honourable friend anticipate a relaxation in the present order of the Gas Conservation Board of Alberta, which states that at the present time there is no gas for export from that province?

Hon. Mr. Bouffard: I understand that the Gas Conservation Board has postponed the consideration of all applications until next September, when it will be in a better position than it is today to decide whether there is enough gas for Alberta's needs and for distribution all across Canada.

Hon. Mr. Davis: May I ask a question? The Minister of Trade and Commerce last Saturday issued an order restricting steel. Does my honourable friend believe that he can get enough steel to carry out this pipeline project?

Hon Mr. Bouffard: I regret that I cannot answer that question at the present time, but I shall try to get the information for my honourable friend.

Hon. Mr. Gladstone: Honourable senators will recall that in the session of 1950 there was a prolonged debate in the other place about the incorporation of various pipe-line companies. As there will no doubt be many applications this year, such a debate will likely take place again. Whether we are for or against the measure now before us, it occurs to me that it might be well to delay consideration of this bill and see what develops.

Hon. Mr. Bouffard: Honourable senators, my answer to that suggestion is that if we want to know what will be the attitude of the other house, at least one bill must be submitted. I would point out that the long debate which took place last year was occasioned by the fact that the companies then seeking incorporation wanted to distribute gas not only in Canada but in the Southern United States, and that gave rise to considerable opposition in the other place. The attitude of the house was that the gas should be kept for use in Canada. The bill now before the Senate is to incorporate a company to do the very thing which the other house thought should be done, namely distribute Canadian gas within Canada.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Salter A. Hayden (for Hon. Mr. Campbell) moved second reading of Bill G, an Act to incorporate Traders General Insurance Company.

He said: Honourable senators, this company when incorporated will have the power to underwrite all classes of insurance and re-insurance, other than life, in each province in Canada. Its intention is to specialize in automobile insurance of the collision, fire, theft and conversion type, related mainly, if not entirely, to the sale of automobiles on the instalment plan.

Hon. Mr. Crerar: Does the company look forward to engaging in health insurance and business of that nature?

Hon. Mr. Hayden: Its incorporation will give it power to write all classes of insurance and re-insurance, other than life.

Hon. Mr. Crerar: That would cover fire insurance?

Hon. Mr. Hayden: Yes.

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

REFERRED TO COMMITTEE

Hon. Mr. Hayden moved that the bill be referred to the Standing Committee on Miscellaneous and Private Bills.

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. Thomas V. Grant: Honourable senators, this maiden speech of mine has been postponed so often that the few headings which I have jotted down to keep me on the track are beginning to look more like a maiden lady.

Some Hon. Senators: Oh, oh.

Hon. Mr. Grant: This is the first time that I have availed myself of the privilege of speaking in this historic chamber, and as it

has been said that brevity is the soul not only of wit but of wisdom, I shall try to govern myself accordingly.

I wish at the outset to compliment the newly-elected senator for Newfoundland (Hon. Mr. Pratt) who spoke so ably in this house on Thurday last. Mrs. Grant and I visited Newfoundland two years ago, and we returned home with many pleasant memories of the good nature, humour and hospitality of the people of that wonderful province. I wish also to extend my sincere congratulations to the mover and the seconder of the Address in reply to the Speech from the Throne. The address of the mover was very interesting, educational and persuasive; indeed, had one not known better, one might have been led to believe that Alberta is a finer province than Prince Edward Island. I read the address of the seconder; and, having listened in the past twenty years or more to many speeches on similar occasions, I am convinced that it is up to the highest standard of addresses of this kind.

Perhaps, on account of my age and waning ambition, I did not come into the Senate with any intention of taking a hand at reforming it. But I should like to repeat something which I have said on several occasions—that it is a shame that the Speaker and his lady should be obliged to stand for hours shaking hands with the hundreds of people who attend their receptions. The practice has come down, I suppose, from the days when there were no chairs, and people either sat on the ground or stood up. Surely this primitive practice might be changed by providing cushioned chairs and nice footstools so that the Speaker and his wife could shake hands in comfort with people as they pass by.

Though I do not want to discuss the reform of the Senate, because on this occasion it might be a little premature, let me say now that I am absolutely opposed to the principle of an elective Senate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Grant: I shall give at least two reasons for this. For the past twenty-five years I have been running elections in the interest of the Liberal party; and for ten years previously, I was secretary-treasurer of the party in my district. I succeeded in making the county pretty safe for the Liberal party, and I enjoyed the work very much, although I lost a great deal of time. However, I was young then. But just one year before my last election the Conservatives very wisely persuaded my old opponent, whom I was accustomed to defeating, to retire. I understand they promised to put him in the Senate if their party gained power. He was a good man, and well worthy of the distinction. My new opponent was a young man, a native of my constituency, and a member of one of the very best families. His word is as good as his bond in any part of the province. He is an honest lawyer.

Hon. Mr. Haig: Hooray!

Some Hon. Senators: Hear, hear.

Hon. Mr. Grant: Were I in trouble I would engage him as my lawyer. However, he was nominated to run against me, and while I was here in Ottawa at the session he was going all over the county organizing and preparing for the election. To make a long story short, although he did not defeat me, he cut my small majority in half and sent me to bed for three months.

Hon. Mr. Duff: Anyway, he was an honest man!

Hon. Mr. Grant: He was a good man. I ask, what condition would I have been in following that experience, to fight an election contest against such an opponent for a seat in the Senate. The elective principle might have worked well for the Conservative party had it been in effect at the time.

I do not want to occupy too much time with personal references, but I should like to mention, by way of illustrating my point, the name of John R. MacNicol. No better representative of any party ever occupied a seat in the other place. Mr. MacNicol ran elections all his adult life; and it seems strange to me that in 1935 the Right Hon. R. B. Bennett, knowing that he was going to be defeated, did not find a place for Mr. MacNicol in the Senate. At the last election Mr. MacNicol was defeated by a man in his twenties. It is not impossible that Mr. MacNicol's defeat hastened his death: had he been appointed to the Senate he might have been alive today, serving with us as one of our finest and ablest members.

I repeat that to my mind the elective principle is unfair. We cannot go as fast as these young fellows. They can do more canvassing in a week than we could do in a month. I am reminded of an incident which occurred while I was in the other place. Two Social Credit members occupied seats side by side at the same desk One of these men was a tall fellow; the other, a short man, was the wittiest member of the house. Last year I noticed that the tall member was no longer in his old seat, and one day, while at the post office, I met the shorter man and asked him, "Where is your chum? Is he not here?" He replied, "No, he is not here." I said, "Did he run?" "Yes", was the answer "he ran, but he didn't run fast enough."

To tell the truth, I was pretty glad to be transferred into the Senate. My feelings are

well expressed by the remark of an old farmer friend of mine who, when he heard I was in the Senate, said "Poor Dr. Grant got into Heaven without having to die for it."

Some Hon. Senators: Oh, oh.

Hon. Mr. Grant: I feel that I am now associated with the cream of Canadian public life.

An Hon. Senator: We believe you.

Hon. Mr. Grant: In proof of this I need only point to my two colleagues from Prince Edward Island, the honourable senator from Mount Stewart (Hon. Mr. McIntyre) and the honourable senator from Prince (Hon. Mr. Barbour). Both these men began life in very humble surroundings, from poor but honest homes, both went into business in their respective counties; both made great success in business; both entered politics; both became Ministers of Public Works in turn, and both were the best Ministers of Public Works Prince Edward Island ever had. Should men with this kind of background be required to run for election to the Senate against some young, well-trained athlete?

A noted author recently wrote in *The Martime Advocate*:

> I like to write sketches of maritimers who have achieved success in their own province. The man who is successful at home deserves far more credit than does the man who goes far afield, for the reason that it is harder to succeed in ones' own province than it is to achieve greatness in a far off country.

Honourable senators, I have been getting somewhat personal, but I should like to refer to a few other honourable gentlemen in this chamber. First, let me mention the honourable leader of the opposition (Hon. Mr. Haig). I remember him when he used to come over and sit in the gallery of another place, where I believe he attended the sittings more than any other senator. Since coming here I have come to love him, and the more one knows him the more one loves him.

Some Hon. Senators: Hear, hear.

Hon. Mr. Grant: Sometimes I think he is off the track in his thinking, but that makes me love him all the more—because to err is human. Next, I wish to speak about my own leader (Hon. Mr. Robertson). I have known him for some years, but came to know him better on hearing him in caucus. I admire his good common sense, and I am sure we all respect him and agree that he is the best man for the job.

I should like, also, to refer to His Honour the Speaker. I think he is the light in this house. When we assemble for prayers, and he enters the Chamber, he seems to illuminate the whole place. I saw the Passion Play in Ottawa—some people call it "The Road to Calvary"—and I thought the actors were well chosen; but if I were asked to select some people to act in a play entitled "The Road to Paradise", I would choose His Honour the Speaker to sit on the throne. Then I would select the leader of the opposition (Hon. Mr. Haig) to play the role of Peter, because I know he would find it difficult to turn anybody away. I am sure that when I came to the golden gate he would say "Come on in, Grant. If you behave yourself nobody will know the difference".

Some Hon. Senators: Hear, hear.

Hon. Mr. Grant: This thought reminds me of an incident which occurred twenty-five years ago, when I was first a candidate for federal nomination. Five of us were in the running, and one day while I was on the way to visit a patient I met a certain Scotchman who was a friend of mine. We had a conversation and he said to me "I believe, doctor, that you are going to win this nomination". I asked him why he thought so, and he replied, "Well, I was talking to some delegates up along the north shore and they all seemed to think that you were a clever man, and I never told them the difference".

Some Hon. Senators: Hear, hear.

Hon. Mr. Grant: Honourable senators, I hesitate to touch upon anything controversial, but there is a small matter in connection with the civil service system of this country about which I should like to speak. It might be something that the Senate itself could look into. I refer to the system of taking people into the civil service in the first instance. Fifty two years ago I was a school teacher, and in 1899, as I was driving around the district, with my father's grey mare and wagon, the Liberal candidate, Mr. J. J. Hughes, who later became a member of this Senate, said to me: "Why don't you get a job in the civil service? There is no money in teaching school". I asked him how I would go about doing this, and he advised me to write William Foran, the secretary of the Civil Service department in Ottawa, and make application to write the required examination.

I wrote to Mr. Foran, and in his reply he enumerated the subjects on which I would have to write. They were not like those found on civil service examinations today. For instance, there was high English and advanced arithmetic; there was history—of Canada, Britain, France, and the United States —penmanship, composition and transcription. I was told to report at a certain time and place in Charlottetown where a Mr. Cameron, the supervisor of schools, would preside over

the examination. There were nine or ten candidates, and when we were assembled for the examination Mr. Cameron came in with a large sealed envelope and told us that he had received it from William Foran of Ottawa. He said, "It has been sealed, and I am supposed to open it in front of you candidates". Well, he opened the envelope and gave each of us a paper and said, "Tomorrow evening, when you are through writing your exams, I am going to put your papers in this envelope which is addressed to Mr. Foran in Ottawa. Then I shall seal it in your presence and we shall all go over to the post office together, where I shall mail it to Ottawa." If I remember correctly, six of us passed the examinations. Some time later I got a wire from Ottawa advising me to go to work as a mail clerk in Charlottetown. The weakness in the system was that when you passed the examination you had to be recommended by a member of parliament of the party in power before you could have your name placed on the eligible list. That practice has since been done away with; but I had the honour of being the last person from my constituency to get a job in the Charlottetown post office—and there were several people from my county working there when I started.

What happens today? When the postmaster at Charlottetown—which is the distributing office for the whole province—wants a clerk, he employs one or two around Christmas time, and after they have been trained a bit he applies to the Civil Service Commission to advertise the vacancy. These advertisements go out all over the province, to be posted up in the various post offices, and applicants from all over come into Charlottetown to be examined. And what do they find? They are called in before the postmaster and a couple of men who come down there from Ottawa, and the fellows who were in the post office for two or three months get the jobs. Later on, the other men from all over the province who went there to be examined are notified that they passed tenth, eleventh, twelfth, and so forth on the list, and that if they are not appointed to a job in a year or two their qualifications will have lapsed.

I just recall one other thing about my own certificate of qualifications. The certificate I received was fit to frame, and my qualifications were said to be good till I was 37, which was the age limit for appointment to the Civil Service.

Well, what happens to all these young men? One young man from my county had been all through the war, was wounded in Italy, he was a first-class school teacher; yet he was placed eleventh on the list of eligible candidates, and was notified that unless he was appointed to a job within one or two years—I forget which—he would be no longer eligible, and that if he still desired appointment after that time he would have to take the examination all over again. I ask, what happens to all these bright young men? They get discouraged by this treatment from the Civil Service Commission and go into some other kind of work.

I will give you another illustration. Two or three years ago the Department of Fisheries notified the Civil Service Commission that six fisheries inspectors were required for Prince Edward Island, and advertisements for the position were displayed in post offices all over the Island. A large number of young men applied, for this was a pretty good job, and there would be superannuation at the end of it. The candidates were called into Charlottetown—I think it was to the office of the Supervisor of Fisheries. When they got there they found two men from Halifax or Moncton—I am pretty sure they were not from Ottawa, but one of them may have been—sitting with the supervisor at a desk. The candidates were then examined. They may have been required to write a few things, but I do not think they were. Instead they were questioned by these men about fishing and one thing and another, and what grade they had reached in school, and then they were sent home. About a week later the news came out that at least five of the six successful candidates were from Charlottetown, where nobody ever caught a trout. One of them was the supervisor's son, another was the supervisor's chum's son—the supervisor and this chum were in politics together—another was a son of this chum's son, and still another was a son of a chum of a chum. The jobs went to a friendly circle in Charlottetown, if not a family circle.

Hon. Mr. Farris: There must be a family compact.

Hon. Mr. Grant: Yes, a family compact. One of the boys from my constituency, a man who went all through the war and was badly wounded, but not too seriously injured to prevent his working, was placed eleventh on the list. When I asked him who examined him, he said two men from Halifax or Ottawa and the Supervisor of Fisheries from Charlottetown. I said, "Was the supervisor sitting there?" He said, "Yes". Now, that supervisor —well, I am not going to say anything about his qualifications. Anyway, I wrote to the Chairman of the Civil Service Commission. I asked him "What right has the Supervisor of Fisheries to sit in on that examining board and put his own son or his chum's son at the head of the list? And do you know

what he told me in reply? He said that the supervisor was only acting in an advisory capacity. Well, I guess he did sit in there in an advisory capacity.

I hope that someone will take up this question and try to improve the methods by which young people are taken into the Civil Service. The kind of thing I am referring to, the placing of the brightest young men at or near the bottom of the list of successful candidates, has been going on in my province for twenty-five or thirty years.

Honourable senators, the Speech from the Throne dealt largely with the serious international situation, and after listening to orations such as those delivered by the senators from Inkerman (Hon. Mr. Hugessen), from King's (Hon. Mr. McDonald), from Cariboo (Hon. Mr. Turgeon), and others, I do not think I should be so unwise as to add my remarks on that subject. I am delighted, however, to note from the Speech from the Throne that our aged citizens are to receive adequate pensions without being subjected to the means test nuisance. Honourable senators, considering its relatively small population, Canada today is the greatest country in the world.

Some Hon. Senators: Hear, hear.

Hon. Mr. Grant: In conclusion I want to express my conviction that despite communism, paganism and all other means of the devil, the powers of light shall yet prevail over the powers of darkness—

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Grant: —and that what was forecast in the closing lines of one of the illustrious Bobby Burns' poems shall one day come true:

> For a' that, and a' that,
> It's comin yet, for a' that,
> That man to man, the warld o'er,
> Shall brothers be for a' that!

Some Hon. Senators: Hear, hear.

Hon. Gordon B. Isnor: Honourable senators, I do not propose to enter into a controversy with the honourable gentleman from Montague (Hon. Mr. Grant) as to the merits of appointment or election of future senators. In rising to take part in this debate I do so largely for the purpose of dealing with one portion of the Speech from the Throne that has not yet been touched upon.

But first I wish to join the speakers who have preceded me in offering congratulations to those who have already spoken in the debate, and particularly to the mover (Hon. Mr. Stambaugh) and the seconder (Hon. Mr. Dessureault) of the Address in reply. I wish especially to associate myself with the remarks made by the seconder in the course of his very fine tribute to that great Canadian, our present Prime Minister. I also wish to refer—and I want to come back to it later—to one paragraph in the seconder's speech, where he dealt with the resources of the province of Quebec. He said, as reported on page 14 of *Hansard*:

> My own province of Quebec will, I have no doubt, be playing an important role in this expansion of production for defence purposes. The rapid increase in industrial production and capacity in the province of Quebec over the past few years has been highly remarkable.

I leave it at that, intending, as I have said, to return to it later when I am dealing with the question of the production and resources of the province of Quebec.

I also congratulate the mover of the Address upon the interesting word picture that he painted of his province of Alberta, and particularly upon his story of the development of the oil fields in that province. I visited Alberta last September and had the privilege of seeing some of the oil wells in operation on the outskirts of Edmonton, within twelve miles of the city. I was reminded of a trip I made some years ago to the areas of Southern California where oil development was taking place. I recall vividly the operations at Signal Hill, where oil was being pumped from a great number of wells, to bring tremendous wealth to that part of the country. I believe that community eventually became so prosperous that there was no such thing as taxes. In Alberta today the future is very promising by reason of oil developments. I was disappointed, and I feel that other honourable members were too, that the honourable gentleman from Bruce (Hon. Mr. Stambaugh) did not give any tips on oil stocks, with the assurance that if we invested in them there would be no slump in the particular development he suggested. Perhaps at some future time he may give us that information privately. Seriously, we are very pleased that Alberta is enjoying such prosperity from her resources.

I was most interested in my honourable friend's reference to Alberta's coal production. As you know, Alberta and Nova Scotia produce coal for the rest of Canada. The operations in the two provinces are, however, quite different. Alberta's coal mining is more or less a strip operation, at low cost, while in Nova Scotia operations are expensive by reason of the depths to which we must dig, and the production per man per day is consequently much lower than in Alberta. However, offsetting this disadvantage is the fact that the coal of Nova Scotia is of good quality, and we find it as far inland as Montreal and

even Toronto. We are, of course, always looking for a bigger market in Quebec and Ontario.

Hon. Mr. Robertson: Hear, hear.

Hon. Mr. Isnor: I hope that my presentation of the case for Maritime products will influence honourable senators to go back to their communities with the feeling that everything possible should be done to promote the sale of Nova Scotia coal to these two central provinces.

The remarks by the honourable senator from Bruce (Hon. Mr. Stambaugh) concerning the fish of Alberta interested me very much. Once again, the honourable senator made as good a case as he could out of small fry. The fish of Nova Scotia are of an entirely different variety, and it has been said that one does not really appreciate the taste of good fish until he has eaten Nova Scotian fish. I do not wish to sound unkind in my references to the honourable senator from Bruce, but Nova Scotia is most anxious to increase the sale of her fish in all parts of Canada.

One could not help being impressed with the very fine speech made by the leader of the government, and the high plane adopted in the contribution made to the debate by the leader opposite. In years gone by I have often said that I wished that all Canadians could sit in the gallery of the House of Commons and listen to some of the speeches made there.

Hon. Mr. Horner: You mean "the other place."

Hon. Mr. Isnor: I think I can now say with greater emphasis that I wish all Canadians could have been in the gallery to hear the speeches made by the two leaders in this house. Their remarks were most educational, and can do much to familiarize the public with the manner in which the business of the country is being carried on in this chamber

I wish next to refer briefly to the remarks of the honourable senator from Medicine Hat (Hon. Mr. Gershaw), in which he touched on the question of old age pensions and other forms of social security. I was particularly interested in that portion of his speech dealing with disabled persons. The day following his speech I procured as many copies of *Hansard* as I could, and sent them to disabled persons who in years gone by have written me of their plight. I trust that through the remarks of the honourable senator some better understanding will come, and that some action will be taken to bring greater relief to disabled persons.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Isnor: I now come to the speech made by the honourable senator from King's (Hon. Mr. McDonald). My honourable friend comes from Nova Scotia, and because of the high regard in which he is held in that province I may be a little biased. He has an extensive knowledge of all phases of agriculture, and was at one time the Minister of Agriculture in the Angus L. Macdonald government. His advice is always worth listening to and considering. I was pleased to hear him advocate the extension of more assistance to the apple growers of the Annapolis Valley. He touched also on the vital question of the need for transportation between the western section of Nova Scotia and the New England States. I trust that the leader of the government will carry the request of the honourable senator from King's to the Minister of Transport, or those responsible for providing transportation facilities in that section of the country, and that as a result transportation services from the mainland of Nova Scotia to the New England States will be improved.

Reference was made by my honourable colleague to the military camps at Aldershot and Debert, which are no longer used to their full capacity. These two fine camps should again be put into use by the military authorities to accommodate troops in that section of the country.

I come next to what I refer to, with all due deference to other speakers, as the most outstanding speech in this debate, that made by the honourable senator from Inkerman (Hon. Mr. Hugessen). He outlined to us in a very interesting manner the situation which the world faces today in Western Europe, and in his well-balanced and informative style he painted a true picture of conditions in that part of the world. I would be remiss in my duty if I did not pay him a special compliment for his careful study of this most intricate problem.

Some Hon. Senators: Hear, hear.

Hon. Mr. Isnor: I would be most thoughtless indeed, if I did not make reference to the able address delivered by my former colleague in the other place, the honourable senator from Cariboo (Hon. Mr. Turgeon), in which he told us of the workings of the United Nations Organization. From all my reading on this subject I have been unable to gain as clear a picture of the operations of this great organization as that portrayed in the honourable senator's remarks.

I wish to join with others in welcoming the honourable senator from Newfoundland (Hon. Mr. Pratt), who participated in this debate and placed before us the possibility of future wealth from the resources of his

province. As a Nova Scotian I am very happy to be associated with Newfoundland, the fourth Maritime Province.

I do not wish to deal at length with the points raised by the honourable senator who has just spoken, but in my opinion a committee of the Senate could usefully occupy itself with a consideration of civil service questions and the making of recommendations which might be helpful in the making of appointments to and the operation of the service.

I now turn to that portion of the Speech from the Throne to which I referred earlier, and from which I will read two short paragraphs:

> You will also be asked to approve a bill to establish a Department of Defence Production to act as a procurement agency for the defence forces of Canada.

That is No. 1. My second quotation is:

> The high level of employment and production within our country give our people increased capacity to meet the demands of national and international security.

In those paragraphs will be found the two thoughts which I wish to dilate upon, concerning employment and development. I sincerely trust that any words of mine will not be misunderstood by honourable senators from the two provinces to which I shall refer by name—Quebec and Ontario—because—

Hon. Mr. Haig: That lets out the rest of us.

Hon. Mr. Isnor: —because I am going to deal with conditions in those two provinces. I do not know just what my honourable friend's interjection means.

Hon. Mr. Haig: I do not come from Ontario, and therefore I am not bound by your arguments.

Hon. Mr. Isnor: Thank you. I always like to hear an argument before I make a decision about it. In dealing with the question, I shall refer in the clearest and broadest possible way to the production and resources of the two provinces I have mentioned.

Hon. Mr. Haig: May I, in a spirit of helpfulness, ask the honourable gentleman a question? I have never been able to understand why Ontario, especially, and Quebec, to some extent, buy so much coal from the United States rather than from Nova Scotia. I wish the honourable senator would throw some light on the problem for the benefit of those of us who do not live either in Ontario or Quebec.

An Hon. Senator: American coal is cheaper.

Hon. Mr. Isnor: I thank the leader of the opposition (Hon. Mr. Haig) for his question. It is one which on some future occasion might be usefully clarified—perhaps helpfully to the people of Quebec and Ontario—with a view to added sales and greater prosperity in the section from which I come. At the moment, however, I wish to deal with the subject of production and the distribution of orders under the present system. May I make it clear that the table I am about to present is simply to emphasize the points I shall endeavour to make.

We all have read of the progress which our nation has made during the past fifty years. Only the other day I saw in one of the publications of the Imperial Bank of Canada some remarks by the senior Assistant General Manager, John S. Proctor. In dealing with the progress of Canada from the banking standpoint during the past half century, he stated that in 1900 bank deposits totalled $276 million and that today they total $7,290 million; that in 1900 savings deposits alone amounted to $99½ million, and that today they total $2,708 million. Referring to loans—whether this item is in point or not I do not know—he mentioned that outstanding loans today amount to a total of $2,352 million, and that fifty years ago they were less than $300 million. Investments in government and other securities now stand at $4,348 million; fifty years ago they were $50 million. In other words, they have multiplied ninety times in fifty years. I think that is wonderful progress.

I pass now to the matter of employment. and will quote from an article in the January, 1951 issue of the *Labour Gazette,* headed "Employment Conditions, November 1950." Dealing with Quebec, the article states:

> Small lay-offs and other short-time work have been occasioned in the heavy industries of Montreal and other centres by shortages of steel. The demand continued strong for steel-working skills, however, and for aircraft production workers, although these were already in short supply.

In other words, employment in Quebec was at a fairly high level, and markedly different from the position in 1939, when plants were working at not more than 60 to 70 per cent capacity.

There was a similar situation in Ontario:

> In the Ontario region, industries beginning work on defence contracts were conducting intensive recruiting campaigns in search of such skills as machinists, tool and die makers, foundry moulders, and aircraft production workers.

There again we have an indication of employment at a very high level.

But when the writer turns to the Maritimes, this is what he has to say:

> The seasonal decline in employment in the Maritimes was definitely established in November as farming, fishing, fish processing and construction began to release workers in increasing numbers.

So we find that employment was at a very high level, almost 100 per cent in Ontario and Quebec, while it was not so good in the Maritimes. The Boards of Trade in the Maritimes were stressing at that time, and have continued to do so, that one of the causes of unemployment in the Maritimes has been the lack of decentralization. Those Boards of Trade have gone on record as favouring decentralization in the purchasing of materials, supplies and equipment for government requirements, for both ordinary and defence purposes. They are also pressing for decentralization in the placing of production facilities, and for consideration of the maritime area should plants be built by the government.

During World War II the tremendous acceleration in industrial development passed by this part of Canada, and the small expansion which took place in this region was not of a permanent nature. The need for the most economical procurement of government supplies is appreciated; yet it is felt that due regard should be had for the long-range economic costs which result from an unbalanced concentration of industry, when facilities and labour in other areas are permitted to languish.

The honourable senator from Newfoundland (Hon. Mr. Pratt) referred the other day to the development of iron ore in Quebec and Labrador. I am sure we are all very pleased to learn about it. Personally I believe that this and the huge development along the St. Lawrence Seaway project should be kept under constant study to ascertain the benefits which might accrue to the Atlantic region as well as to the two central Canadian provinces and industrial points of the central United States. The government's leaders would be well advised to remember that the benefits need not be confined to the central part of the North American continent. These two big undertakings could, and should, be of profound importance to the economic history of Canada.

In that connection I would like to refer to the brief presented by a labour organization to the Premier of Nova Scotia last Friday. The brief set out what this labour organization considered should be done as regards steel expansion, and it impressed me very much when I read it. We all recognize the fact that there is a steel shortage, and that there must be an immediate and substantial increase in the production of steel in order to carry out the program which the Minister of Trade and Commerce and the Minister of National Defence have outlined to the Canadian people. This being so, steps should be taken to expand steel production. The Nova Scotia steel industry is situated in the very centre of the raw material supplies; it is at tidewater, and has the necessary rail facilities. Therefore it is the logical place for expansion. It is interesting to observe that despite the location of the Nova Scotia steel plant, last year the production amounted to only 685,478 tons, whereas our friends in Ontario were able to show a production of 2,526,920 tons. This does not seem to be logical and reasonable to those interested in the general welfare of the Maritimes. In its brief, the labour organization asked the government to go into this matter fully.

Honourable senators, at this stage I think I should compliment the Honourable Minister of National Defence and his staff on placing orders, particularly for shipbuilding, in the province of Nova Scotia and at other points in the Maritimes. I should also like to compliment the Minister of Trade and Commerce, who I believe is sincere in his willingness to see that the things are done which I am stressing today. To help make his task easier I am placing these facts on record, so that they may be studied. I hope that relief and help will be forthcoming and that greater prosperity will come to the Maritimes.

At this time I wish to quote part of a brief presented by an outstanding Canadian, Mr. N. A. Hesler, director of the Bank of Canada. He presented this brief at the annual meeting of the Maritime Board of Trade at Moncton, New Brunswick, on November the 9th, 1950. Mr. Hesler has had considerable experience in war production in both World Wars, and I think his words are well worth considering. He states:

> Having been engaged in the production of defence materials in the first World War, as well as the second World War, I have been in a position to appreciate the marked changes in the requirements, between the first World War and the Second World War. And now, the atomic bomb, guided missiles, and many other developments since the last war, make it imperative that we give constant attention to the changes in the requirements and so organize our efforts to get the maximum results, and decentralize our industries to the greatest possible extent, regardless of the cost involved in its initial construction and operation, because the destruction of one large plant would not only mean a big loss in money but more particularly an interruption in the flow of materials required in the war effort.

In my opinion that is sound reasoning, and I think the leader of the government (Hon. Mr. Robertson) would be well advised to think this over and carry its message to his colleagues in the Cabinet in the hope of bringing about what is suggested in this brief. I think I should read from another paragraph:

> I should imagine that as a result of their experience during the last war the government would appreciate the necessity of decentralizing industry, because many large manufacturers have appreciated the value of this since and before World War II.

After making this statement Mr. Hesler goes on to refer to the large number of facilities which we have in the Maritimes, the way in which our coal and other resources could be used in the present emergency. He concludes this phase of his brief with the following paragraph:

When it comes to raw materials, we can boast of the iron ore deposits of our new province, Newfoundland, leading to the production of steel for various requirements, and large resources of timber to take care of any type of requirements of wooden construction, and coal.

Honourable senators, I wish to close by presenting a table, and in doing so I shall place definite facts before the house. I was pleased to note that the honourable senator from New Westminster (Hon. Mr. Reid) placed a question on the Order Paper today concerning contracts awarded since December by the Canadian Commercial Corporation.

Hon. Mr. Reid: For the very reason that you are now elaborating.

Hon. Mr. Isnor: Yes, for the very reason I am using today. My purpose is to give a fair picture of what is taking place in our defence program. I am not being critical at all; I am simply trying to present facts before those who are responsible for the placing of orders.

Hon. Mr. Quinn: Why not be critical?

Hon. Mr. Isnor: Well, it is not my nature to be critical. I desire to draw some facts to the attention of those who are responsible for the placing of orders, in the hope of bringing about results which the honourable member from Bedford-Halifax (Hon. Mr. Quinn) and I and others wish for.

This table or report is from the Canadian Commercial Corporation and is headed "Contracts awarded in excess of $5,000." It gives detailed information as to the number and value of contracts awarded in each of the provinces, beginning with Newfoundland and going through to British Columbia; it also sets out the totals. The report covers four periods, but I do not intend to refer to them all in detail.

The first period is from December 1 to December 9, 1950, during which the total number of orders or contracts placed in the whole of Canada was 101, and the total amount of these was $8,105,827. I know that figures are dry and difficult to follow, but perhaps comparisons of the amounts expended in certain provinces will be interesting. What do we find in this first period? The orders placed in Quebec amounted to $4,418,192, and in Ontario to $3,178,841, or for these two central provinces a combined total of $7,597,033. The total spent during that period in all the other provinces was only $508,794. For the first period that is the picture and I want you to think it over.

Hon. Mr. Reid: I wonder if the honourable member could state what amounts were expended in Nova Scotia and British Columbia?

Hon. Mr. Isnor: I did not want to go into that at this stage, but I can give my honourable friend the information later. My time is passing; but if it permits, I shall come back to this point.

Hon. Mr. Quinn: There is no time limit here.

Hon. Mr. Isnor: Oh, thank you. Well, in that event I can give the information now. In that period Nova Scotia received five orders, amounting to $208,243. British Columbia received four orders, to a total of $44,477.

Hon. Mr. Reid: The same thing happened in the last war.

Hon. Mr. Isnor: Then you are with me 100 per cent in my argument?

Hon. Mr. Reid: Absolutely.

Hon. Mr. Isnor: I pass on to the third period.

Hon. Mr. Hugessen: What period is that?

Hon. Mr. Isnor: The period from December 18 to December 30, 1950. During that period 194 contracts in excess of $5,000 were placed throughout the country. Of these, 64 went to Quebec and 86 to Ontario, or a total of 150 to the two central provinces, leaving 44 for all the other provinces. The total amount represented by the 194 orders was $14,916,198. Of this there was expended in Ontario $7,606,589, and in Quebec $5,588,823. So the total value of the 150 orders placed in the two central provinces was $13,195,612, which left only $1,720,586 to be divided among the other eight provinces.

Now I come to the the third part of this statement which I wish to use, namely, the totals for the whole four periods. These present a very interesting study. Figures always fascinate me, and I like to use them, even though I know that to some people they are very dry. In his speech this afternoon my honourable friend from Montague (Hon. Mr. Grant) mentioned certain things that he did in one of his election campaigns, so perhaps I will be allowed to refer to an incident in one of my early campaigns. Back in 1928, when the American exchange rate was strongly against us, I think something like 17 or 18 per cent, the Rhodes government was in power in Nova Scotia—my friend the honourable senator from Bedford-Halifax (Hon. Mr. Quinn) will remember conditions of 1928 and 1933—and I took advantage of my habit of using figures. I said, "It is

simply awful to think that with a Conservative government in power our dollar is worth only 83 cents." Then I proceeded to add up two and two, to make five, or two and two to make six, as the case suited me, until the people began to realize that it was certainly bad to have in office a government that would allow our dollar to sink to such a low level. I mention that just in passing as a little attempt at humour, although I realize that as a humorist I am not at all in the class of my honourable friend from Montague (Hon. Mr. Grant). Today we are very happy to know that our dollar is practically at par with the American dollar, and that when we travel in the United States our currency is gladly accepted.

Hon. Mr. Quinn: But the buying power of the dollar is down to 56 cents.

Hon. Mr. Isnor: Now I come back to these totals in the report of the Canadian Commercial Corporation. The grand total amount of the orders placed in the whole of Canada from December 1, 1950, to January 13, 1951, was $32,948,755—and again I wish to mention the proportion that was expended in the two central provinces; and I do this in no unkindly way. Of that total amount there was expended in Quebec $14,487,392, and in Ontario $15,129,972, or a total in the two central provinces of $29,617,364. Simple subtraction shows that this left only $3,331,391 to be expended in all the rest of Canada.

Perhaps it would be easier to see the picture if I gave percentages. Taking the $32,948,755 as 100 per cent, we find that the value of the orders placed in Quebec was 43·78 per cent of the total, and in Ontario 45·81 per cent. In other words, the total for the two central provinces was 89·59 per cent, leaving for the rest of Canada only 10·19 per cent. In placing before you the picture of the distribution of contracts during that period, I address my remarks particularly to the leader of the government.

Honourable senators might well ask me if I have any constructive thoughts to offer. For what my views are worth, I wish to place them before the house. I believe that the Canadian Commercial Corporation should by now be so organized that it would be unnecessary to call for tenders from the different sections of Canada on a competitive basis, but that from its records and available information it should be able to place orders where the work is to be carried out or the material used, even to the extent of placing them on a cost-plus basis. Thus, instead of placing about 90 per cent of the orders in the two central provinces, there would be greater distribution of the benefits of production and decentralized defence purchases.

Some Hon. Senators: Hear, hear.

Hon. Mr. Isnor: If the honourable senator from New Westminster (Hon. Mr. Reid) wishes to ask any questions about the table I presented, I should be pleased to answer them.

Hon. Mr. Reid: Not now, thank you.

Hon. Mr. McIntyre: Would the honourable senator care to give some detail of the way in which these large expenditures were made? If we had such information we would have some idea as to whether the other provinces were in a position to receive orders and fill them. For instance, the Canadair factory, located near Montreal, produces jet planes. I wonder if the facilities are available in any other province for that type of manufacturing.

Hon. Mr. McDonald: Airplanes are being manufactured near Halifax.

Hon. Mr. McIntyre: I wish the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) would enlighten us as to what was procured for the expenditures of those millions of dollars.

Hon. Mr. Isnor: Needless to say, it would be impossible for me to go into detail on every item purchased by the Canadian Commercial Corporation. As honourable senators will recall, the corporation was set up for the purpose of placing contracts to meet the needs of the Department of National Defence.

For the information of the honourable senator from Mount Stewart (Hon. Mr. McIntyre) I wish to say that we have near Halifax one of the most modern aircraft industries in Canada, known as the Fairey (Canadian) Aviation Company, Limited. Its plant is perhaps not as large as the one to which the honourable gentleman has referred, but it does a very fine job. It is located outside of Halifax proper, across the harbour at Eastern Passage, where it is a blessing from an employment standpoint. Naturally, we in that community are anxious to see it expand and provide employment for not 500, as it now does, but 5,000.

Generally speaking, the expenditures to which I have referred cover every type of equipment used in connection with national defence.

Hon. Norman McL. Paterson: Honourable senators, may I ask the honourable senator who has just taken his seat whether it would not be a good idea to have one of the standing committees inquire into the question which he has raised, and which has been discussed a number of times? People frequently ask

why they are not getting their share of government orders. It seems to me that if a committee considered this matter in the same way that the budget items will be considered, the Canadian Commercial Corporation would be able to answer a great many of the questions that are asked. That organization is subjected to pretty severe criticism at times, and I think it would be only too glad to supply to the Senate valuable information as to why orders are placed as they are.

Hon. Mr. Isnor: I wish to thank the honourable senator from Thunder Bay (Hon. Mr. Paterson) for the suggestion he has made. I am sure it is worth following up.

I could have enlarged on this question of government expenditures to some extent, but I did not want to weary the house. It is understandable, to a degree, why the two great provinces of Ontario and Quebec should enjoy the large volume of orders which they receive; but I have tried to put the whole picture before the house. The Province of Ontario, for instance, is trying to decentralize its industry, and one finds that factories are being built in small towns outside larger cities like Toronto and Hamilton. The province of Nova Scotia is also well aware of the need for the decentralization of industry.

Hon. Mrs. Fallis: But we have a good government in the province of Ontario.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 14, 1951

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill B, an Act to incorporate The Hutterian Brethren Church.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 8, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Haig: With leave of the Senate, I move the third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill D, an Act to incorporate The Evangelical Lutheran Church of Canada.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 8, 1951, examined the said bill and now beg to report the same without any amendment.

THIRD READING

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

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill C, an Act to amend the United Church of Canada Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 8, 1951, examined the said bill and now beg leave to report the same with the following amendment:

1. Page 1, line 19: After "funds" add the following:

"and for all purposes of any loan or investment it shall have all such rights and remedies for the collection, enforcement or repayment thereof as any individual or corporation would have by law in the premises."

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

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

The motion was agreed to.

PRIVATE BILL

FIRST READING

Hon. Mr. Fogo presented Bill L-1, an Act to incorporate Canadian-Montana Pipe Line Company.

The bill was read the first time.

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

Hon. Mr. Fogo: Monday.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Committee on Divorce, moved the third reading of the following bills:

Bill I, an Act for the relief of John Andrew Hague.

Bill J, an Act for the relief of Jane Louise Welle Kennedy.

Bill K, an Act for the relief of Frances Danforth Stephens Ross de Lall.

Bill L, an Act for the relief of Daphne May Hodgson Frosst.

Bill M, an Act for the relief of Celia Frances Cantlie Molson.

Bill N, an Act for the relief of Rowland Walter Tyner.

Bill O, an Act for the relief of Maeve Mary Margaret McPherson Mackenzie.

Bill P, an Act for the relief of Judith Francis Cohen Besner.

Bill Q, an Act for the relief of Edith Mary Bentley Towler.

Bill R, an Act for the relief of Patricia Galley Mulvey.

Bill S, an Act for the relief of Ethel Kershaw Warren.

Bill T, an Act for the relief of Petrus (Peter) Surkala.

Bill U, an Act for the relief of Doris Demree McMullen.

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

FIRST READINGS

Hon. Mr. Aseltine presented the following bills:

Bill X, an Act for the relief of Isabella Potts Younger Ayton.

Bill Y, an Act for the relief of Margaret Alice McDermid Jones.

Bill Z, an Act for the relief of Jacqueline Moquin Verner.

Bill A-1, an Act for the relief of Ruth Chernofsky Shaffer.

Bill B-1, an Act for the relief of Florence Lachovitz Michael.

Bill C-1, an Act for the relief of Eugenia Jean Diakonuk Cuthbertson.

Bill D-1, an Act for the relief of Ruth Moffatt Bell Lansing.

Bill E-1, an Act for the relief of Kurt Roberts, otherwise known as Kurt Rosenbaum.

Bill F-1, an Act for the relief of Margaret Stevenson Erskine Withenshaw.

Bill G-1, an Act for the relief of Cecile Duguay Quenneville.

Bill H-1, an Act for the relief of Margarette Marie Hyduk Towstuk.

Bill I-1, an Act for the relief of Joseph Maurice Fernando Lemieux.

Bill J-1, an Act for the relief of Donald Benedict Cullen.

Bill K-1, an Act for the relief of Valeda Ardell Derick Thorley.

The bills were read the first time.

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

Hon. Mr. Aseltine: Next sitting.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from Monday, February 12, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. John T. Haig: Honourable members, the motion by the leader of the government in this house is in these words:

That a Special Committee of the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

Before I discuss that motion I wish to spend a few minutes sketching the historical background of government in Canada. I presume this information is well known to honourable senators, but I am speaking for the benefit of the public generally.

During the period from 1855 to 1867, when Ontario and Quebec were known as Upper Canada and Lower Canada, they were governed by a Legislative Council of twenty members—ten from each province; a Legislative Assembly of 84 members—an equal number from each province—and the Governor in Council, who had power to increase the number of members of the council if it was deemed proper.

During the period from 1855 to 1867—the dates which I give may not be exact, but they will at least be approximate—this country had a new government about once a year.

Hon. Mr. Euler: It was like France is now.

Hon. Mr. Haig: The Honourable George Brown was the active leader of the Liberal party in Ontario, and Mr. McDonald, later Sir John A. Macdonald, led the Conservative party in that province. The Honourable Georges Etienne Cartier was the active leader of the Conservative party in Quebec. For ten or twelve years prior to 1867 a great struggle was going on to establish a stable government in this country; but all efforts failed, and the leaders whose names I have mentioned acknowledged their failure. They recognized the impossibility of their task, and they were such great Canadians that they frankly stated that the deadlock which existed must be settled in some way. They were backed up in their stand by the British Government, which was anxious then, and it has been ever since, to have Canada govern itself.

Canada then, as now, was a close neighbour of the United States, and that country was anxious for the establishment of a stable government in Canada. Fundamentally, there was a strong sense of patriotism in this country, and the leaders of the political parties in Ontario and Quebec sent out a call for delegates from Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland to meet delegates from Ontario and Quebec, with a view to establishing such a stable government.

The delegates met first at Charlottetown, Prince Edward Island, and later in Quebec. At these conferences a number of resolutions were drawn up which formed a basis of a union of the provinces. The details of those resolutions do not affect the subject under discussion, but their results are far-reaching. When the delegates from Newfoundland went back home with the proposals which had been made, their government refused to accept them, and thereby declined to join with Canada. The provinces of Nova Scotia

and New Brunswick joined with Upper and Lower Canada, but with certain reservations. They pointed out that it was quite all right for Ontario and Quebec to agree to a House of Commons in which there would be representation on the basis of population, but that it was obvious that Ontario would have the largest representation, Quebec the second largest, and the Maritime provinces a very small representation indeed. The Maritime Provinces, therefore, made it very clear that they would not enter confederation unless there was to be a second chamber.

The Fathers of Confederation, rightly or wrongly, were strongly of the belief that the system of parliamentary government in Britain was the best system. In that country they had a House of Commons, and a second chamber known as the House of Lords. In most confederations there has been a second chamber. In the United States the second chamber is composed of two senators from each State. Formerly senators were appointed by the legislatures of their particular States, and the system worked so badly that the people rebelled against it and adopted the method of electing members of the Senate for a period of six years, one-third of the membership to change every two years.

When the time came for Canada to deal with the question of a second chamber, the American system was not working well and did not find favour here. Those charged with the framing of our constitution preferred the British system. If you read the debates of that time you will find that it was decided to confer on the Canadian House of Commons practically the same powers as those possessed by the British House of Commons, and to form the Senate on the model of the House of Lords, but with one marked difference. Membership of the House of Lords is based upon the hereditary principle, whereby, when the eldest son of a peer succeeds to the title he becomes a member of the upper house. That principle was not accepted in Canada: it was decided that, whether the method of selection adopted were appointment or election, the determining factor should be merit, not birth. Most of us in this chamber are old enough to remember the struggle which occurred in Great Britain when the then Prime Minister, Mr. Asquith, announced the government's intention to curtail the powers of the House of Lords because that chamber had threatened to reject certain legislation. In Britain there is a provision whereby the party in office has the power to swamp the House of Lords by adding to the peerage a number of new members who will support the government's policies. This is popularly known as the swamping provision. In Canada the number of senators was originally fixed at seventy-two. At that time the government was given the power to appoint six more senators, but thereafter no more could be appointed until the number dropped below seventy-two. The number now that may be appointed, excluding Newfoundland, is eight. That is the only provision of the nature of "swamping". The purpose is to provide against a deadlock between the two houses should the Senate membership be about equally divided.

Why was it decided originally to limit the Senate of Canada to seventy-two members? Why was not the government, supported by the House of Commons, free to nominate as many new senators as it liked? Clearly there was some reason. The reason was that the delegates from Nova Scotia and New Brunswick—and although there is nothing in the record to show clearly the sentiment of the province of Quebec, I have no doubt, from my knowledge of the history of Canada and of Quebec, that its delegates were of the same mind—felt that, as Quebec had only sixty-five members while Ontario had eighty-five, it was wise to provide that a majority of the House of Commons, as represented by the government, could not swamp the Senate through the appointment of new senators. This safeguard was insisted on by Nova Scotia and New Brunswick.

It has frequently been said—probably I have said it myself, but I know now it is wrong—that we are here to represent minorities. That is not true. We do represent a minority, but primarily the minority we were established to represent consisted of Nova Scotia and New Brunswick, and to some extent, considered from a numerical standpoint, Quebec; but that function has nothing to do with language, religion or issues of that kind.

I remember well the leader of the government telling us how bitter was the feeling in Nova Scotia against confederation, even with the safeguards provided, and if I rightly remember the record, at the election which followed confederation, Sir Charles Tupper was the only Conservative elected from that province. He of course was in favour of confederation. The public of this country does not understand the role of this chamber. From time to time politicians in speaking about the Senate have talked as though it represents minorities in religion, language and so forth. The fact is that we are here primarily to hold confederation together, to give the less populous provinces a voice in parliament which they do not possess in the House of Commons.

Let me illustrate my meaning. Today there are two hundred and sixty-two members of the House of Commons. Of these

one hundred and fifty-six come from Ontario and Quebec, and a hundred and six from all of the rest of Canada. But in this chamber Ontario and Quebec have only forty-eight representatives, and the rest of the country has fifty-four. Yesterday the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) discussed the distribution throughout Canada of contracts for war supplies. Who can require the government to give a fair share of war contracts to Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, Manitoba, Saskatchewan, Alberta and British Columbia? This chamber. We can protect minorities which deserve our support. That is why we are here. Majorities can take care of themselves: they constitute governments, they control the public money, and they have the right to vote it.

That is my first point. The Senate reflects the feeling which existed among the delegates when they framed confederation, that, come what may, it should be held together by the reciprocal regard of all parts of the country, by giving those whose representatives in the other house are a minority, equality in this chamber with the two great central provinces. Like my honourable friend from Halifax-Dartmouth, I have every respect for Ontario and Quebec. They are great provinces; their people are able industrialists; they pay a great part of the national taxation; they can do practically everything. But, being a majority, they can always take care of themselves; it is the minority which needs representation and protection.

Let me make one further point. When the Fathers of Confederation decided upon the system of government that should be set up, what were they expecting from this house? I make the statement—and I do not think it can be contradicted, for I have read the record very carefully—that at no time during the nearly eighty-four years that Canada has been a dominion has the Senate acted otherwise than in accordance with the purposes for which it was appointed. Not once!

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I defy anybody to give a single example of a departure by the Senate from this primary obligation. It may be that occasionally the Senate has acted in matters in which some may think it should not have interfered. But let it be clearly recognized that but for this chamber confederation would never have been achieved at all.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Manitoba, Saskatchewan, Alberta and British Columbia would be part of the United States. You may think I am making an extreme statement, but I have no doubt about its accuracy. Nor, but for this chamber, would the Maritime Provinces have become part of Canada. So I suggest that when outsiders criticize what the Senate does, we should say to them, "All right; that is why the Senate was created," and they will have to admit the truth of what I have said. Then ask them, "With that reason before you, tell me of one instance in which the Senate did not carry out its duty in that regard."

Hon. Mr. Lambert: Does my honourable friend mean to say that the Senate, in its actions over these years, has always acted as the protector of the provincial rights and the minority rights of the country?

Hon. Mr. Haig: I would say, generally, yes. I have been in the Senate now for fifteen years and I have never seen a vote taken in this house which has favoured Ontario and Quebec as against the Maritimes, or any of the other provinces.

Hon. Mr. Lambert: Would it be clearer to say that the votes which have been taken in this house have been in the federal interest?

Hon. Mr. Haig: Yes. That is what I mean. But you asked a definite question. I defy anyone to point to one instance in which the primary principle for which this house was formed has not been carried out to the letter.

I am going to divert for a moment. I do not intend to deal with everything brought out by the leader of the government (Hon. Mr. Robertson) when he introduced his motion, but I should like to refer to his suggestion about establishing a retiring age of seventy-five. Perhaps he is right, but I think honourable senators will probably agree that the most outstanding man in the world today is Winston Churchill.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: At the age of seventy-six he heads the Conservative party in Great Britain, and he is still going strong. One of the most talked about men in the world today —perhaps one would not call him a great man—is Joseph Stalin, who at the age of seventy-one is leading the communist forces of the world.

Hon. Mr. Dupuis: What about Einstein?

Hon. Mr. Haig: Yes, and I shall refer to a few more great men, Count Zeppelin developed his first lighter-than-air craft when he was in his seventieth year. Thomas Edison, who astonished the world with his inventions, made his greatest discoveries when between the ages of seventy and eighty. Benjamin

Franklin helped frame the American Constitution when he was seventy-nine years of age, and Gladstone was Prime Minister of Great Britain at the age of eight-three. Tennyson, Longfellow, Wordsworth, Browning, Whittier, Bryant, and a multitude of other writers produced some of their finest works when they had passed the age of seventy-five. John Wesley was preaching regularly when he was eighty-eight. Connie Mack was the manager of the Philadelphia Athletics in his eighties, and the Right Honourable Mackenzie King was Prime Minister of this country long after he had passed the retiring age. My honourable colleague from Saltcoats (Hon. Mr. Calder) and a few others have been in this house for a good many years and can speak with authority. But I too can look back quite a long way on what has gone here and, because I have always taken a keen interest in the proceedings of this chamber I think I, too, can speak with considerable authority; and I want to say that I have never found that age has made any difference.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: If a man of seventy-five is energetic and in good health, his brain is just as clear as when he was sixty. I am over seventy myself, and though you may say that my head never was right, I feel that it is just as good as it ever was.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Let me tell you a startling thing. When I came into this house a little over fifteen years ago, I was ninety-third on the list according to seniority. The honourable senator from Lauzon (Hon. Mr. Paquet) was ninety-fourth, and two gentlemen who are now dead, the Honourable Senators Bourgeois and O'Connor, were ninety-fifth and ninety-sixth. Today I stand eighteenth according to seniority. Fifteen others who were summoned to the Senate following my appointment have also passed on. So I have seen some ninety persons serve their country here before being called to their great reward. This has meant a turnover of six persons a year, a turn-over which is considerably larger than that which takes place in ordinary occupations. It also means that from five to six people are added to the membership of this house yearly. Surely this would indicate that a lot of new thinking is brought into our midst.

Hon. Mr. Aseltine: New blood.

Hon. Mr. Haig: Yes. Another thing: that nearly everyone of the present senators has been appointed by a Liberal government.

Hon. Mr. Duff: There is nothing wrong about that.

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: I do not want to hurt anyone's feelings, but I would point out that the great majority of persons here are former members of the House of Commons or of some provincial legislature. For instance, the honourable senator from Saltcoats served for twelve years in the Legislature of Saskatchewan before coming to Ottawa as a member of the House of Commons. As I say, most of us served in either or both of these political fields and there are others here who endeavoured to do so, but the people in their constituencies would not vote for them.

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: If personal references are not considered to be in bad taste, I should like to say that I was a member of the Winnipeg School Board for fourteen years, and I served sixteen years as a member of the provincial legislature, being elected by the city of Winnipeg on each occasion. I know what it means to go to the people. Whenever I got up in the legislature to make a speech I had one eye on the Speaker and one eye on the visitors' gallery.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: If a member of the legislature did not make a practice of doing that he would never be re-elected. When I was in the provincial legislature political matters were always uppermost in my mind. That has never been the case here, because I know that I have to work with you men and women as long as I live. The leader of my party did me a very great honour when he appointed me to this house. I felt that he was giving me an opportunity to serve Canada as I could not serve it otherwise. For that reason I doubly appreciate the responsibility resting on my shoulders to help make Canada a better place to live in. Honourable senators, I am taking longer than I intended.

Some Hon. Senator: Proceed!

Hon. Mr. Haig: I wish to make a few more personal references. When I entered this chamber, in 1936, the leader of the government was the Right Honourable W. L. Mackenzie King. He had been elected by a large majority in the election of October, 1935, when one of the main issues had been the annual deficit of some $40 or $50 million of the Canadian National Railways. Mr. Bennett, who was Prime Minister from 1930 to 1935, had changed the system of appointing directors of the C.N.R. by order in council. Mr. King and most of his supporters had promised that if elected they would introduce a program which would help solve the financial problem of the C.N.R. The Bennett government had brought down legislation authorizing

the appointment of three trustees for the C.N.R. The chairman was to hold office for five years and the others for terms of less than five years, and each of them was to be eligible for re-appointment. I believe the honourable senator from Waterloo (Hon. Mr. Euler) was a member of the cabinet when the King government introduced a bill to do away with the Board of Trustees and to put back in the hands of the directors the responsibility of endeavouring to make the railway pay. The bill came to this house, where there were at the time 62 Conservatives. Actually there were 63 appointees of the Borden and Bennett governments, but one of them was a Unionist Liberal, and he voted Liberal. To this chamber which at that time had 62 senators appointed by Conservative Prime Ministers—32 of them by Mr. Bennett—came the legislation to do away with the Bennett commission. Now, anyone unfamiliar with the fact will say to me, "Then the bill was killed." But it was not killed. And why was it not killed? Well, the railway problem had been an issue in the election, and the government of the day had a mandate to try to solve it.

I had no special knowledge about railroads but, like everybody else, I knew that at that time the Canadian National Railways' annual deficit was a terrible drain on this country, and it seemed to me, as no doubt it did to the other Conservative senators, that if Mr. King had a policy which might solve the problem it was our duty to pass legislation to carry out that policy. So this house did pass the legislation. Now, if there had been the reverse situation—if Mr. Bennett had appointed some political partisans to run the railroad and Mr. King had decided to substitute a railway commission—it could have been said that we voted for Mr. King's bill because we believed in the commission form of management. But it was the very reverse. It was Mr. Bennett who appointed a commission and Mr. King who brought down a bill to kill that commission. Yet, realizing the immensity of the problem then facing Canada, we voted to pass that bill.

At the beginning I outlined what I deemed to be the purpose of the Senate. I liked what my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) said the other day. In reality we sit here not as politicians, but as arbitrators or judges of legislation, and it is our duty to say whether we think—rightly or wrongly—that the legislation before us is in the interest of Canada. And we feel—rightly or wrongly—that if we do not protect Canada, it cannot be protected.

Remember this, honourable senators: no government will willingly bring down in the House of Commons any legislation which during its consideration in the Senate might receive publicity that would make the government very unpopular. And any piece of legislation that the Senate felt was really detrimental to the public interest would certainly be dealt with here in a way that would attract publicity. Now, that is one way in which the Senate has served through the years. There is no evidence on it that I can quote by reference to any specific case, but I know enough about human nature to realize that no administration wants to submit to the Senate any measure which is likely to be revealed here as being contrary to public interest, and therefore almost certain—not all at once perhaps, but sooner or later—to become unpopular. Discussion of such a measure in the Senate would be bad for an administration. I say that that factor has had and has a restraining influence upon those responsible for the introduction of government legislation into the other house.

If you look back over the last 83 years—I do not care what period you take—you will not find that any government ever made the Senate's rejection of government legislation an election issue. Take the period of Sir Wilfrid Laurier. When he came into power, in 1896, his supporters in the Senate comprised only a small minority of this chamber's membership. I was old enough then to read about and take an interest in politics, for I was a teacher instructing children in my own province, and I cannot remember that in any single instance the Senate's rejection of a piece of his legislation was so important to him that he had the House of Commons dissolved and went before the people to show that the Senate was wrong.

Hon. Mr. Euler: How about the Yukon Railway Bill?

Hon. Mr. Haig: The Senate killed that bill and several others.

Hon. Mr. Euler: I understood you to say that it did not reject any government legislation at that time.

Hon. Mr. Haig: No, I did not say that. I said that during Sir Wilfrid Laurier's term of office no rejection of a bill by the Senate resulted in the dissolution of parliament and an appeal to the country on the issue that the Senate had acted wrongly.

Hon. Mr. Euler: I am sorry, I misunderstood you.

Hon. Mr. Haig: The same thing was true while Sir Robert Borden was Prime Minister. When he came into power there was a strong Liberal majority in this house, but so far as I know he never threatened to call an election because the Senate changed some of his legislation. There was the famous instance

of the bill to increase the number of senators from the four Western provinces. Sir Robert thought that the number should be increased from 16 to 24, so that the representation of the West in this chamber would equal that of the other three senatorial divisions, and in 1915 he brought down a bill to give each of the four Western provinces six senators instead of four. When the bill came to this house the majority here was favourable to the proposed increase in membership, but felt that it should not come into effect until after the next election. That opinion of the majority carried, but Sir Robert Borden did not have parliament dissolved so that the issue could be threshed out in the country. And I think that if he had done that he would have been beaten.

As my honourable friend from Waterloo (Hon. Mr. Euler) knows, in the past a large number of railway branch line bills were rejected by the Senate, and this has resulted in the saving of millions of dollars through the years. I have no detailed information on those bills before me. I can, however, refer to one specific measure whose rejection by the Senate, in 1919, has saved to the people of the four Western provinces an average of $26 million a year ever since. That was the bill to amend the Crowsnest Pass agreement. The government of the day, headed by Sir Robert Borden, introduced that bill for the purpose of doing away with the special freight rates granted on grain and flour from the Prairie provinces to Fort William and the Pacific coast. The bill was passed by the Commons, but the Senate made an amendment, which has produced for the West the good results I have just mentioned.

Now I am going to do something that my honourable friend from Rosetown (Hon. Mr. Aseltine) says I do very poorly. I am going to read an article. Every now and then the *Financial Post*, of Toronto, telegraphs people asking for a hundred words of opinion on such and such a matter. I suppose that from time to time we all get these requests and respond to them. Well, the Winnipeg *Free Press*, of October 12, 1950, had an editorial on an opinion expressed to the *Financial Post* by Mr. Eliason of the Saskatchewan Farmers Union, on the subject of abolition of the Senate. Here is what the *Free Press* says:

> The public memory is notoriously short, but still it is rather surprising to find a Prairie man, who might be expected to have knowledge of past events as they affect Prairie farmers, advocating the abolition of the Senate.
>
> In response to a question sent out by the *Financial Post*, Mr. Frank Eliason, of the Saskatchewan Farmers Union, Saskatoon, wrote in part as follows:
>
> "Organized farmers believe that the Senate has rarely performed the functions that were intended at confederation and that the time has come when it should be abolished."

It is a matter of historical record that during the second session (the special railway session) of parliament in 1919, the Union government brought down legislation abolishing the Crowsnest Pass rates on grain and flour. This legislation was passed by the House of Commons but was challenged in the Senate by the late Senator Robert (Bob) Watson of Portage la Prairie. Upon consideration the Senate struck out the repeal section, substituting therefor a clause temporarily suspending the agreement. Had it not been for the Senate, the Crowsnest Pass agreement would have been irretrievably lost to Western Canada in 1919.

As it was, the Senate saved the agreement, and later on it became the most outstanding achievement of the Progressive Party that the agreement was re-instated in 1925. What the Senate saved in 1919, the prairie provinces, through their membership in both houses of parliament, have jealously guarded ever since.

On evidence presented to the Board of Transport Commissioners, the Crowsnest Pass agreement saved prairie farmers $26 million per year. That figure is based on the difference between Crow rates and the standard or commodity rates, as fixed in the rate judgments of 1920 and 1922.

There was no change in the 1920-22 rate structure until 1948, when the 21 per cent increase went into effect. Since then there have been additional increases of 8 per cent, 7 per cent, and 3 per cent. Because of the agreement none of these increases affected rates on grain and flour and therefore, had it not been for the Crowsnest agreement, the $26 million difference would have been well above $30 millions per year.

Thus the fact is that the Senate saved prairie farmers $26 million per year for 29 years—or a total of $754 millions. To this must be added another $60 millions to cover the two years, 1948-49. The grand total exceeds $800 millions and is increasing each year.

All of the credit for this great saving to each and every farmer in the prairie provinces goes to the Senate. No other organization or body had a thing to do with it. The Progressive Party, which brought about the re-instatement of the agreement, did not arrive on the scene at Ottawa until 1921.

Mr. Eliason, perhaps, would like to reconsider his statement.

It must be remembered therefore, that the savings thus effected are sufficient to pay the expenses of the Senate for the next hundred years—and those savings are still being enjoyed year by year.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: One important fact which the editorial omits is that when this vital railway legislation was considered in this house the Conservatives were then in the majority, the attendance being 56 Conservatives and 32 Liberals. Most of those Conservatives were appointed by Sir Robert Borden, and yet enough of them voted against the government to pass the legislation.

Hon. Mr. Aseltine: To defeat the legislation.

Hon. Mr. Hugessen: To amend it.

Hon. Mr. Haig: Yes; there was an amendment. I point out that the expense of the

Senate to the country, even in those years when we have had two sessions, is only $1,200,000. Compare that with a saving of $26 million a year.

Hon. Mr. Euler: What about the $600 million the western farmers lost on the wheat agreement?

Hon. Mr. Haig: The answer is that the Senate had already saved the money.

My honourable friend the leader had something to say about the reform of the Senate. I would point out that the late Mr. King at the convention of the Liberal party held in 1919, promised that the Senate would be reformed. Mr. King later said, I think in a jocular way, that he had certainly reformed the Senate. Of course it was not in the way that the resolution of the convention had meant it. Why did Mr. King not keep his promise? Well, if I were speaking on a political platform I might say that he had his tongue in his cheek when he made the promise, but I do not believe that is the answer. I firmly believe that if Mr. King had had any proposals to offer by way of making the Senate more useful to Canada, he would have made them. He was challenged time and again by the opposition in the House of Commons to explain why he had not kept his promise of 1919. I offer this explanation: when the promise was made he was a young man in political life, and that when he looked with more mature eyes at the constitution of the Senate and its record he had no proposals to offer for its improvement.

With one more point, I shall conclude.

Hon. Mr. Beaubien: Go ahead; it is a good speech.

Hon. Mr. Haig: The honourable leader of the government has said that certain inquiries can be ably carried out by the Senate. I agree with him in part at least, but I warn the house, as I have often done before—and not because I think that the positions of the parties represented here will be changed—that our concern is to justify our existence by doing what confederation intended us to do. Above all we must keep in mind that we are Canadians before we are Grits or Tories.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: A few sessions ago the Senate inquired into the workings of the Income Tax Act, and offered several amendments to it. Our suggestions were not implemented *in toto,* but practically all of the major recommendations we made are today part of the Income Tax law of Canada.

Hon. Mr. Aseltine: Quite true.

Hon. Mr. Haig: But I would strongly urge that we keep away from inquiring into political problems, for in so doing I think we would expose ourselves to the criticism that the Senate, an appointed body, was trying to oppose the wishes of the elected representatives of the people. We are appointed by the government to represent the people of Canada in a certain specific capacity, and we must be careful not to overstep our jurisdiction.

I have never yet met or talked to thinking people—except perhaps some college professors—who seriously advocated the abolition of the Senate; nor have I heard a *bona fide* suggestion that the Senate should be an elected body.

I call the attention of the honourable members to a report made by the late Senator Ross, in which he reviewed many of the statements made by such statesmen as Macdonald and Brown. There one may read the words of the Honourable George Brown—a liberal of Liberals—to the effect that there should not be two elected houses of parliament for the reason that there would be constant warfare between them. If we were elected for a term of five years what would be the attitude today of my colleagues and myself—towards a government measure that was contrary to policy of our party? Why, we would fight it to the bitter end. Men like the Honourable George Brown foresaw such a situation, and expressed themselves as opposed to an elected Senate. Sir John A. Macdonald's stand on the Senate was that it should be regarded as a delaying body. That is to say, if certain legislation was being passed too hastily, it was the function of this chamber to delay its passage.

I am bold to say that if the government of the day went to the country and, after a clear statement on the issues involved received the consent of the majority of the people to take certain action, I as a member of this house would not stand in the way of its implementation. History shows that all appointed bodies may contest certain measures, but that when these measures are shown to be the will of the people, resistance is withdrawn. Perhaps I can illustrate my point by calling attention to the practice that prevails in most organizations. When a past president is made an honorary member of an organization, he very seldom takes an active part in its functions. For instance, in the Province of Manitoba the practice of the Bar is to make all Benchers who have served for a period of fifteen years—of whom there are now fourteen—honorary Benchers. Our experience is that when the Secretary of the Bar Association informs these honorary Benchers that there is an important meeting

taking place, only one will attend, and he has nothing else to do.

I repeat my earlier suggestion that we should refrain from interfering with political questions. By and large, I think, all of us, regardless of political leanings, favour this broad approach, and as I said before, it has been my experience that we have acted in the best interests of this country.

Hon. Mr. Euler: My honourable friend has quoted someone as saying that he believed the Senate should be a delaying body.

Hon. Mr. Haig: Macdonald said it.

Hon. Mr. Euler: Does he believe that the Senate should indefinitely obstruct legislation which comes from the other house?

Hon. Mr. Haig: Oh, no.

Hon. Mr. Euler: Or would he approve of having some such restrictions as can be applied, for instance, by the Parliament of Great Britain?

Hon. Mr. Haig: My point is this. Let us suppose that during the excitement of war an election were held, and that a majority holding opinions of a certain kind were elected to the House of Commons and then the war suddenly ended. Often a war government is different from a peacetime government. Assuming that legislation proposed by a wartime government was such as we believed was not in the interests of Canada, we would not delay its application forever, but we might delay it a year or two. I will give an illustration. Some years ago the government of the day brought in a Foreign Exchange Control Bill which was intended to remain in effect indefinitely. I had a fear at that time that the Commonwealth Co-operative Federation might become the government of this country.

Hon. Mr. Howard: You have changed your mind since.

Hon. Mr. Haig: Oh, yes. Or rather, the facts made me change my mind. I was then, and still am, of the opinion that under the Foreign Exchange Control Act a government could direct the economy of this country without having recourse to parliament for any legislation at all. What did we do? It will be remembered that my honourable friend from Wellington (Hon. Mr. Howard) was quite active in the matter, and I give him credit for it. We said to the government: "Why not restrict the operation of this bill to two, or not more than three years? If the need for controls should remain in existence after that time, we shall be just as ready to face it then as we are now." The then government, after consideration, accepted our viewpoint, and so amended the law. It is action of that kind which I have in mind when I speak of our "delaying" function; and Macdonald, Brown and Cartier were all in favour of the second chamber exercising this function.

I want to say just one word about the leader's speech. He made five or six points of the nature of suggestions. Every one of them, excepting that relating to retirement at a certain age, could be carried out without any further legislation. There is nothing to prevent us from doing any of these things that we want to do. But I do not think we should appoint a committee to consider them. I can see no possibility of such a committee giving us any help at all. That may be merely a personal opinion. I have outlined the purposes of our existence as a Senate and defined our fundamental duty, and that is all that we senators ought to try to do, unless we can show—and I do not think we can—that the Fathers of Confederation were wrong in their concept of what the Senate should be.

Further, I think that anybody who wants changes in the legislation dealing with the Senate of Canada should put forth some definite indications of what they find wrong. They say, "Oh, well, there's a lot of fellows there who could not be elected." But more members of this Senate have been elected to parliament than anybody has any idea of. When I came here this house contained sixty-five former members of the House of Commons and sixteen ex-members of legislatures; only sixteen were men and women who had not been members either of some provincial legislature or of the House of Commons. I think that is a pretty good record.

Secondly, it may be said that some of us—and perhaps I am one—are not too clever or active; that we have not made good business men or doctors or merchants or artisans, or whatever our vocations may be; but I believe that this membership will bear comparison with any cross-section of Canada and any legislative body one cares to name.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I would not want to sit in this chamber if all the senators were supermen and superwomen. I do not know what would happen. I want to sit with a body of men and women who comprise a good cross-section of the Canadian people.

I do not believe in any limit of age. If a senator is to retire at the age of seventy-five, some provision for superannuation will be necessary. My own experience—and I suppose it is shared by every doctor and lawyer in the house—is that when one is in a personal business one sees people walking by

his door and calling on some other partner,—and it kind of hurts. A fellow came to me last summer and said: "Jack, I know you are my lawyer, but your associates are always here and you are away half the time, and I want to deal with somebody who is on the spot and can look after me". Take the case of a senator who is a physician. I venture to say that he is in exactly the same position. He may be one of the best medical men in his province, but if he is down here for six months, and his people cannot obtain his services, they will go to somebody else. I do not blame them; I would do the same thing.

You may say that we are paid for our services here. That is not the point. The experience each of us has had in every-day life is given to the people of this country at a figure which is very low for the services rendered. If you engage a lawyer or doctor or engineer or any other professional man to do a piece of work, you will find that you have soon paid out as much as the $6,000 a year that we receive.

For these reasons—the fact that the membership changes to the extent of five or six members each year, the fact that w are assembled here for a certain purpose, the fact that during eighty-four years no issue has ever arisen on which the action of the Senate was declared by the people of this country to be wrong—I believe that the less we say or do about this subject the better the people of Canada will be satisfied.

Some Hon. Senators: Hear, hear.

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

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, my first word is for His Honour the Speaker. I am delighted to see him in such good health this week. We are always pleased to feel his kindly eyes following our proceedings and to have him directing them.

After listening to my honourable colleagues who spoke on the Address in reply to the Speech from the Throne, it is my duty—and a very pleasant one—to congratulate the mover and the seconder on their speeches, and also all those who spoke after them. It is hard to say which speech was the greatest and which the most powerful. Truly, the elite of the Canadian population should study them.

If my speech does not measure up to theirs, I hope it will at least set off the value of the previous addresses.

In certain quarters at present the reform of the Senate is being mentioned, and means are sought to make our work more efficient. Those who know the work we are performing and the way we are doing it, give us credit for it, I believe. I was told, by a stranger who attended a meeting of our Banking Committee: "Your Committee is probably the best of its kind that I have seen in either Canada or in the United States." These words were spoken by an American citizen, and they constitute quite a tribute.

One of the reasons for the existence of the Senate, according to the Constitution of 1867, was that this non-elective house should protect minorities. The Senate has given this protection in the past and will, I hope, continue to do so. Two races built this country, and it is only through the understanding and good will of both that the necessary unity will be ensured.

I am just back from Europe. As I went through Switzerland — a country to be admired for its scenery, and especially for its national unity, although it is formed of several minority races—a referundum was being held in the Canton of Berne. We know that the majority of the citizens of the Canton of Berne are of German origin. Nevertheless, in the Canton of Berne, it was requested that the French language be put on an equal footing with German, and the immense majority of the citizens of that Canton voted in favour of such a measure. In Switzerland, French, German and Italian cultures flourish side by side, and the diversity lends a particular charm to each canton. Do not tell a French or Italian Swiss that he is German Swiss or a French Swiss. He considers himself to be Italian or German or French, but he will tell you: "I am a Swiss." In his canton people may speak French, Italian or German; but when a Swiss citizen talks about his country he is always a Swiss. And thus in this beautiful country there is a genuine and true harmony. This unity was not created overnight; it is the result of time and patience, and above all a great amount of good will. Why should the same situation not exist in Canada? Indeed, with the co-operation of all men of good will —and there is good will everywhere—it should be possible. God knows that we need it in order to solve the numerous and complex problems which presently face us.

A few days ago, the honourable senator from Cariboo (Hon. Mr. Turgeon), gave a very good outline of the work which Canada is performing at the United Nations.

I wish to thank him for insisting upon the participation of our country in world affairs and, in the same strain, I would like to point out that a former high official of the Department of Agriculture, Dr. Archibald, has agreed to perform a highly commendable task by going to Ethiopia at that country's request, in order to assist the FAO in the nutritional and agricultural work it is doing there.

He had already reached retirement age, it seems, but still, at seventy years of age, he answered the call of Ethiopia. In this connection, I was tempted a while ago to point out, after the speech of the leader of the opposition (Hon. Mr. Haig), that the man who saved France during the 1914-1918 war was Georges Clémenceau, who was then eighty years old.

Yesterday, our colleague from Halifax-Dartmouth (Hon. Mr. Isnor) spoke about the allocation of contracts, and he showed that more than eighty per cent of the contracts let out in December by the defence organization, were given in Quebec and Ontario. I would point out to my honourable colleague that in the Province of Quebec we are complaining of the same situation; we find that Montreal and its surrounding districts obtain almost one hundred per cent of the contracts for goods which are supposed to be let and manufactured in the whole province of Quebec.

This is not intended as unkindly criticism, but I believe that a better distribution of these contracts could be effected by letting sub-contracts. It is evident that jet planes cannot be built at Levis, but in my own city we can manufacture many of the aluminum parts which go into the making of those planes. Most likely the same situation would apply to many other towns in other provinces. By the procedure mentioned, production would be speeded up, manufacturing decentralized, and by the same token, the congestion of larger cities which are already overpopulated, would be relieved. This method would also help to solve the housing shortage in some of the larger cities. I trust that these remarks, which are made in all good will, will not be totally disregarded.

Several colleagues who preceded me mentioned industries and products particular to their own province. We heard about mines, oil, apples, potatoes and coal. So I feel like talking about something in which I am particularly interested, an industry which belongs to the Province of Quebec, the industry of maple products. In another place, one of the members inquired of the government if an investigation had been undertaken to ascertain whether there existed a combine to set the price of maple products. Had I asked this question, I would have added: "Did the Commissioner for Combines launch an inquiry to ascertain the existence of a possible combine for the manufacture of adulterated maple syrup, which would ruin the maple sugar industry in the Province of Quebec?"

The maple products industry is probably the oldest agricultural industry in this country. Before the white men came to America, the Indians knew that the maple trees produced a sweet water from which was made an excellent syrup used particularly for medicinal purposes.

Twenty-five years ago our sugar manufacturers, that is those from the Province of Quebec, formed a co-operative to rebuild this industry which was in a bad way and even about to disappear. After twenty-five years of struggle this industry has got back to its feet, and I could even say that it has achieved greater importance than it ever enjoyed before. Success in this field, as in many others, creates envy. Today, we do not have to cope with the inefficiency of our farmers, but with the dishonesty of those who own no maple trees but nevertheless manufacture thousands upon thousands of pounds of sugar and syrup which they sell for maple products. In markets throughout the country, a so-called maple syrup is being sold which contains only a few drops of maple sap.

This is the greatest threat to our oldest agricultural industry.

In order to stop these adulterations, the co-operation of the federal and provincial governments must be obtained. Last year, the Government of the Province of Quebec took drastic measures; and I wish to congratulate the Minister of Agriculture of that province in that respect. I am now asking the authorities of the federal Department of Agriculture and of the Department of National Health and Welfare, who enforce throughout the country laws and regulations relating to pure food products, to take the necessary steps to see that the law is observed everywhere, in order to protect the honest producer as well as the honest consumer.

Will my remarks bear fruit, will they gain attention from the authorities concerned? I hope so, in the interest of all our honest maple sugar makers, whether they come from Quebec, Ontario, New Brunswick or Nova Scotia.

Let us turn now to more important questions.

One cannot go out on the street without being asked: "What do you think of the present situation? When will the cost of living stop going up? Will war break out?"

We will not lower the cost of living through inflation. Each month we wait with anxiety for the report of the Bureau of Statistics: will the cost of living go up one point, half a point or two points? Every one has his own theory to stop inflation. Some say that production must be increased as much as possible in order to saturate the market, and they use an American expression "mass production". Others say: "Let us spend less, let us put a stop to our wastefulness." This is sound, but it is very difficult to apply because we are induced on all sides to spend more. According to the theory of greater production, of "mass production", greater publicity is used to increase the sales and manufacture of goods. Last Thursday, I read a newspaper, and a good-sized one at that, which devoted two-thirds of its space to advertising. Radio publicity is just as heavy. We are told: "If you cannot afford to buy, if you haven't got the necessary money to purchase a certain item, we will sell it to you on terms." People who own beautiful and comfortable furniture sell it in order to procure more beautiful furniture, which they can pay for on the instalment plan. They get into debt without knowing that tomorrow they will be in a position to pay. They say that they will make these payments from week to week, but they are mortgaging a salary which they have not yet earned. If some misfortune occurs, it becomes a disaster. This happens in many homes.

Let us reduce our expenditures. We should be reasonable and use judgment in our purchases. I will point out but one abuse. Newspaper advertising is so considerable that the newsprint industry is undergoing a crisis, and timber operations cannot meet all requests. Our forests are thinning out and at certain times of the year we are plagued with drought and devastating floods. Such are some of the ill effects of inflation.

The ideal solution would be not to spend thoughtlessly one's present savings, or to invest beforehand the surplus which one expects. Inflation could thus be avoided. But the temptation is always there; from all sides we are drawn, prompted, compelled to spend. But the more we buy the more the demand increases; the cost of goods rises, and labour asks for higher salaries and shorter working hours. Inflation is caused by all these factors. Some say that governments should show the way by reducing their expenditures. Is it possible to curb expenditures? For instance, if a government stops building highways—in a provincial budget, road-building is the most considerable item—automobiles will not be able to travel as easily, the number of tourists will decrease, and the economy will thereby suffer with all ensuing consequences. This problem cannot be solved unless people become more reasonable and are determined to live more moderately.

It follows, therefore, that the best remedy against inflation is to live according to one's means, to use judgment in one's purchases, and to not count too much on future income. Thus will we avoid a crisis.

Let us now examine another matter.

One often hears about communism and marxism. How many have read even one page of Karl Marx? How many know his life, or what he ever did? The senator from Inkerman (Hon. Mr Hugesson) outlined in his speech the methods followed by Lenin and by Stalin. It is claimed that Lenin was not an imperialist, whereas Stalin is; both, however, followed the theories of Karl Marx, and Stalin still does when he thinks they will promote his imperialist ambitions.

"Never in my life," asserts the German American Karl Schurz, writing about Marx, "did I meet a man with such an insolent attitude and such an intolerable arrogance". When he was thirty-three years old, Karl Marx, then a refugee in London, tried to obtain employment with a railroad firm; but his handwriting was so bad that he could not keep this position. While he stayed in London he was helped by a friend, Engels, who took pity on him, his wife and his children, and supplied him with means of living. Karl Marx' whole life was miserable; he lived not only in poverty, but in dirt and filth, and his arrogance soured his disposition. The report of a police officer who inspected the two rooms occupied by the Marx family during six years, shows that nothing was clean, that not a single piece of furniture was in proper condition. "When you enter into the rooms occupied by the Marx family," wrote this police officer, "smoke and the smell of tobacco bring tears to your eyes, and at first you think you are in a cave. Everything is filthy and covered with dust, and it is very difficult to find a seat, and even dangerous, as one of the chairs has only three legs, etc."

History teaches us however that Karl Marx was a devoted and patient father, in full contrast with what he seemed to be in public.

When Marx died in 1883, he had written but one book, "Das Capital". Engels, his devoted friend, published his other two books based on the well-preserved notes of Marx.

Marx sets as a principle that the struggle between capital and labour is inevitable. He denies God. In his opinion, the fate of man on earth hinges on materialism; he looks upon the struggle between classes as a source of progress. Conscience is not ruled by honesty, in his opinion, but the notion of

justice is determined by life. His communist manifesto is nothing but the history of social struggles.

Under Stalin and Molotov, Russia followed and still follows the advice given by Marx in a letter to the Communist League in 1850. "The communists", he wrote, "will be the natural allies of the good little bourgeois rebelling against European autocracy; but at the very first sign of victory, the communists will turn against our allies of yesterday by continuing against them the revolution, the conspiracy and the agitation. Insist that they grant you every possible concession and promise, follow the roads that will better compromise them, and you will dictate terms which will sow in these bourgeois democracies the germ of destruction. Then, with this disintegration, the proletarian classes will take over these governments with greater ease". The present leaders in Moscow have not forgotten this advice.

"The communists", wrote Marx to Engels in 1848, "state openly that their objects can be achieved only by upsetting all present social conditions. In our case", he adds, "we can not merely change private property, we must destroy it; it will not suffice to promote antagonism between classes, we must abolish them; it is not sufficient to improve the present society; we must create a new one". Those few sentences were gathered at random in Karl Marx' book, and they reveal part of his theories and those of his successors.

How do Stalin and the members of the Supreme Soviet hope to achieve their objectives? By attempting to disorganize world economy, to stir up destruction and poverty in every country, and thus bring about world revolution. Will they be successful? Or rather will we, the democracies who still believe in God, succeed in subduing this monster?

The Russians fear war; they would rather sow anarchy and, in the ensuing confusion, take over the governments. It is less trouble when it can be done. They hope that extreme inflation will eventually bring about deflation and that, as workers, labourers and everyone else has been accustomed for many years to a high standard of living without being greatly affected by the war, no one will be willing to accept the sacrifices, and then will come a general revolution.

At that time a few iron-fisted men will take hold of the government and reduce to slavery all the workers of Canada and the United States. I doubt if the workers know that in Russia there are few if any owners; that strikes are prohibited; that the working day is at least ten hours and sometimes twelve, and that the labourer must work where he is sent and he may not earn more than the salary set by the State. Imagine our workers putting up with such conditions.

Our leaders are wise, they have benefitted from the experience of the last war, they are careful and take all possible means to prevent a sudden deflation. A deflation is desirable, but it must occur gradually and not suddenly. If this process is not successful, then the Russians are prepared to take extreme measures. That means war. They will provoke it, as in Korea, by creating a *casus belli*. In order to save their civilization the western powers will be compelled to act. Then the Russians, alleging that we are the invaders, will cross their frontiers to protect their country, which they will claim to have been attacked.

A few days ago in another place it was stated that we should organize our own defence but that we should not be concerned with the defence of other countries. It would be the same as if, after our enemies had invaded our home, we attempted to run out and cry: "Do not kill our children!" Can you imagine Canada, with a population of 14 million, alone against approximately 200 million?

All my life I have advocated co-operation, because I know that through co-operation I can do things which I could never achieve alone. With my neighbour's help there is almost nothing that I cannot accomplish.

The Atlantic Treaty, to my mind, was a happy inspiration of our Prime Minister, who proposed it and was its main architect. It is a constructive step which, we hope, will save us.

If today our Christian culture still enables us to overcome all dangers and emerge victoriously from the struggle, will the same situation prevail one or two generations hence? I fear for the future because I fear that those spiritual and moral values which we are presently defending may disappear completely from the character and way of life of our successors. If our world is to endure, we must give it something which does not die: spiritual life.

Are you not frightened at what is happening? If men live like animals, that is, if they do not believe in God or in their own souls, then they degenerate, they become beasts and act as beasts.

Recently Rt. Rev. Archbishop Léger, of Montreal, stated: "At the present time there is a breach in the depths of the human mystery, and a breach necessarily causes a breakdown. Man is not what he should be, and when he is not what he should be, he is a monster." I am wondering if we are not

about to become monsters. How can we avoid becoming such monsters? We must do better than is presently being done in some schools in the neighbouring country and in some of our own schools. If in our public school we never mention God, the Supreme Being who created all things, including man, I fear that we will prepare for our descendants to become monsters which will devour one another. If there is no one above men to guide their destiny, the law of the jungle will prevail rather than the law of love according to which we should love one another like brothers born of the same Father, God Eternal.

On the occasion of his recent trip to Paris, our Prime Minister, in a short interview which he granted to Madame Rosemonde Dupont, representative of a Parisian daily newspaper called *L'Aube*, stated that in his opinion, Canada must play an essentially stabilizing role. Indeed, Canada ethnologically speaking, is formed of old European races, the English and French of the old countries as they are called by the Canadian people. But Canada is also influenced by the United States. Canada was placed between these two civilizations, and it is up to Canada to keep to the middle of the road.

May God give us the strength to defend our most sacred possession, our homes; may He give us the power to preserve our Christian civilization; and may He so fashion our hearts that we will always love Him. May Divine Providence so guide us that we may at all times be prepared to defend those things which give a meaning to life, our faith and our freedoms.

(Text):

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 15, 1951

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

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

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

Hon. Michael Basha, of Curling, Newfoundland, introduced by Hon. Wishart McL. Robertson and Hon. Ray Petten.

DIVORCE

REPORTS OF COMMITTEE

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 55 to 66, both inclusive, and moved that they be taken into consideration tomorrow.

He said: Honourable senators, I should like to report that the Standing Committee on Divorce has been sitting in two sections, and by the end of this week will have completed the hearing of 70 or 80 cases. It is expected that by the end of the month we shall have disposed of about 150 cases.

Some Hon. Senators: Hear, hear.

The motion was agreed to.

NATIONAL DEFENCE PURCHASES

ORDER FOR RETURN

On the notice by Hon. Mr. Reid:

That he will inquire of the government:
How many contracts covering National Defence purchases were let through or by the Canadian Commercial Corporation from October 1, 1950, to January 31, 1951, and to whom were the contracts let, and the price of each contract so let?

Hon. Mr. Reid: Honourable senators, I ask leave to amend the notice of inquiry standing in my name. It has been drawn to my attention that in the brief period about which I was inquiring 40,179 contracts were let, and that to give the details of these would require a great deal of stenographic and other help. I therefore beg leave to amend my notice to read as follows:

How many contracts covering National Defence purchases were placed in each of the provinces, through or by the Canadian Commercial Corporation, from October 1, 1950, to January 31, 1951, and what was the total dollar value of such contracts, by provinces?

An Hon. Senator: Agreed.

Hon. Mr. Robertson: The house being agreeable to the change that my honourable friend has suggested, I would propose that this inquiry be passed as an order for return.

The inquiry was passed as an order for return.

PRIVATE BILL

FIRST READING

Hon. Mr. Fogo presented Bill M-1, an Act to incorporate Trans Mountain Oil Pipe Line Company.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Crerar presented Bill N-1, an Act to incorporate Border Pipeline Corporation.

The bill was read the first time.

DIVORCE BILLS

SECOND READINGS

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

Bill X, an Act for the relief of Isabella Potts Younger Ayton.

Bill Y, an Act for the relief of Margaret Alice McDermid Jones.

Bill Z, an Act for the relief of Jacqueline Moquin Verner.

Bill A-1, an Act for the relief of Ruth Chernofsky Shaffer.

Bill B-1, an Act for the relief of Florence Lachovitz Michael.

Bill C-1, an Act for the relief of Eugenia Jean Diakonuk Cuthbertson.

Bill D-1, an Act for the relief of Ruth Moffat Bell Lansing.

Bill E-1, an Act for the relief of Kurt Roberts, otherwise known as Kurt Rosenbaum.

Bill F-1, an Act for the relief of Margaret Stevenson Erskine Withenshaw.

Bill G-1, an Act for the relief of Cecile Duguay Quenneville.

Bill H-1, an Act for the relief of Margarette Marie Hyduk Towstuk.

Bill I-1, an Act for the relief of Joseph Maurice Fernando Lemieux.

Bill J-1, an Act for the relief of Donald Benedict Cullen.

Bill K-1, an Act for the relief of Valeda Ardell Derick Thorley.

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

PRIVATE BILL

CONCURRENCE IN COMMITTEE AMENDMENT

The Senate proceeded to the consideration of the amendment made by the Standing Committee on Miscellaneous Private Bills to Bill C, an Act to amend the United Church of Canada Act.

Hon. Mr. Bouffard: Honourable senators, I move that the amendment be now concurred in.

The motion was agreed to.

THIRD READING

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

Hon. Mr. Lambert: Now.

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

RADIO BILL

SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill W, an Act to amend The Radio Act, 1938.

He said: Honourable senators who have been members of the committee of the other house having to do with radio will recall the various amendments which from time to time have been made to the Radio Act. They will recall that in 1932 it became necessary to get a ruling as to who had jurisdiction over radio broadcasting, and that on February 9 of that year, the Judicial Committee of the Imperial Privy Council, to whom the matter was referred, ruled that the control and regulation of radio-communication rested within the jurisdiction of the federal parliament. Following that ruling the Radio Broadcasting Act of 1932 was enacted, and the Canadian Broadcasting Commission was set up. In 1936 the present Canadian Broadcasting Corporation succeeded the Radio Broadcasting Commission, and in 1938 there was introduced and passed an Act relating not only to radio broadcasting but to radiotelephone and certain other methods of communication, and known as an Act respecting Radio in Canada.

Since the passing of that act radio broadcasting has become more extensive and is now not only national but international in scope, and at the present time Canada broadcasts by radio to other countries all over the world, in approximately twelve languages.

The purpose of this bill is to implement a treaty signed between Canada and the United States which will permit citizens of either country to operate certain classes of radio stations in the other country as well as at home. Reciprocity in the field of aviation has been in force between Canada and the United States. For many years, citizens of either country have been permitted to qualify for pilots' licences and to fly aircraft in the other country. That means, for instance, that if a United States pilot has his pilot's licence he can operate an airplane in either country. However, in the majority of cases the operation of radio equipment is essential to the safe flying of aircraft, but to date the radio laws of each country prevent the operation of aircraft radio equipment by citizens of the other country. The amendment of the Act will permit citizens of Canada or of the United States to operate radio in aircraft registered in either country.

The installation of high-frequency radio equipment for short-range communication in vehicles of various types, such as trucks, railway trains and private motor cars, has greatly increased in the past few years. Many of these vehicles frequently cross the border between Canada and the United States, and at present the radio equipment in such vehicles is sealed at the border by the customs authorities of the country that is being entered. A Canadian car or truck going to the United States will be held up at the border and the equipment sealed; likewise, the equipment of a vehicle coming, say from San Francisco to Vancouver will be sealed at the Canadian border. The amendment of the Act will put an end to that restriction. I recall, as no doubt you all do, that during the war a great many Americans were stationed in Newfoundland. When the island became the tenth province of the dominion it was felt necessary to so amend the Act that American stations in Newfoundland would be able to carry on their private operations. The amendment also applies to amateur operators who are known, I think, as "hams" and who operate extensively south of the border.

The amendment in section 2 is simply a matter of definition: the word "radio" is replaced by the word "telecommunication". The next section to which I have referred, and which I hope will be of real benefit to our tourist trade is the more important one. It is to permit the before-mentioned trucks and other vehicles having private radio equipment to cross from one country to the other and carry on radio operations without breaking the law.

This explanation, I think, covers the purposes of the bill.

Hon. Mr. Reid: May I ask the honourable member if the proposed amendments will

affect from a licensing point of view motorists who have radios in their cars and who simply want to listen to radio programs.

Hon. Mr. Isnor: The bill has really no effect in so far as the average automobilist is concerned. If a motorist of one country uses his radio to pick up news in the other, there is no violation of the laws of either the United States or Canada. The bill applies, for example, to a tourist representing one of the large American oil companies who, on his way to Edmonton or Calgary or some other western point, wishes to establish contact with his home office or station.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roberston for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Arthur W. Roebuck: Honourable senators, one of the suggestions made by the government leader (Hon. Mr. Robertson) in his speech when he introduced this motion, was that there should be an age limit, so perhaps it will not be inappropriate for me, in commencing my few remarks this afternoon, to point out to the house that today is the sixtieth birthday of the honourable gentleman who moved the resolution.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: I have no doubt that his career to the present time has been as entirely satisfactory to him as it has been to us, and I join with the other members of this house in wishing him many happy returns of the day, and express the hope that the future years may be as happy for him as the past ones have been.

Hon. Mr. Duff: In the Senate.

Hon. Mr. Roebuck: Yes, in the Senate. And although my immediate neighbours will not join with me in this, I may say that as long as he is spared I hope he will continue to occupy in the Senate the position that he now holds.

I come now to the subject of my remarks. So long as I can remember, the reform or abolition of the Senate has furnished those seeking intellectual exercise with an interesting topic of conversation. This subject is an all-time hardy perennial. It flourished before you and I were born and I think I can safely predict that it will still be doing business at the old stand after you and I have departed. Nevertheless, while this topic may be somewhat threadbare, I wish to congratulate the government leader on the very comprehensive and excellent address which he delivered in support of his motion. I wish to extend the same congratulations and compliments to the honourable leader of the opposition (Hon. Mr. Haig). When he concluded his powerful address, a most excellent oration and one of the finest speeches I have ever heard in this house, I felt that perhaps the job had been done and that we need not say anything more about it. I for one feel the honour that it is to be a member of the Senate of Canada; I am grateful to those who kindly fathered my appointment to the Senate, and I look back with joy and satisfaction to the years during which it has been my privilege to be here. Now a formal resolution has been placed before us, and we should do something about it. Something which affects the actual organization of the Canadian nation and is vastly important to the future of Canada is thrown into the arena of debate, and it becomes the duty of all of us to be heard and to show where we stand.

As I listened to the mover of this resolution, in an address which I have already characterized as an excellent one, I was somewhat puzzled and mystified as to the capacity in which he claimed to speak. The member for Shelburne (Hon. Mr. Robertson) gave us to understand that he made his address and moved his resolution in his private capacity. I am wondering whether he can do that.

Hon. Mr. Duff: No.

Hon. Mr. Roebuck: I do not think it is possible. When the honourable member introduced this resolution he was not only a member of this house, as he has been for the last five and a half years, but government leader, a position of great honour and responsibility which was conferred upon him by the direct action of the Government of Canada, and which he has held during most of that time. He moved his resolution from the desk of the leader, and moreover his resolution was seconded by the deputy leader (Hon. Mr. Hugessen). I confess that I lack the nimbleness of mind and eye required to enable one to follow him as he jumped from one capacity to the other in this connection. I suppose

it matters very little just what capacity he occupied in making the address and in moving the resolution; but I positively do not understand it. I can understand him, however, when he says that he is not speaking for the government which he represents. That is clear at all events. His colleagues in the Cabinet are not bound by prior consultation to any of the suggestions that he himself has made. The same principle applies to his colleagues in this house. There was no prior consultation of which I am aware between the government leader and those who look upon themselves as his followers. So the honourable gentleman was not acting in the capacity of spokesman for the Liberal members of this house in expressing the sentiments he did. I understand that and I accept it. I think, however, it should be understood by members of this house and others that this is not a matter of Cabinet responsibility, but merely a topic of debate among ourselves, and that we, as always, should act upon our own judgment and in accordance with our own views.

That brings me to the first thought raised by the leader of the government or, as I shall refer to him from now on, the mover of the resolution. He pointed out the difficulties which surround the leader of the government in this house, who is also by common consent and long-established tradition leader of the Liberal party when a Liberal government is in office, and of the Conservative party when a Conservative government is in office. And he made this remark:

I seriously think that if the Senate is to be what it is supposed to be it should elect its own leader.

Well, honourable senators, I have my own opinion that the honourable gentleman was much too modest in his remarks. While his position is onerous as well as honourable, his responsibilities have been discharged by him to the entire satisfaction of members of this house, and—judging from remarks made yesterday by the leader of the opposition (Hon. Mr. Haig)—I think I can say to members of both shades of political opinion in this house. Certainly it has been discharged to my own entire satisfaction. I believe I can go so far as to say that if there were tomorrow a vote by Liberal government appointees for the election of a house leader, there would be no contenders against the present incumbent of the position, and that he would carry the day with unanimous approval.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: We have always been free to refuse to accept the leader chosen by the government as the leader of our party in this house. Nothing could stop us from assembling at any time we desired and naming some one of our own members to be our leader, if we wanted to do such a thing. But I suggest to my fellow senators that we do not want a leader of that kind in this house. It is far better that, like King Arthur's knights at the Round Table, we should all be equally distant from the salt. In this chamber it is quite unnecessary that we should have anybody to tell us which way to go. We are old enough to follow our own course; and most of us have sufficient experience not to be desirous of a leader of that kind—and a leader without followers is an anomaly. We are perfectly satisfied with the leadership and the leader that we now have, and I hope others will join with me in encouraging him to continue the arduous duties which he has so well discharged in the past.

Now, honourable senators, that does not at all mean that I am going to agree with the recommendations that the mover of the resolution made. I think I can best contribute to the debate by reviewing some of those recommendations, or all of them if I can, and expressing my personal views on them.

The mover of the resolution called attention to the preponderance of Liberal members in the Senate, and of course there is no argument about that. There are now only eleven survivors of a once much more numerous crew on the Conservative benches. I may say frankly, honourable senators, that I should welcome additions to their ranks. I should like to see the opposition strengthened —I do not mean in the personal representation at all, but strengthened by numbers and the diversity of experience that comes with numbers, and the punch which comes from a larger delegation. I go further than that. I should welcome members of the CCF and also of the Social Credit Party, were any of them to become members of this house, for they would certainly add to the liveliness of our debates, if lively debate is what is wanted.

But really, in my judgment, the preponderance of Liberal appointees is not nearly so serious a situation as it might seem to be at first glance. I say that because we are not a political house.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: In the course of the years that I have been here I have heard a certain amount of good-natured badinage between members of the opposing parties, but in our debates I have never heard what might be described as political warfare. It is true that the approach of some of us to certain

questions is from a different angle than that of others, and our debates may reveal a slight difference in fundamentals on the part of different members—though I should find it rather difficult to define clearly what the fundamentals are. But mere party warfare has been entirely absent from the discussions of this house, though by no means have politics in the broadest sense of the term been in any way excluded from our thoughts. Do not misunderstand me for one moment. I am a member of the Liberal party; I believe in it, take part in its activities and hope to continue to do so; but, without going into it at greater length or more particularity, I think my fellow members will understand me when I say that mere petty political warfare has been absent from our debates.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Roebuck: We are a judicial body, and in my humble judgment we have lived up to that role with a fair degree of continuity throughout the years, viewing measures before us in an independent and more or less detached way, the one big thought in our minds being the effect of the proposed legislation upon the Canada of which we are proud to be citizens.

The mover of the resolution himself admitted that any troubles which he has encountered in getting government legislation passed through the Senate have come not so much from the Conservative opposition or the official leader of that opposition as from members of his own party. It seems to me that this proves, or at least indicates, the partisan detachment of our members, the readiness of those who occupy the benches here to consider the interests of Canada far above party interests, independently of any control by the government which appointed us.

But, honourable senators, that is not my best answer to the mover's proposal under this head. My best answer is that the Senate has no responsibility for the appointment of its own members. Who is to be appointed to the Senate is none of our business. By the British North America Act the power of appointment is given to the Governor, which means the Governor in Council, and by the practice through the years it has become one of the prerogatives of the Prime Minister. Neither of the two Prime Ministers under whom I have served has seen fit to ask my advice in the matter, and I tender to my fellow members the thought that it would be wisdom on my part to wait until it is asked, rather than proffer it gratuitously. And what applies to me in this regard may apply equally or perhaps more forcefully to the Senate at large. The responsibility for the appointment of senators rests upon the mover of this resolution and his colleagues in the Cabinet. It is not our responsibility.

Hon. Mr. Duff: Quite right.

Hon. Mr. Roebuck: It is government policy, which I think should be discussed around the cabinet table in the east block rather than in this chamber.

A further suggestion offered was that one-third of the new appointments to the house be made for periods of five years, and that the appointees be eligible for reappointment. In my humble view, honourable senators, the strength of the Senate of Canada lies in its independence. With the steadily increasing responsibility of the government, in this and other lands where the cabinet system of government is in vogue, the House of Commons has become more and more the creature of the cabinet, and the cabinet has become more and more subject to the influence of the civil service. This is not true of the Senate. There is no government control over this body. Honourable senators have nothing to fear and nothing to hope for: none of us seek advancement or promotion of any kind. So long as we leave appointments to the Senate as they are today, with only the methods of defeasance that appear in the British North America Act, and so long as we have nothing to fear but the promptings of our own conscience, and nothing to seek but the good will of our neighbours and fellow citizens, that is as it should be.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Roebuck: In the course of the discussion of Senate reform in years gone by I have heard a good many methods outlined for ruining this chamber, but I do not recall ever having heard one more effective than that at the end of every five years one-third of our members should be dependent upon the appointing authority to continue their membership. A scheme of that kind would reduce such members to mere puppets of the administration of the day. Their positions would be analogous to that of civil servants with a five-year contract. In my opinion, honourable senators, it would utterly destroy the independence of senators appointed on that basis, and in all probability it would endanger the independence of the Senate as a whole.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Roebuck: I am, therefore, strongly opposed to any such proposal.

A further reason advanced for the proposal was couched in these words:

> . . . to bring fresh current opinion into this house at regular intervals.

Well, the fresh current looks to me like a cold, damp draft.

The honourable member from Shelburne (Hon. Mr. Robertson) pointed out that he was appointed to the house in 1943 and that he is now No. 43 on the list of seniority. That is to say, of the ninety-six members who were living when he was appointed, fifty-three have passed on in the short course of eight years, and their places have been filled by new appointments. When one considers the mortality which strikes the members of this house, and which hangs over the heads of all people, particularly citizens of our age, one wonders whether the current of new opinion has not in these few years been almost a gale. I was summoned to the Senate in 1945, and am now fifty-seventh on the list. That is to say, forty-seven senators who occupied a place in this chamber in 1945 have passed on to their reward. In addition to that, the six new members from Newfoundland, and also those who took their seats after I took mine and who are no longer here, should be taken into account. The honourable senator from Winnipeg (Hon. Mr. Haig) told us yesterday that he had been in the house for fifteen years, and is now eighteenth on the list. Although he is still a young man, within his time in this chamber practically the entire membership has changed. Surely, when one considers the mortality that carries off our members, there are enough new appointments to satisfy anybody.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Roebuck: The Angel of Death has surely been generous enough in bringing about new appointments, without our joining in and borrowing his scythe. Let us hear no more about retirements of the kind suggested by the honourable senator.

I come now to the proposal that an age limit of seventy-five years be applied, not to the present holders of seats—for like the honourable member for Shelburne, we all have birthdays—but to new appointees who come to the house after us.

There are three great principles observed in drafting Acts of Parliament: They are, first, What is the evil to be corrected? second, What are the means to be adopted? and third, What are the results to be obtained? If we were drafting a statute for the purpose of applying an age limit in this way, I would ask honourable senators, What is the evil to be corrected? Has anyone in this chamber the hardihood to suggest that the Senate would be improved now by dropping out honourable members who have attained the age of seventy-five years and replacing them with younger men? And if not now, why in the future? Are we not to judge the future by the present? If honourable gentlemen over the age of seventy-five who are now among us are to remain, what are the arguments that would justify a different treatment of those who will be seventy-five in the years to come? I know that personalities should usually be kept out of our debates, but I think I am justified in making an exception in this instance. Is there anybody in this house, is there anyone in Canada who would deny Sir Allen Aylesworth the joy he has in occupying a position in this chamber? Not a soul.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: Would anyone argue for a moment that our deliberations would be bettered, our judgment improved, or any other worthy object accomplished by dropping him from the membership of this house? May I express the wish that he will live to one hundred and fifty: may he long live to enjoy the honours and responsibilities which, as a respected and revered member of this house, are now his.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: My honourable friend from Ponteix (Hon. Mr. Marcotte) points out that the late Senator Dandurand lived to the age of eighty-two. The leader of the opposition (Hon. Mr. Haig), in his masterly address yesterday, cited the instance of Mr. Gladstone, who carried on his Midlothian campaign when he was over eighty. His wonderful speeches, long, detailed and masterly, were published in book form. I have read a number of them.

Hon. Mr. Haig: He was Prime Minister for the fourth time at the age of eighty-three.

Hon. Mr. Roebuck: I know that he was over eighty when he made his Midlothian campaign. It has been said that Supreme Court Judges retire at seventy-five. But, I submit, honourable senators, there is no analogy between a member of the Supreme Court bench and a member of the Senate. The task of sitting day after day listening for hours to legal arguments, or to contests on the floor of a court, and then of writing judgments, with all the care and responsibility they entail, is an arduous one. Many a young man has broken down under the strain of this exacting work. There is no such pressure upon the senators of Canada. What is required of us is good judgment, experience, knowledge, understanding and integrity, rather than quantity production. It is what we do, and the wisdom and judgment that we throw into it; not how much we do, not the number of hours we devote to it, not the amount of slugging or that kind of exertion that we put in. The people of Canada are not interested in how long we work, but in what we do, how we do it, and how well we protect their interests; and I believe that,

judged by those standards, we and our predecessors have justified our existence over the years.

My submission is that the true independence of this body cannot be maintained without security of tenure for those who hold seats in this chamber, and that any monkeying or tinkering with the constitution in this respect will destroy or at least weaken our strength.

An Hon. Senator: Hear, hear.

Hon. Mr. Roebuck: The honourable leader of the opposition made some reference to an elective Senate. I am glad that he made it clear that he did not favour this proposal. Neither do I. I do not think anybody will charge me with being other than a pretty good democrat. I believe in the rule of the people at large; and had I been asked to vote on the question, not at this point but *ab initio*, when the Senate was being formed, I might have had a good deal of difficulty in making up my mind whether I favoured an elective or an appointive Senate. But that is not the position today.

I have just returned from a marvellous trip around the world; and I spent some time in the delightful islands of New Zealand. During my stay in that country the Senate of New Zealand expired. It is now a thing of the past. One reason that it passed out is that, because of some complicated process of appointments which I do not fully understand, the elective system played a part in its composition. The result was that members of the Senate found themselves in a position analogous to if not exactly the same as that of the members of the lower house. Parliament had become a body of elected men divided into two chambers: the second chamber was a part of the political system, obeying the behests of the administration, entirely under its control, playing its game at all times.

Hon. Mr. Euler: May I ask my honourable friend if what he has said is not also true of the United States, whose Senate also is elective?

Hon. Mr. Roebuck: I shall refer in a moment to the United States Senate, but from a rather different angle. In New Zealand the people came to the conclusion that the Senate was a useless expense because it was a mere appendage of the political system, and they abolished it. While I was in that country the senators joined hands and sang "Shall auld acquaintance be forgot", and passed out—in the words of the poet—"unwept unhonoured and unsung". The same results could be brought about in Canada by the adoption of the same system.

My honourable friend from Waterloo (Hon. Mr. Euler) has just mentioned the Senate of the United States. Originally these senators were appointed by State governments; and as the leader of the opposition (Hon. Mr. Haig) said yesterday afternoon, log-rolling—and, I will add, charges of corruption; and I will add again, misuse of seats in the Senate to advance political interests in particular States, thus playing State politics in a national body —became so intolerable that, in spite of the difficulty of altering the constitution, the American people changed the method of appointment. Today senatorships are on an elective basis. I wish my voice could be heard in another place when I say that in the United States the Senate is now the important legislative body, and the House of Representatives —which is tantamount to our House of Commons—has sunk into a position of inferiority. Personally, I am not the least bit afraid of an elective provision being introduced in this house. I may be over-confident, but I think that if I wished to remain here I could be re-elected. And this applies to most of us. There would undoubtedly be a degree of mortality, but I am sure that most of us could be re-elected if we so desired. I would say to the members of the House of Commons that if we were to return here as elected representatives of the people we would immediately become the leading house; and notwithstanding the advantage they have in the matter of initiating money bills, they would be forced into an inferior position.

I do not want such a situation to come about, because I think the Fathers of Confederation acted wisely when they provided that the Senate should be a revising body of sober second thought, and that the House of Commons should be the place in which to initiate most legislation, including money bills. They intended that legislation, after it had been dealt with by the Commons, should be sent to this house, where it would be reviewed, amended and improved by an independent, judicial and patriotic body, interested above all things in the welfare of the Canadian people. That is a wise and excellent system; and it works. It has worked in the past and it will work in the future. Can you imagine an election that would send some members to this house and some to the other house, thus dividing the popular representation of the country into two chambers? What would be gained by that? And how much would be lost? How soon would there be a demand that all assemble in the same room because all are serving in the same capacity?

My general conclusion is that, short of establishing an elective system, there is no

satisfactory or reasonable substitute for continuing the administrative responsibility of the government of the day in making appointments to the Senate. Under the circumstances I am thoroughly convinced that we would be very much wiser to retain the system we have than to adopt one that we know not of. The Parliament of Canada would be poorer if, by any chance, this continual discussion about the reform of the Senate should lead in due course—and partly because of our own foolishness—to the abolition of the Senate. Ottawa would not be the same place without the sober—and I use this word in both its senses—second thought which the Senate gives to legislation.

I wish also to refer to the suggestion that we ask the government and the House of Commons to give us more work to do. Honourable senators, I am thoroughly sick of the proposition that we should go wailing to the government and the House of Commons complaining that we are sitting around doing nothing and want more to do. To begin with, I do not think it is wise that we initiate anything but routine measures in this house. By doing so we would reverse the order of procedure: we would become responsible for the initiation of legislation and the House of Commons would become responsible for the sober second thought—a commodity which might be a little lacking.

I am sick too of the talk that has been going on for so long about getting Ministers of the Crown to initiate legislation in this house. The honourable senator from Southern New Brunswick (Hon. Mr. McLean) has called my attention to the debate which took place here in 1934 about the work of the Senate. No doubt my friend from Lethbridge (Hon. Mr. Buchanan) will remember that debate vividly. Those who took part in it kept urging the Cabinet to give them more work, and they wanted more cabinet members to sit in this chamber. In my opinion the Senate should not keep up this agitation. For one thing it is *infra dig*, and for another thing the Cabinet members would never agree to it. They would be unwise if they did. Obviously the minister who prepares important legislation—usually at a great deal of labour to himself—is going to introduce it in the house of which he is a member, and not where he is a stranger. If we want more work to do we should create it for ourselves. We all know that there is plenty that could be done.

Let me deviate for a moment to speak about the complaint as to the rush of legislation which comes from the other house a day or so before the date set for prorogation. We have been complaining about this for a long time. Whose fault is it, if not our own? Who closes the Parliament of Canada if we do not close it right here? Why do we allow ourselves to be pushed around? Somebody says that parliament shall prorogue on a certain date, and we have to close our debates to meet the deadline. When legislation is rushed to us during the last days of the session we should say: "We too have a duty to perform with regard to this legislation, and we are going to carry out this duty irrespective of how long it takes us. We shall stay here until we are finished our work." By adopting such a policy it might be that we could have a longer recess in the earlier stages of the session. We should let the members of the other house thoroughly understand that the session does not conclude until we are through with the legislation they have sent to us. We should be allowed to complete our work with full satisfaction to ourselves; and I have no doubt this would be of benefit to the country at large.

I am sure the honourable member from Lethbridge will not hold it against me if I refer to a portion of what he said during the debate of 1934 to which I have referred. I read the debate through from end to end, and I know that he, and only he, made a suggestion of which I entirely approve. He said:

> During the time I have been a member here I have come to feel that the Senate can render a very great service to Canada through the carrying on of inquiries in existing committees, or perhaps in special committees appointed to deal with particular problems. Nearly all the congressional inquiries at Washington are conducted by the Senate, though some of them are carried on in a way that might not be possible here. I do not know of any legislative body in this country that numbers among its members so many experienced legislators as does the Senate of Canada. There are in this chamber honourable gentlemen who have served in municipal life, in provincial legislatures and cabinets, and in the House of Commons, and even a considerable number who have been members of the federal government. These men, with their ripe experience, are well qualified to inquire into matters about which the people are greatly concerned and desire the utmost information. My honourable friend from Sydney (Hon. Mr. McLennan) rather bemoaned the fact that the work of our Senate committees did not seem to lead anywhere—that their recommendations were not followed by action. In many instances that is possibly true. But I think the important benefit gained from these inquiries is the information which the people receive, and which enables them to form opinions on questions that are before the country.

He then mentioned inquiries by two committees on which he had served—the Special Committee on the St. Lawrence Waterways and the Standing Committee on Agriculture and Forestry—and he remarked:

> I feel that both committees justified their appointment.

In setting out his views as to what the Senate should do, the mover of the present resolution (Hon. Mr. Robertson) said:

> The Senate should undertake at least one public inquiry each session into some problem of current public interest, and it should report its conclusions.

Well, one must speak from his own experience. Since I became a member of this house an inquiry of that kind was instituted by the honourable gentleman from Toronto (Hon. Mr. Campbell), and it—I will not say revolutionized, but materially changed and greatly improved our federal income tax law. Now I will mention a couple of inquiries which I was instrumental in having made. I believe it was in my first session here that I moved the appointment of a committee of inquiry into immigration. My motion was approved by the Senate, and in the inquiry I had the support of the then Chairman of the Standing Committee on Immigration and Labour, as well as of many members of that committee who faithfully and industriously attended its sittings. I am not assuming too much when I say that we in this house brought about a change of public opinion on immigration, and followed that with a change in the substantive law on the subject. I believe the change that we made was a good one, and I know you all agree with me. In the course of time it may help to make Canada the important international force which its resources entitle it to be.

Then in the second session of 1949, and the main session of last year, I initiated an inquiry into human rights and fundamental freedoms, and since I did a great deal of work on that subject you may permit me to assume a little. I think that by that inquiry the Senate was endeared to a larger number of good, thoughtful, patriotic people in Canada than it was, perhaps, by anything else it ever did since it was constituted. Thousands upon thousands of people read the discussions that took place in this chamber and in the Committee on Human Rights, and the committee's current reports of its proceedings, including the evidence heard, and thanked the Fathers of Confederation that there was a Senate interested in the rights of man, the fundamental freedoms of our people. You just cannot over-estimate the importance of what we did when dealing with that subject, nor can you over-estimate the importance of things that we may do in future. Work to do! Why, honourable senators, there is an abundance of it. It is merely a matter of our taking hold with courage and industry, seeing the things required to be done, and doing them. For heaven's sake let us cease this plaintive bleat to the House of Commons to give us work to do. We should find our own work.

I am concerned about this resolution, because if you read it you cannot help concluding that it expresses the thought—perhaps not too plainly, but by implication—that the Senate is not now performing its maximum service to the people of Canada. That is implicit in the resolution; and I think that to the extent that it is there the resolution is unjustified by the facts. I feel that it is not wise to have the subject before us as a matter of debate. However, it is here now and of course we must debate it. I would not wish to preclude anyone from having the privilege which I have enjoyed, but I am going to take the liberty of making a very friendly suggestion, and that is that as soon as this general debate is concluded the honourable mover should withdraw the resolution.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Roebuck: I would suggest that he do not put it to the house. We want no committee to tell us what we already know. As the leader of the opposition (Hon. Hr. Haig) asked yesterday: What is there for a committee to determine about the Senate that we do not already know? Nothing can be accomplished by keeping up this talk, and some evil may result.

Thank you, honourable members.

Some Hon. Senators: Hear, hear.

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

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. Thomas Reid: Honourable senators, in rising to take part in the debate on the Address in reply to the Speech from the Throne, I do not expect all honourable members to agree entirely with what I say. However, my remarks will be sincere and based on my own beliefs and convictions.

First, I wish to refer briefly to the legislative program outlined in the Speech from the Throne, and to deal particularly with two or three matters mentioned therein: defence, conscription and price control.

I think everyone in this country was in entire agreement with the announcement by the Prime Minister of the expenditure of $5½ billion for Canada's defence program during the next three years. It is interesting to note what other countries have had to say about Canada's part in the general defence program. In this regard I wish to read a quotation from the New York *Herald Tribune*, as follows.

The New York *Herald Tribune* today hails Canada's defence budget as a "promise of Canada's destiny as one of the world's major powers."

The *Herald Tribune* says editorially that Canada's role in the free world has never been questioned, "yet even the most optimistic champion of this young nation must be impressed by the defence effort" outlined Monday in Parliament.

—There has been some criticism of a recent speech made by the former Minister of Air in the other house, in which he proposed that a committee be set up to review defence expenditures. Whilst I realize the weakness of the setting up of committees, and would not approve of a committee having the right to challenge higher officials on government policy in the defence program, I believe that there should be set up a civilian committee, composed perhaps, of senators and members of the House of Commons, but apart from the government itself and defence personnel. After all, the expenditure of about $2 billion a year is of some importance, and there should be some check made on it.

On the question of price controls, we all know the difficulties which the government encountered in setting up and enforcing price controls during world war II. Further, we appreciate that what can be done in wartime cannot always be so easily accomplished in times of peace. However, one can scarcely say that we are now in times of peace, for, although we are not actually at war, we are getting ready for what might be a third world war. I think that the Canadian people realize this, and for the most part are in favour of controls.

To illustrate the type of demands that are being made today, there recently appeared in the Vancouver *Sun* an article to the effect that the plumbers in the city of Vancouver are asking that their present rate of pay of $1.75 per hour be increased to $2.75 per hour; bricklayers are demanding an additional increase up to $1.88, and other workers want proportionate increases. Without going into the merits or demerits of their demands, I use this illustration to point up the fact that we are in a period of high prices and high costs. The plumbers of Vancouver, for instance, put up an argument for increases which is somewhat hard to meet. They point out to the employers in British Columbia that plumbers in Seattle receive the wage rate for which they are asking, and that the cost of food and goods in that part of the United States is in many instances lower than in Canada.

I recently took with me across the border a list of food items and other articles of every-day use, and on comparing the cost in Canada of those items with the cost of the same goods in the United States it was apparent that prices generally were much higher in Canada. I think it might be well to look into the fact that in the United States there seems to be a great deal of competition in the price of such articles as matches and other household goods, but little, if any, in Canada.

Hon. Mr. Aseltine: What about the cost of meat?

Hon. Mr. Reid: Well, if we want to go to the Argentine for it, we can buy beef at fifteen cents a pound. But it seems that even Great Britain does not choose to go there for her needs. And what would the Canadian farmers say if we proposed to import Argentine beef?

On the question of defence contracts the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) drew the attention of the house to the fact that most of the contracts for defence needs were being given to industrial firms in the provinces of Ontario and Quebec. I strongly support him in the stand he took, for it is plain to see that some of the things that happened in 1940 are happening again today. I well remember being asked by the Vancouver Board of Trade to wait over in Ottawa for a period to see if that province could get a fair share of defence contracts. I discovered that every room in the Chateau Laurier was filled with businessmen carrying brief-cases and interviewing the government on behalf of the industrial companies of Ontario and Quebec Many of them were saying: "Why, British Columbia! All it has are tall trees and fish." I hasten to point out, honourable senators, that in the manufacturing of ships and munitions of war, British Columbia industry turned out ships and equipment that were better and superior to what was turned out in any other part of Canada; and when the government was in a hurry for some special articles the industrial firms of British Columbia were called upon to perform those services.

Let me go a step further. I realize that the government cannot tell a firm to go and build a plant in Halifax, on the prairies or out in British Columbia; yet mention is made every day about the serious threat of

atomic warfare. Do we really believe it will come? Do we agree with General Hoyt S. Vandenburg, Chief of the United States Air Force, who says that nothing can defend the United States from an atomic bomb attack by Russia? He thinks that even with radar stations every ten miles, the best that could be hoped for would be to bring down twenty to thirty per cent of the Russian bombers. He cites the gallant action of the allied air force against the Luftwaffe in the Battle of Britain, and points to the fact that slightly under ten per cent of the enemy aircraft were destroyed. Then, if we believe this country to be in immediate danger from atomic warfare, why is it that no directions are being given for the distribution of industrial plants throughout this country from the Atlantic to the Pacific? True, the question of labour is an important one; but if the safety of the nation is at stake, the government should consider decentralization of industry more seriously than it has in the past. Of course it is not practical to move a large airplane factory from Halifax to the prairies or to British Columbia, but there is a great deal of work—particularly on the secret list—which could be strategically placed throughout the ten provinces. To my mind it is not wise to centralize industry in heavily populated centres such as Montreal, Toronto or Hamilton.

The government should also be giving more attention than it has been giving to the defence of the Pacific coast. I do not know how many of us review our geography from time to time. I find it a wonderful education to do so. When we look at a map of the world it is readily apparent that the northern sea-coast of Russia is on the 70th parallel of latitude, and that Churchill, in northern Manitoba, is around the 60th parallel. The great Russian port of Vladivostok is situated on the 45th parallel, which is about the latitude of Toronto, Vancouver and Seattle. It may interest honourable senators to know that last year ten drydocks were towed through the Panama Canal on their way to Vladivostok. I sometimes think that all that some people in the East think of is the Atlantic coast, forgetting entirely about the Pacific coast. Yet that is where the Russians may attack. As a matter of fact, they once owned Alaska. At one time Russia claimed sovereignty over the Pacific Ocean, and occupied military forts and ports as far south as San Francisco. So I urge the government to pay more heed to the Pacific, and for the safety of the nation to decentralize industry, particularly our war industries.

And what about our cities and hospitals? The great General Hospital in Vancouver, filled with patients, is jammed in the heart of the city. Can anybody imagine what would happen if atom bombs were dropped on Vancouver? As a senator I am going to object to the expenditure by the Department of Health and Welfare of any more money on the enlarging of Vancouver General Hospital. It is almost too large now, and it is in one of the most populous centres in the heart of the city. We must be practical about such matters. We talk too lightly about the atomic bomb; in our hearts many of us do not fully realize its possibilities. If we did, measures of preparedness would be under way now, before any such calamity comes upon us.

I think the international situation today can be fairly described by saying that the world is aflame. Let me mention where the flames are. There is the war in Korea; there is the upheaval in China—the Communist victory, so-called, and there is war in Indo-China. There is a very difficult and serious situation in Burma; and terrorism in Malaya. India and Pakistan are at loggerheads over Kashmir. Indonesia is ravaged by disorder. There is of course the menace of Soviet imperialism; and well-informed people believe that Yugoslavia may be attacked by some of her neighbours behind the Iron Curtain. Another danger I foresee—and it is one of the greatest—is the threat of discord and division between the members of the North Atlantic pact. Moreover, treaties of peace with Germany and Japan—of which I will speak in a few moments—have yet to be signed.

I believe that the position taken by Hon. Mr. Pearson, the Secretary of State, with regard to Korea was the right one, and that the British were justified in recognizing the Chinese government. I do not believe anyone can successfully controvert the statement that Great Britain has had a long experience in the matter of external relations and foreign affairs, and that she knows more about eastern and other foreign countries, diplomatically speaking, than either the United States or many other powers.

Hon. Mr. Baird: Communist China?

Hon. Mr. Reid: Was she wrong to recognize China?

Hon. Mr. Duff: She was wrong.

Hon. Mr. Reid: The honourable senator from Lunenburg (Hon. Mr. Duff) is entitled to his opinion, but I am inclined to the view that she was right, and that it is unwise to simply attach the term "Communist" to China without giving a second thought to what is going on in that country. Nehru, who knows conditions well in Korea and China, has stated that such an attitude may throw the Chinese right into the arms of Soviet Russia.

No country has ever conquered China, and I do not believe any country ever will. The Japanese tried for many years to do so, and failed. China is nationalist in just the same way as Canada or any other nation is nationalist. Nationalism is strongly rooted among the Chinese, and many other people as well. I was pleased to read that Great Britain has sent to Peiping an envoy in the person of Lionel Henry Lamb. Canada has no such envoy to China, although we have reluctantly followed Great Britain in warning the United States, through Mr. Pearson, that although we voted for the resolution denouncing China as an aggressor, very serious thought will be necessary before our consent is given to the application of sanctions. China is not to be defeated merely by branding her as communistic. I believe the warning given by General Eisenhower should be taken to heart. He urges us not to fall into the trap set for us by Russia, by diverting all our manpower into a large armed force for the purpose of defeating the Chinese. I can well understand the feelings of the people of the United States. They have 100,000 troops in Korea, and because of their heavy casualties the impact of the war has come upon them as, probably, upon no other nation. But this is no time for the American people to get hysterical. Such resolutions as were passed by the American Legion have no other effect than to promote dissension, which is the aim of Soviet Russia. The Legion, of course, wants to have Red China condemned as criminal. But I object particularly to this clause in their resolution:

> Let us cut off all aid to every nation that does not give positive assurance that it will refrain from trading with the enemy and that it will stand with us through thick and thin.

One of the dangers of the moment is that in the United States many people are in a mood to label as Communist and pro-Soviet any nation that disagrees with what they do. I suppose every honourable senator understands the reasons why Great Britain, with some misgiving, reluctantly voted to condemn Red China as an aggressor. But when it comes to imposing sanctions on that nation, the British, and our Secretary of State for External Affairs, are taking the right attitude, I believe, when they contend that this is not the time to go that far.

I was very pleased to read that Canada has decided to assist in the carrying out of what is known as the Colombo Plan. The details of the aid we intend to give have not yet been made public. In this connection I want to draw attention to some figures I received the other day which emphasize the serious conditions which exist not only in Colombo but in India, Japan, Java, and other Asian countries. It is pointed out that before the term of the Colombo Plan has expired there will be 57,000,000 more mouths to feed in that area. This is a staggering increase. During the past ninety years something like 100 million persons have died from starvation in India. At the present time India's population is 350 million, and it is estimated that within ten years this number will have been increased by 50 million. Not so long ago the population of Japan was 27 million, but today it is 85 million. I mention these figures so that honourable senators may appreciate what I have in mind—that we should provide the technical skill, machinery, and knowledge that will help these people to feed themselves. Neither Canada, the United States nor any other country could ever begin to feed the teeming millions who live in these countries. It is truly alarming to contemplate what the populations of these countries may be in a few years to come.

I wish to refer now to the peace treaties, one of which has to do with the re-arming of Western Germany. I think a great deal can be said in favour of it. Premier Konrad Adenauer of West Germany recently said that if his country were not re-armed it could very easily fall into the hands of Soviet Russia. A stumbling block at the moment is France, which views with some alarm—and perhaps rightly so—a revival of the great military might that the Germans had in the days of Nazism. I think our Prime Minister was right when he said that Canada's best plan would be to provide arms, ammunition and military might for ourselves as well as for nations such as West Germany.

It is interesting to note that, although only token troops are going to be sent to Europe within the next two months, Russia did not show any intimation of agreeing to meet the delegates of the four world powers until this decision to send troops to Western Europe was made. Russia has done extremely well without any actual fighting or losing a man. It is not generally known that there is a cold-blooded group of men in Moscow weighing every piece of information that comes to them, and that with her well calculated plans Russia has so far not made many mistakes. Whether she will actually go to war or not is any man's guess; but if she can take Germany, China and other countries without fighting or loss of blood by her own people, she will do that very thing. She is a very practical nation. Sometimes I think we do not realize just how practical the Asiatics are; I do not believe we try to understand their mentality.

Honourable senators, my main purpose in rising today was to speak about the peace treaty with Japan. According to a recent

press article John Foster Dulles of the U.S. has just returned from peace talks in Japan, and is soon to visit the Philippines, Australia and New Zealand for further talks. The article did not disclose whether Canada is to be consulted before any peace treaty is signed with the Japanese. Now, Canada is a Pacific nation as well as an Atlantic nation. We have great fisheries on the West Coast and we are vitally interested in what the Americans are proposing in any treaty with the Japanese with respect to the Japanese fishing industry. Time does some strange things, and I think it would have been easier to have negotiated a peace treaty with Japan last year than it is now. If we wait much longer Japan is going to be sitting in the driver's seat, because of the fact that the Chinese are in Korea. If you take a map and see just how close Japan is to Korea, you will understand why the American Government and military men are anxious that Japan re-arm. They see the menace that is rising there, and so the re-armament of Japan has become a most vital factor indeed.

Before the last war Japan was the greatest fishing nation of the world, and I think she still holds that position. In 1939 Japan had a million men employed in her fishing industry, and her fishing fleets sailed everywhere on the Pacific Ocean. I do not believe she ever sent her ships to the Atlantic, but she sent large fishing vessels down the Pacific coast of North America. Her ships were to be found in Bristol Bay and in the American waters off Alaska. The Japanese fishermen, using nets of two miles or more in length—something almost unbelievable to the Canadian fishermen—and fishing fifteen to twenty miles off Bristol Bay, were catching salmon which were on their way to spawn in Alaskan rivers. Naturally the Americans were up in arms about this—actually they did come close to taking up arms—but the United States Government stepped in and Japan agreed to withdraw her fishing vessels. As honourable senators will remember, before the last war broke out, Japan signified her intention of withdrawing from the sealing treaty which she, Canada and the United States had signed.

In 1949 the United States Government sent a three-man delegation to Japan to talk to the fishermen of that country and get their views about world fisheries. This delegation was well received by General MacArthur, and was given every opportunity to do its work. Following a three months' investigation the delegation returned to the United States and reported to the President, among other things that the Japanese were particularly interested in utilizing world fisheries with no restraint at all.

The Japanese have no sense of conservation of fish. They do not take the precautions that we do in our country to see that the fish supplies are not destroyed. Before the war the Australians were worried because they found Japanese fishing fleets five miles off their coast. Some of us are now wondering just how far Canada has been consulted in the proposed peace treaty with Japan, particularly as to the matter of conservation of fish. I know that we are worried about it in British Columbia.

The government has made no announcement about any fishery agreement in the proposed treaty. We believe, and rightly so, that unless the Japanese are restricted in the treaty which is about to be made, they will once again sail across the ocean to deplete fisheries that we claim rightly belong to us. I know that when the Japanese were taking the salmon from Bristol Bay they said: "Well, we examined the fish we caught and we didn't find any Canadian or American flag stamped on their backs, so we claim them as ours because we caught them out in the open sea". Their contention was that these fish, having been caught in the waters outside the three mile limit, were theirs. They did not listen to arguments that the fish had their home in British Columbia and United States rivers and lakes, and that had it not been for the careful supervision maintained by the governments of Canada and the United States, and likewise the expenditure of large sums of money, no fish would be there at all. In a strict sense the Japanese are not concerned with conservation of the fisheries, and I fear that if their ships are once again allowed to roam all over the oceans they will not only endanger peace but will deplete one of our great natural resources, the salmon, halibut, cod, tuna and herring fisheries.

I have before me an account of the Pacific Fisheries Conference which was held in San Francisco early in November last. Mr. Susumu Nikaido, a member of the Japanese Diet and of its Fisheries Committee, and Mr. Tahei Iiyama, former chief of the Fisheries Agency of the Japanese Government, together with Mr. Kenjiro Chikaraishi, Secretary of the Foreign Office of Japan, had a discussion with leading American representatives of the Pacific Coast fishing industry. The attention of Mr. Nikaido was called to the fact that when the MacArthur Fisheries Mission visited Japan last year the heads of the leading ocean fishing companies of Japan had all admitted a desire to enter the coastal fisheries of the United States and

Canada at the earliest permissible opportunity, and Mr. Iiyama, upon being interrogated as to whether or not this was correct, admitted that it was.

What I want to bring out is that the Japanese fishing interests have one thing particularly in mind which they hope to acquire in the peace treaty, and that is the right to fish without restriction in any waters off the British Columbia and United States Pacific coasts.

Another thing that causes me some perturbation is the possibility that if the Japanese are not restricted in their fishing operations on the Pacific coast the Russians may become more active there. Something which nobody can explain happened in the Black Sea, when the level of the water dropped some ten or twelve feet. The Russian fisheries were very badly affected by this, you might almost say they were left high and dry, and two or three years ago the Soviets set up two fishery departments, one especially concerned with fisheries on the Pacific and the other with fisheries on the Adriatic or Baltic Sea, I am not sure which. In any event, Russia is building up a fishing fleet on the Pacific, and if the Japanese are given permission to exploit our fisheries which we rightly claim, there will be nothing to hinder the Russians also from coming and participating in the destruction of these fisheries. They could say that they had as much right as the Japanese to fish there in the off-shore waters of the Pacific coast. I would urge the government to make a statement on our position as to the Japanese Peace Treaty, particularly as it will affect the fisheries.

In the absence of information to the contrary, it would look as if we were being ignored by the American authorities. Perhaps we are so close to them that they do not realize that we are a separate nation. As I have already said, Mr. Dulles is going to Australia, New Zealand and the Philippines, and I contend that he should come here to Ottawa for consultation and get the views of the Canadian government on this Pacific fisheries question.

Hon. Mr. Duff: Let Mr. Stewart Bates state our position.

Hon. Mr. Reid: Out on the Pacific coast we are particularly worried over this matter, and therefore I felt it incumbent upon me to bring it to the attention of the Senate and, through the leader here, to the government. United States representatives, in their eagerness to encourage Japan to build up a great army to meet the Chinese menace, might make concessions which would work to our serious disadvantage. For instance, from my contacts with those who have to do with these things, I know that among those dealing with the Japanese treaty there is a class of American personnel whose ideas are theoretical rather than practical. I mean a certain professorial class, which I have had occasion to mention before, a class which foolishly believe that the Japanese are gentlemen, and that if we give them the terms they want in the peace treaty we shall be able to get along with them in the fisheries all right. People who talk like that are out of touch with reality. They attend too many cocktail parties, where they meet Japanese and other foreigners, and are convinced in their own minds, at least, that those of us who advise caution in the making of concessions in the peace treaty are motivated by prejudice towards the Japanese.

Honourable senators, my chief purpose in rising this afternoon was to bring this fisheries question to the attention of the Senate and the government, and also to express the hope that the North Atlantic Treaty nations will not permit any differences of view to result in discord or dissension. A split among these nations would be one of the worst things that could possibly happen for us; and, conversely, it would provide the Soviets with tremendous encouragement. I am persuaded that if the North Atlantic Nations hold together, the hysterical fears which have recently been evidenced in the United States will never be realized.

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

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

The Senate adjourned until Monday, February 19, at 8 p.m.

THE SENATE

Monday, February 19, 1951

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

Prayers and routine proceedings.

THE SENATE AND ITS WORK

STATEMENT OF GOVERNMENT LEADER

On the Orders of the Day:

Hon. A. L. Beaubien: Honourable senators, I have been asked by the leader of the government (Hon. Mr. Robertson), who is absent, to present on his behalf the following statement:

Referring to the comment by the honourable senator from Toronto Trinity (Hon. Mr. Roebuck) on the fact that the resolution which stands in my name and was seconded by the deputy leader, the honourable senator from Inkerman (Hon. Mr. Hugessen). I should like to inform the house that in seconding this motion he did so only to enable it to be presented. He had no knowledge of what I intended to say, and I have no knowledge of what attitude he may take with respect to the resolution, if he sees fit to speak to it. In his case, as in that of all other senators, what may be said is purely a matter of personal opinion.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Committee on Divorce, moved the third reading of the following bills:

Bill X, an Act for the relief of Isabella Potts Younger Ayton.

Bill Y, an Act for the relief of Margaret Alice McDermid Jones.

Bill Z, an Act for the relief of Jacqueline Moquin Verner.

Bill A-1, an Act for the relief of Ruth Chernofsky Shaffer.

Bill B-1, an Act for the relief of Florence Lachovitz Michael.

Bill C-1, an Act for the relief of Eugenia Jean Diakonuk Cuthbertson.

Bill D-1, an Act for the relief of Ruth Moffat Bell Lansing.

Bill E-1, an Act for the relief of Kurt Roberts, otherwise known as Kurt Rosenbaum.

Bill F-1, an Act for the relief of Margaret Stevenson Erskine Withenshaw.

Bill G-1, an Act for the relief of Cecile Duguay Quenneville.

Bill H-1, an Act for the relief of Margarette Marie Hyduk Towstuk.

Bill I-1, an Act for the relief of Joseph Maurice Fernando Lemieux.

Bill J-1, an Act for the relief of Donald Benedict Cullen.

Bill K-1, an Act for the relief of Valeda Ardell Derick Thorley.

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

MIGRATORY BIRDS CONVENTION BILL

SECOND READING

Hon. Norman McL. Paterson moved the second reading of Bill V, an Act to amend the Migratory Birds Convention Act.

He said: Honourable senators, the amendments to the Migratory Birds Convention Act proposed in this Bill are all of a minor nature, and are designed to bring the Act up to date.

This Act, which was adopted in 1917 with the hearty approval of all parties in parliament, implements the Migratory Birds Treaty between His Majesty the King and the United States of America for the preservation and conservation of migratory birds, which according to their nature travel back and forth each year across the international boundary. As honourable senators are aware, this Act and the corresponding legislation in the United States provide similar and adequate protection for migratory birds in these two great countries, and for more than thirty years have been of outstanding value in the accomplishment of their objective.

Through the years, experience gained in the administration of the Act and regulations has from time to time revealed the desirability of improvements, to enable the basic objectives to be better realized. The amendments now proposed all fall into this category. Thus the legal advisers of the Crown now consider in view of other enactments that the provisions of subsection 2 of section 5 are no longer necessary.

Subsections 5 and 6 of section 5 are being consolidated in order to make it clear that all the provinces of Canada are on the same footing with respect to the appointment of game officers. Subsection 5 was placed in the Act because the Province of Ontario desired that its game officers be appointed game officers under the Act; subsection 6 was added later when other provinces made similar requests. The present proposed consolidation does not alter the scope or effect of subsections 5 and 6, but only provides for uniformity in the appointment of game officers in all the provinces.

The principal amendment embodied in the present bill is the proposed amendment to Section 7 of the Act. In recent years it has become clear that with the increased use of motor vehicles and aircraft in hunting, these instruments of transportation should be specifically included among the articles which, if used in committing violations of the Act, can

be seized by game officers. This amendment was requested by the 1950 Conference of Federal and Provincial Wild Life Officers, in which the principal game administrators of the Canadian provinces took part.

When this bill has received second reading it is my intention to move that it be referred to the Standing Committee on Natural Resources.

Hon. W. M. Aseltine: Honourable senators, I agree generally with what has been said by the honourable senator from Thunder Bay (Hon. Mr. Paterson) in his explanation of the bill on the motion for second reading.

I rise at this time for the specific purpose of paying a brief tribute to Ducks Unlimited, that great international sportsmen's organization created for the purpose of encouraging the propagation of water fowl by restoring the nesting and breeding grounds in the Prairie provinces of Canada. All honourable senators know that 75 per cent of wild ducks, and possibly 100 per cent of wild geese, are bred and raised north of the northern boundary of the United States. During the terrible drought which visited Canada, particularly the provinces of Manitoba, Saskatchewan and Alberta, from 1930 on for almost ten years, the duck population was reduced in those provinces by millions. The ducks were propagated, but because lakes and sloughs, and in some cases rivers, dried up, these wild fowl died by the million. Now it stands to reason that if our wild fowl should pass out, as the passenger pigeon did, there would be no need for a bill of this kind.

This great organization of Ducks Unlimited was created for the purposes I have mentioned. It was formed, not by Canadians, but by American sportsmen who were very much interested in the opportunity of shooting some of the ducks and geese and other migratory birds which are raised in Canada, when they fly south in the fall. As honourable senators know there are four great fly-ways from Canada to the United States. One is on the Pacific slope, where wild fowl fly through the Yellowhead and other passes in the northern Pacific area and down the west coast. Another route, known as the central fly-way, runs through Alberta, Saskatchewan and Manitoba. In my opinion it is the biggest of the fly-ways and is used by the largest number of migratory birds. Another, known as the Mississippi fly-way, is used for their flight south by birds which are raised in northern Ontario and the Hudson Bay and James Bay districts. Also there is the eastern fly-way, in the area of the east coast. The birds which use these fly-ways winter in the southern United States, in Mexico and in Central America.

By 1934 the duck population had decreased to such an extent that sportsmen were greatly alarmed. I do considerable hunting in the fall of each year, and I noticed that the numbers of both ducks and geese had greatly diminished. Then some American sportsmen formed the organization I have mentioned. They put up all the money which has been spent to construct dams, control structures, canals, fencing and the rest; but there is a Canadian organization which works with the American society; and if the honourable senator from Thunder Bay (Hon. Mr. Paterson) were a less modest man he would have told us that he is one of the directors of the Canadian organization and has had a great deal to do with the erection of works of this kind.

Before concluding this part of my remarks I wish to mention that, during the fourteen years it has been in operation, Ducks Unlimited has constructed three hundred projects, all of them in Manitoba, Saskatchewan and Alberta. Included in these works are five hundred dams, one thousand water control structures, and many miles of canals and fencing around government pastures and other areas where dams have been built. I can speak from experience. A dam has been built near Rosetown, Saskatchewan, where I live, and where I do considerable hunting in the fall. This dam, which did not cost a large amount of money, created a lake of several miles in length, and last fall it was full of ducks of every kind, and some geese. On Thanksgiving Day, 1949, I visited the project known as Buffalo Lake north of Coleville, Saskatchewan. I sat on the bank of that lake one evening and saw some ten thousand geese fly out to feed. This took more than an hour. I was there with some friends for the purpose of hunting those geese next morning.

Hon. Mr. King: Did you get them all?

Some Hon. Senators: Oh, oh.

Hon. Mr. Aseltine: I assure honourable senators that we left quite a number for the southern flight. This Buffalo Lake project is one of the large ones. The dam has not created a big lake but it is several miles long and is just about the right depth. The geese take full advantage of this lake and gather there to breed. Incidentally, before that dam was built there was not a drop of water anywhere in that part of the country. For these reasons I want to pay tribute to Ducks Unlimited, for the great work it is doing.

I have not much to say about the bill itself, but there are some questions which I should

like to ask when the bill is referred to committee. I have in my hand an office consolidation, dated September 1, 1950, of the regulations issued under the Migratory Birds Convention Act. I should like to read from section 18:

> Throughout Canada, no person who is not otherwise permitted under these regulations to do so shall kill, hunt, capture, injure, take or molest or attempt to kill, hunt, capture, injure, take or molest a migratory game bird.

And I would refer honourable senators to paragraph (h) which reads:

> by using a power-boat, aeroplane or motor vehicle to disturb birds with the object of driving them towards a hunter;

In my opinion these regulations do not go nearly far enough, because I know of several cases in which aeroplanes were flown in from the country to the south of us and, after the party had shot several hundred geese, were flown back to the United States. I think it is wise that the Act should be amended in such a way that if this practice is continued the offending parties can be apprehended and their automobile or aeroplane confiscated and turned over to the Crown by the magistrate or the justice of the peace hearing the case. Many people, probably because they are ignorant of the regulations, still use automobiles to hunt and chase birds. Two years ago a case came to my attention of hunters in the Eston district of Saskatchewan using an automobile to herd the geese over the heads of their fellow hunters, who were hiding farther down the field. It so happened that these hunters were caught and prosecuted, and their firearms were confiscated. Under this new provision the automobile, too, could be seized if it were found that it was being used in violation of the Act.

I suggest to all persons who are in the habit of hunting migratory birds in the fall that they get a copy of these regulations, which contain a copy of the Act and the detailed restrictions that are applicable.

Hon. Mr. Isnor: There is one question I should like to ask the honourable gentleman from Thunder Bay (Hon. Mr. Paterson). It was brought to my attention by a fisherman along the Nova Scotia coast. While everything possible is being done to strengthen the Act so far as protection of birds is concerned, very little if any attention has been paid to the damage that these birds do to fishermen's nets and other equipment. I should therefore like to ask the honourable gentleman whether any study has been made with a view to permitting fishermen to protect their own interests by killing birds that harm fishing equipment?

Hon. Mr. Paterson: My understanding is that in New Brunswick . . .

Hon. Mr. Isnor: I am speaking of Nova Scotia.

Hon. Mr. Paterson: I am not sure of Nova Scotia, but I understand that in New Brunswick a bounty of 25 cents a head was paid on the mergansers, which are not fit for use and are very destructive of salmon and salmon eggs. I understand that the merganser can swim under water as fast as a fish, and that one of these birds consumes from 25 to 50 young salmon a day for food. Mergansers do a great deal of harm, and efforts are being made to destroy as many as possible of these depredators. I shall try to get the required information for the honourable senator by the time that the bill gets into committee.

Hon. Mr. Isnor: Thank you very much.

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

REFERRED TO COMMITTEE

Hon. Mr. Paterson: Honourable senators, I move that this bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. J. Gordon Fogo moved the second reading of Bill L-1, an Act to incorporate Canadian-Montana Pipe Line Company.

He said: Honourable senators, I assured a senator who spoke to me a few minutes ago that the explanation of this bill would be very short, because the pipe line which the company contemplates building is very short. The bill proposes to incorporate a company by special legislation, as required under the general Pipe Lines Act, for the construction of a pipe-line from a point in the southeastern area of the Province of Alberta to the Montana border, to join with an existing pipeline there. The total length of the proposed pipe-line is approximately 36 miles. The incorporators of the company, who are named in the bill, are the principal executive officers of the McColl-Frontenac Oil Company and of the Montana Power Company, of Butte, Montana.

Hon. Mr. Reid: Is the pipe-line for gas or oil?

Hon. Mr. Fogo: It is for gas. The proposal is based on the fact that during the period from 1943 to 1948 the McColl-Frontenac Oil Company Limited and the Union Oil Company of California were instrumental in

having drilled 47 wells in the area to which I have referred, at a cost of approximately $1,365,000, and in this way they proved four relatively small natural gas fields in what is known as the Pakowki Lake area, near the south-eastern corner of the Province of Alberta. The most southerly of these fields is within a mile and a half of the Alberta-Montana border, and the most northerly is about 30 miles from the boundary. During the year 1950-51 three further wells were drilled there, at an approximate cost of $80,000.

The fields are known as the Manyberries field, the Pendant D'Oreille field, the Smith-Coulee field and the Black Butte field. The proposed pipe-line would consist first of all of a 10¾ inch pipe-line from a central point in the Manyberries field to a suitable junction in the Pendant D'Oreille field, from which a 16-inch pipe-line would extend 15 miles to the Canadian-United States border, where it would connect with an existing line in the United States.

Anticipating a question that was asked about a former bill, I may say here that the construction of this line would not require a very large quantity of steel, and that the necessary steel has already been contracted for.

Hon. Mr. Reid: How many tons?

Hon. Mr. Fogo: The Canadian pipe-line will require an estimated 4,895 tons.

The McColl-Frontenac Oil Company is, of course, well known to honourable senators, and, perhaps it would be appropriate to say that the Montana Power Company is a public utility company in Montana, which since 1931 has been distributing natural gas to domestic, commercial and industrial users in that state. Its principal industrial customer is the Anaconda Copper Mining Company which, as most honourable members know, is a very important contributor of base metals, and these have a great value at this present time. There has been some depletion of the gas reserves in Montana, and in due course, as will appear in evidence whenever it is required on the necessary applications following the incorporation of the company, the gas which is procurable from the Alberta field will be a very valuable supplement to the natural gas of Montana, and useful to the Anaconda project.

Perhaps I am going into detail at greater length than I need to; but I might add that the taking of the gas from this Pakowki field will not particularly affect the Alberta supply, because it comprises only a small fraction of the Alberta reserves and is not being used for local consumption within the province. Neither the company which supplies gas for the city of Edmonton and its vicinity, nor the company which supplies Calgary and it environs draws upon these small fields. Up to the present time, therefore, there has been no market in Alberta for the gas from these fields, and it does not appear that Alberta's gas requirements are dependent upon this area.

The purpose of the present bill is merely to incorporate a company for the purpose of making an application to the Petroleum and Gas Conservation Board of Alberta. I understand the applications now before the Board are more or less in a state of suspense, and will remain so until September next, when they will be reviewed.

Honourable senators will note that this bill is in the same form and contains the same provisions as other pipe-line bills which from time to time have come before the house for consideration.

I omitted to state earlier that the owners of these wells have already made application in Alberta for an export permit, and consequently when I say the application before the Board is pending, I mean the application of those who own the wells.

Hon. Mr. Haig: Before the honourable senator sits down, may I ask him a question? What is the relationship between the McColl-Frontenac Oil Company Limited and the Texaco Company? I have observed that in the province of Manitoba gasoline stations which were formerly operated by McColl-Frontenac are now called Texaco stations.

Hon. Mr. Fogo: I regret, honourable senators, that I am not in a position to give an authoritative answer as to the relationship between McColl-Frontenac Oil Company Limited and Texaco. I myself have noticed the changeover in certain areas.

Hon. Mr. Haig: Does my friend intend to refer this bill to the Standing Committee on Natural Resources?

Hon. Mr. Fogo: I thought it should be considered by the Standing Committee on Transport and Communications, as has been done in the case of similar bills.

Some Hon. Senators: Question!

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

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

Bill O-1, an Act for the relief of Martin Raymond Quinn.

Bill P-1, an Act for the relief of Kathleen Beatrice Denman Blackadar.

Bill Q-1, an Act for the relief of Dora Greenwell MacKinnon.

Bill R-1, an Act for the relief of Albert Edouard Desjardins.

Bill S-1, an Act for the relief of Raymond Boyer.

Bill T-1, an Act for the relief of Aline Alina Buka Allaire.

Bill U-1, an Act for the relief of Margaret Beatrice Tynan Dossin.

Bill V-1, an Act for the relief of Kathryn Louise Morrison Ralston.

Bill W-1, an Act for the relief of Gerald Tudor Parrott.

Bill X-1 an Act for the relief of Marie Leontine Juliette Henriette Giguere Fiset.

Bill Y-1, an Act for the relief of Esther Marie Henning Ober.

Bill Z-1, an Act for the relief of Elmsley Alexander Leftly.

Bill A-2, an Act for the relief of Ruth Landan Goodman.

Bill B-2, an Act for relief of Yvonne Michaud Telford.

Bill C-2, an Act for the relief of Edward Albert Flewitt.

Bill D-2, an Act for the relief of Mary Margaret Lillian Phillips Campeau.

Bill E-2, an Act for the relief of Mary Zientek Latkowski.

Bill F-2, an Act for the relief of Olga Kushner Dolny.

Bill G-2, an Act for the relief of Joseph Taite Connor.

Bill H-2, an Act for the relief of Doris Dominiqua Sernuck Wardell.

Bill I-2, an Act for the relief of Ann Galganov Schwartz.

Bill J-2, an Act for the relief of Doris Mayoff Weinstein.

Bill K-2, an Act for the relief of Jean-Maurice Martel.

Bill L-2, an Act for the relief of Ann Astroff.

Bill M-2, an Act for the relief of Margaret Elizabeth Audrey Midgley Bennett.

Bill N-2, an Act for the relief of Kathleen Agnes Margaret Saddleton Pout Boon.

Bill O-2, an Act for the relief of Bill Oleschuk.

Bill P-2, an Act for the relief of Eileen Haswell Houghton.

Bill Q-2, an Act for the relief of Saul Samuel Goldsmith.

Bill R-2, an Act for the relief of Brigitte Dorothea Felicity Gutmann Lowenbach Brooks.

Bill S-2, an Act for the relief of Violet Edith Hack Findlay.

Bill T-2, an Act for the relief of Cerna Segall Bercovitch.

Bill U-2, an Act for the relief of Paulette Charbonneau Lanthier.

Bill V-2, an Act for the relief of Ernest Churchill.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from Thursday, February 15, the adjourned debate of the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. J. W. de B. Farris: Honourable senators, in considering this resolution I think we should first discuss whether it is opportune at this time, for while that particular phase of the question has not yet been definitely criticized here in the Senate, I have heard more than one honourable senator discuss it outside the chamber. It has been suggested to me that in view of the pending—or perhaps it is more proper to say, the continuing —Dominion-Provincial Conferences, which among other things involve a consideration of further amendments to the constitution, the question now before us may be regarded as more or less *sub judice* and should not be considered here at this time.

With that view, honourable senators, I am in complete disagreement. Such questions may be discussed by the members of the federal cabinet and the representatives from the various provinces; but after all they will require, more than anything else, information about the whole matter; and on a subject of this kind, or on any amendments of a constitutional nature, I know of no better source of authoritative information based on experience, than senators, who for varying lengths of time have served in this house. Further, I point out to my honourable friends who made the suggestion that there can be no amendments to the Canadian constitution affecting the Senate of Canada unless they are concurred in by this body, that it would be more or less a foolish errand on the part of

Dominion-Provincial Conferences to solemnly discuss the question and decide on a policy before having an assurance that the policy would be concurred in by the Senate. The time to find out whether or not amendments would be concurred in is now, not after the event.

I regret that my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) is not at present in his seat. There was not a member in this house who was not impressed with the great speech he made last Thursday. Although there may not have been complete unanimity as to his views—and amongst lawyers one cannot expect it—

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris:—I think it can be said that there was unanimity of approval. My honourable friend the leader opposite (Hon. Mr. Haig), for whom I also have high regard, recently spoke most ably on this subject. Either one or both of these gentlemen said that after all we were here to carry out our duties, and that the question of constitutional amendment was no concern of ours. Perhaps it was the honourable senator from Toronto-Trinity who made that statement.

Hon. Mr. Haig: I did not go that far.

Hon. Mr. Farris: I entirely disagree with that statement. In the interests of the public, the question of constitutional amendments is our concern, for sooner or later, as I have already pointed out, we will have to make a decision on whether or not we concur in amendments proposed to the Canadian constitution and affecting the Senate of Canada. I repeat: Without the concurrence of this house there can be no amendments.

I would point out to my honourable friends who support the view of the honourable gentleman from Toronto-Trinity that within the ambit of the proposed amendments there are many possible changes that do not involve constitutional questions at all, but are of a purely domestic nature. I would point out that by this resolution it is proposed to inquire into and report upon whatever action, in the opinion of the Senate, may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people. Nobody has the right to presuppose that that inquiry will involve constitutional amendments, any more than were some member of the House of Commons to move a similar resolution there. This motion may, and probably will, involve more consideration of purely domestic problems than of constitutional ones.

For these reasons, honourable senators, I would respectfully refute the suggestion that this matter is in the remotest way *sub judice*.

Another suggestion, the force of which is overcome by conditions which disprove it, is that the very fact of the introduction of this resolution indicates some consciousness of weakness.

An Hon. Senator: Oh!

Hon. Mr. Farris: My friend need not "look at me in that tone of voice", because I am not saying that it does. I am going to assert the contrary. I am merely mentioning a suggestion which is made, and will be repeated, outside this chamber. It is very likely that some newspapers will say, "Ah, the senators are waking up to the fact that they are not quite as efficient as they ought to be." Well, why not? Do honourable senators know of any institution of a political nature that has ever been perfect? Is there any reason in the world why honourable senators —not with a consciousness of weakness, but in the full strength of the appreciation of their duties—should not from time to time ask themselves, "Is there any way that we can do a better job than we are doing?" To my mind, such a reflection is no admission of consciousness of guilt; it is simply a declaration that we are not smug and self-satisfied, that we recognize that progress goes on as the years go by, and that it is well to examine conditions from time to time and consider what may happen.

I say again, compare our situation with that of the House of Commons. Does anybody suggest that the House of Commons as at present organized, and as it carries on from day to day, is so near perfection that any honourable member would not be within his full rights if he introduced a resolution for the consideration of possible improvements. I have in mind what we see at times when sitting in the gallery over there—an almost empty house, with members droning on, speaking not for the benefit of those who are present but for "the boys back home". I am not attacking the House of Commons. I am inclined to think these practices can be justified. But I also believe that many people would see the possibility of desirable changes. So, if some member of the House of Commons saw fit to offer a resolution of this kind would it be broadcast over Canada, "That proves what a useless bunch they are in the House of Commons". It would prove the exact contrary. So in so far as the resolution before us is directed to the end I have mentioned, it demonstrates the courage and earnestness of purpose of our honourable leader; and everybody who knows him is fully satisfied that he possesses those qualities, together with a keen sense of responsibility. In the absence of my honourable friend, I say—and I would have

said it had he been here—that I congratulate him on his courage in bringing forward this resolution, knowing, as he must know full well, the imputations and insinuations which would follow. Often the proof of the pudding is in the eating. So far the debate on this resolution has completely justified the leader in having introduced it and given senators an opportunity to discuss it. I sincerely hope that nothing I say will diminish the effect which that discussion must produce. I shall do my best not to detract from it.

Some question has come up—it does not bother me much because I have not given it much concern—as to whether a leader in this house can so divorce himself from his association with the Cabinet as to speak in an individual capacity. Well, what about it? He has said that that is the capacity in which he is speaking, and I suppose he and my honourable friend who sits next to him had their heads together when the leader of the government sent that memorandum which was read by the whip tonight.

Hon. Mr. Hugessen: No.

Hon. Mr. Farris: In any event, it is clear that there has been no governmental conspiracy to inflict this upon us; and I do not think we need worry very much about the technical obligations of a leader of this house who is also a member of the government. The only matter in this debate with which it is essential that we concern ourselves is the subject of the debate itself.

Having said that, honourable senators, my next statement is that I do not intend to vote for this resolution. I think that it has created the opportunity for a useful discussion, but once that purpose is achieved, once honourable senators have discussed the resolution, I see no reason in the world why the matter should be remitted to a committee. Would the committee call for testimony from the outside? If that were done I would not want to be on the committee. Every crank in Canada, every demagogue who wants to attack our institutions, would glory in the opportunity to come before this committee and tell these "old boys", these "old plutocrats and senators", just what he thinks of them. I do not see why we should subject ourselves to that kind of treatment. For the life of me I cannot think of any good it would do. There is not a member of this house who does not know a great deal more about the subjects with which we are concerned than all these cranks, high-brow professors, and others who might want to come before us, ever knew or ever will know. All we need to do about this resolution is to have an intelligent discussion of it on the basis of facts which we know better than anybody else, and to dispose of it as we see fit. For my part, I shall vote against it.

My honourable friend the government leader has said something about leadership in a dual capacity. While there is no man in this house for whom I have a higher regard, I think in this respect he is on the wrong track. I doubt if he gave really serious consideration to what he said on that connection, although I am sure he had thoroughly pondered the main issue. The history of the House of Lords over many long years has vindicated the principle that the leader should be selected other than by the house itself. I am not sure that the Lord Chancellor is the leader of the house, but he is the presiding officer, he is a member of the Cabinet, and he is selected by His Majesty the King. I do not believe anybody has ever suggested that such a system of appointment has given rise to any conflict in the British Upper House.

Hon. Mr. King: The government advise His Majesty the King in regard to the selection.

Hon. Mr. Dupuis: The King in Council.

Hon. Mr. Lambert: Is the Lord Chancellor's main function not to preside over the Law Lords?

Hon. Mr. Farris: Yes, his main function is to preside over the Law Lords. His position, though not quite the same as that of the leader here, is in some respects comparable.

Or take the Prime Minister of Canada. He sits in the House of Commons and is the leader of that house, but he is not elected by it. It is true that he can command a majority of the house, and it so happens that the honourable leader here has a majority in this chamber. But the Prime Minister is selected not by the House of Commons but by His Majesty the King through the Governor-General; and usually, when a new Prime Minister is selected, it is on the recommendation of his predecessor. The present Prime Minister was designated leader of the Liberal party, not by a vote of the members of the House of Commons but by a vote of a federal convention of supporters of the Liberal party. I cannot see that my honourable friend is any more embarrassed in his position here than is the Prime Minister sitting in the position of leadership in the House of Commons.

I wish to conclude this part of the discussion by observing that if those of us on this side of the house feel dissatisfied with the leadership given by the leader of the government, it might be appropriate for us to put our heads together and say that we are going to repudiate our present leader and have somebody else express our views. There is not the remotest suggestion of that, however, and I venture to say that there is not a single

member of the Liberal caucus who has the faintest idea of anything of the sort. My honourable friend opposite (Hon. Mr. Haig) has made this verdict unanimous by suggesting that the honourable leader (Hon. Mr. Robertson) has the approval of his side of the house too. Let me give a little bit of friendly advice to my honourable friend from Shelburne (Hon. Mr. Robertson): the sooner he forgets about that sort of foolishness and gets on with his duties, knowing that he has the unanimous and hearty approval of everybody here, the better it will be for the Senate.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farris: Having concluded these preliminary observations, let me come to the meat of this resolution. If we are to intelligently consider it in its widest aspects, the first thing we should do, in a rather scientific approach to the question, is to determine what are the reasons or purposes for the existence of a second chamber. You cannot have an intelligent discussion about this question unless you have analysed and formed your own conclusions. Honourable senators, as you know, the bicameral system was not discovered by the Fathers of Confederation. There is nothing new about this principle. It has existed in many countries for many years, and as far as I know it has always existed in really democratic countries.

The first point I wish to make in this analytical discussion—and it is not intended to be a speech in any persuasive or oratorical sense—is that the second chamber is an essential of democracy. You hear a lot of irresponsible people saying, "Oh, the Senate is contrary to democracy". Honourable senators, I have the idea that the word democracy is about the most misused word in the English language. It issues from the mouth of every demagogue and agitator in the country. Even the communists have the audacity to talk about democracy—as though they have the remotest conception of what it means, or the slightest desire to carry out its meaning, if they do know.

In the first place, let me state what democracy is not. It is not unrestrained majority rule, and that is where the basic fallacy comes in. Majority rule unrestrained and given free liberty may degenerate into mob rule. Shakespeare said "O, it is excellent to have a giant's strength; but it is tyrannous to use it like a giant". Keeping that in mind, what is democracy? I have read and thought about this a good deal, and I think the best definition of democracy is that given by Lincoln: it is government of the people by the people and for the people.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: That is not meant in the spirit of government by the majority, of the majority and for the majority. Theoretically it means government by all the people for all the people. Let us keep that fact clearly in mind. But when we come to the practical application of this theory we find that it does not work out. A compromise has to be made somewhere. In order to have government you have got to have common ideals, unity of purpose and co-operation in the execution of the business affairs of the government. That is why union or coalition governments will only work in times of crisis. In normal times they just will not work, because there is no common ideal or unity of purpose, and no co-operation, a result is that the system just becomes impractical and impossible. Therefore, because the British people are practical, they do not let theory interfere with effective government, and majority rule is a compromise between theory and necessity. The giant is a good workman until he begins to act like a giant; then the danger creeps in. Honourable senators, in discussing the general principles in connection with a bicameral system, I want to point out that the Senate as a second chamber under British institutions is the complement to majority rule, in order to give effective democracy. It does not impede the executive efficiency of the majority, because we proceed under constitutional rules and the conventions of the constitution; but it does provide a check or balance against the unrestrained power of the majority. I want to ask the minorities of this country, and those Canadians who sneer at the Senate, whether they would feel safe if the Senate were abolished and legislation became subject from time to time only to the dictates and caprices of the majority rule in the House of Commons? They might feel safe with the present membership of the other place; but with the changing sentiments in this world who knows when the time would come that people would wish they had the Senate back?

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: The purpose of the second chamber is to ensure that majority rule shall be truly democratic. The Senate is the complement to democracy, and as one of the cogs in the machinery of parliament it is very essential for giving full expression to democratic principles. The Senate is primarily a restraining safeguard, and this principle has been recognized for generations in Great Britain, the cradle of democracy. Why has the House of Lords, which should be the most obnoxious thing to socialists, been preserved under a socialist government? It

is hereditary, but appointments are made by the existing government to supplement the hereditary appointments. In Britain the principle of the necessity of there being something to give stability to mere majority rule has been recognized in the preservation of the House of Lords.

Now I come to Canada, and the recognition of this principle by the Fathers of Confederation. Several quotations have already been made on this point, but to preserve the continuity of my remarks I shall supplement them. I have not gone into all the research that was made, because that was not necessary. Many learned professors and other authors have written books on this question, and all you have to do is to refer to them. You do not have to agree with their conclusions, but you can get the facts from them.

Cauchon said:

> We ought to place in the constitution a counterpoise—

Is that not a good word to express what I have been talking about?

> —a counterpoise to prevent any party legislation and to moderate the precipitancy of any government which might be disposed to move too fast and to go too far. I mean a legislative body able to protect itself against itself and against the encroachment of power.

There is the text, honourable senators. There is the vision of a man who saw this question.

Cartier said:

> The weak point in democratic institutions is the leaving of all power in the hands of the popular element.

I would not quite agree with him. I would say that the strong point of democracy is that that does not happen. He goes on

> The history of the past proves this to be an evil. In order that institutions may be stable and work harmoniously there must be a power of resistance to oppose the democratic element.

Again I do not think he is happy in his choice of words. I would have said: "to oppose the unrestricted power of the majority and give a complete democratic picture."

Sir John A. Macdonald—and there is not a senator in this house who does not look back with pride and admiration to that great leader in Canadian affairs—said this:

> There would be no use of an upper house if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the lower house. It must be an independent house, having a free action of its own, for it is only valuable as being a regulating body calmly considering the legislation initiated by the popular branch and preventing any hasty or ill-considered legislation which will come from that body.

I want honourable senators to keep those remarks in mind when later on in this discussion we come to consider some of the criticisms that are being made—and I think, with deference, irresponsibly made. Sir John also said:

> The Senate was to be the sober second thought in legislation.

Now, honourable senators, let us follow this along. I am speaking from a brief tonight. I am trying to present this to you as I would if this were a court. Perhaps I am taking a little more time than I could get away with in a court; but, generally speaking, I am trying to make the same approach as if I were before a judicial tribunal.

In addition to the world-wide, or at least British-wide, views of the necessity of a second chamber, there were special reasons applicable to Canada. As I have just stated, the Fathers of Confederation recognized these general principles. They generally recognized that a true democracy had to have this balance-wheel to give it the full effect of a government of the people, by the people and for the people. And Canada had special reasons for insisting upon a second chamber. The first was the need of such a chamber as a guardian of provincial rights. Sir George Ross, for years a senator, wrote a book on the subject. Honourable senators who wish to turn to it will find the point elaborated at page 50 of his book, which I shall not take the time to go into now.

I want to say to my honourable friend from Ottawa (Hon. Mr. Lambert) that I have read with great interest and profit his discussions on this question, and his query as to how far the Senate has given effect to the theory enunciated. My honourable friend directly opposite, the senator from Ponteix (Hon. Mr. Marcotte), said that senators were the representatives of the provinces. That is not my understanding.

Hon. Mr. Haig: No.

Hon. Mr. Farris: What the Fathers of Confederation said was this. They said that in the House of Commons, which is going to be the stronger body, you will have representation by population. We shall need protection against that, and so in the Senate we must have representation, by groups, of the provinces, as distinguished from representation by majority in the House of Commons. That was the theory on which it was insisted that the Senate should be created, as a protection to the provinces. But I think that any senator who properly understands and appreciates his position here is not to consider himself as a special emissary or representative of the province. He is to consider himself as one of a group who will not dominate this country on the basis of mere representation by population, but who, if at any time

an attempt is made to enforce powers through mere representation by population, will see to it that the provinces are effectively represented in the Senate, and that mere representation of the majority as expressed in the other house will not be given effect to here.

Now, honourable senators, listen to these words of a great Liberal:

> On no other condition could we have advanced a step.

May I pause to ponder those words, for nobody today denies that they are true. When we look over this great expanse which is today Canada, extending from Newfoundland on the Atlantic to the Island of Victoria on the Pacific, and from the boundary of the United States to the far north, and when we consider the great nationhood, and the spirit of nationhood, which characterizes this country, with the wonderful future we see ahead, we can read those solemn words and appreciate that but for the Senate there would not be this great Canadian nation of today. No man in Canada can fail to say with heartfelt emphasis, Thank God for the Canadian Senate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: Let us now look at what Sir Alexander Campbell had to say about the Senate and its position. I would not want my cynical friends to say, in effect, "that is all very well for that time, but what about now?" Well, we will take care of that too. I offer this quotation from Sir Alexander Campbell:

> The main reason was to give each of the provinces adequate security for the protection of its local interests that protection which it was feared would not be found in a Lower House, where the representation was based upon numbers only, as would be the case in the General Assembly. It was determined that in one branch there would be a fixed number of members nominated by the Crown, to enable it to act as a counterpoise to the branch in which the principle of representation according to population would be recognized.

Sir George Ross, after analyzing these statements and many others that appear in his book, follows with this unchallenged conclusion:

> It is quite evident, from the preceding quotations that the Senate of Canada was intended to be in a special sense the guardian of provincial rights.

With that I entirely agree, but I cannot accept the suggestion that it meant anything more in the sense that we were special emissaries or representatives of the provinces.

In dealing with this phase of the question, let us consider what were the conceptions of the Senate. It is very important to keep in mind that the intention never was, nor is it today, that the Senate should be equal in power with the House of Commons. The fact is that the Senate is in a subordinate position, not in prestige, not in its nominal power, nor in the character or ability of its members and their responsibilities, but in its power. Every constitutional lawyer and student of the constitution of earlier days, and since, has recognized that one of the conventions of the constitution is that a second chamber in our system of democracy is always subordinate to the will of the people. It is there to give effect to the will of the people, to make sure that the will of the people is recognized; it is there to check and to slow down a runaway lower house, and so that in the ultimate analysis the will of the people may be tempered by the Senate. But no second chamber can ever, or should ever, stand in the way of a considered and final determination of the people. It would not be good for that chamber to do so, even if it could. These, honourable senators, are the bases of the conventions of the constitution.

I sat in this chamber for many years and watched the practices of the Honourable Mr. Meighen, when he was leader of the Conservative party, with a substantial majority in this house. The honourable gentleman was strongly opposed to the policies of the then Mackenzie King government, but so far as I was able to observe, he never at any time exercised the majority which he had to defy the convention. He was a great constitutional lawyer and lived up to the principles of the constitution. I am sure that if my honourable friend now occupying the position of leader in this house had the majority which Mr. Meighen then had, he would be equally punctilious and careful to see that the conventions of the constitution were not violated.

In that sense it must always be considered that this house, as an appointed body, is the minor legislative partner. That principle has been stated by Professor MacGregor Dawson, who has written a book on Canadian government. I shall have something to say about that gentleman later, but for the moment I shall only refer to page 330 of his profound work. I have given an outline of the purposes of a second chamber, as indicated in the constitutional histories and by the Fathers of Confederation. I have looked through this book by Professor Dawson, and books by others who have made attacks against the Senate, but I have never found any variation from those principles or any suggestion that they do not still exist. Having therefore established the basis upon which we here are founded, and upon which this body still continues to operate, let us in the light of these purposes consider the criticisms that

are directed against the Senate. Some of the criticisms I shall put in my own words, rather by inference from what has been said.

Before proceeding to this phase of the subject may I make the general preliminary observation, that there is no institution that has even been so persistently attacked as the Senate of Canada—I was about to say so maliciously attacked, and perhaps in some cases that might be true.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farris: Gentlemen, there must be something mighty virile and basically sound in an institution which for all these years has withstood the attacks made upon it by political parties, by professors in colleges and by individuals, and yet has survived and retained the confidence of the Canadian people.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: Now let us go through the criticisms, one, two, three. The Senate has been criticized on the basis of the purpose for which it exists. Indeed, some of the professorial attacks even outlined the purposes of this chamber and offered criticisms in which they entirely overlooked and smothered those purposes which they enumerated. One criticism made is based upon whether or not the Senate has failed in its special purpose as indicated at confederation. Has it usurped its position as a minor legislative partner? Honourable senators, since this resolution has come before the house I have spent considerable time browsing through the various books on the subject, and I have been unable to find one allegation that the Senate of Canada has wrongly usurped its power in defiance of the majority in Canada. I know of no single instance.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Farris. The conventions of the constitution have been carefully observed by the great men who have led the Senate from confederation and to the present time.

Next, has the Senate failed to protect the rights of property from unjust legislation, or has it betrayed the rights of citizens as to property or person? Those are all included in one of the general purposes for which this chamber was set up. I say to my honourable friend from Ottawa (Hon. Mr. Lambert) that I do not need to come forward here and point to what this house has done at any certain time. In this regard an illustration comes to my mind of a new manager of a company who proposed to make a good many changes in its set-up. He interviewed the night watchman and inquired how long he had been with the firm. The watchman replied that he had been with it for ten years. The manager asked, "How many burglaries have you had in that time?" The watchman replied, "I have not had a single one". "Well, then", said the manager, "you are fired; you are no good." The story comes to my mind of an undersized Irishman who applied to be a policeman. The chief looked him over and said "I would not have you as a policeman. You are not big enough." The applicant said, "I can lick any man on your force". "That may be so", said the chief, "but you have to prove it. I want on this force men so big that they won't have to prove it". You get the idea of the illustration.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: The essential fact to be realized is, not that occasions have arisen time after time on which the Senate, exercising its function as a guardian of the public interest, has repudiated something which has been done, but that, from confederation to the present time, under this joint system of a House of Commons and a Senate, federalism has worked, and the provinces and the dominion have progressed on the basis, in the main, of friendly feeling and co-operation, so that the policeman has not had to come out and prove that he was big enough to look after his job.

In this connection I am not limited solely to generalities. I want to read from a book written by Professor Mackay, who was born and educated in Canada. When he wrote this study he was a professor in an American institution, but it is evident that his heart is in Canada. The book is a good one, well worth reading. There is much criticism of the Senate, but my submission is that, although one may not agree with it, the criticism is intelligent, fair, and based thoroughly on factual information. Before I am through I shall leave you to judge whether another book, of more recent date, can stand the same test. Professor Mackay says, at pages 155 and 156:

> Since the whole duty of protecting individual and minority rights from invasion by legislation devolves upon parliament, it is of supreme importance that parliament should perform this duty disinterestedly and thoroughly. Unfortunately the House of Commons affords no adequate protection. The business of parliament, particularly of the House of Commons, grows yearly. The rights and interests of individuals are continually being overshadowed by the major issues of policy and party tactics. Private and minority rights are in danger of invasion through negligence and oversight perhaps more than through deliberate intention. Private rights and the public welfare are endangered moreover by aggressive organized groups who represent only minorities.

May I pause here to point out, as I should have done earlier, that the problems and necessities which existed at the time of confederation were small by comparison with

those of today. Consider the present population of this country, distributed over a vast area from the Atlantic to the Pacific, and contrast it with the handful of people who occupied Upper and Lower Canada and the two Maritime Provinces in 1867. Reflect upon the hosts of people of different races, religions and viewpoints who are in Canada at this time, contrasted with the two groups which were parties to the complicated provisions for confederation.

I continue the quotation:

Canada is undergoing changes in her social organization, as are all industrialized states.

If this was true twenty-five years ago, when it was written, how much more is it true today? Referring to the Senate, the writer states:

In the past it has canvassed dispassionately much legislation passed in silence by the House of Commons for political reasons. More independent of group pressure than the House of Commons, it can deal more satisfactorily with legislation in the interests of selfish groups or minorities.

By way of example, let us contrast the discussions which took place last session in this chamber with those on the same issue in the House of Commons. Members of this house were conscious of their freedom to speak "right out in church". But a member of the other house, while holding the same convictions as you and I, might represent a labour constituency: could he express himself in the House of Commons with the like freedom? Read the debates in the two houses and see if the difference is not evident.

Again referring to the Senate, Professor Mackay says:

It enjoys the leisure necessary to prune away the details of bills—

That is one of the crimes with which we are charged. We are not working all the time; we have leisure to think!

It enjoys the leisure necessary to prune away the details of bills which conflict with private or property rights, and to adjust changes in public policy so that they bear less hardly on individuals and minorities.

These are the views of a professor in an American institution who, as I said, is a Canadian whose heart is in Canadian affairs.

Hon. Mr. Haig: Was he not also a professor in the University of Manitoba and in McGill University?

Hon. Mr. Farris: You would know better than I.

Hon. Mr. Lambert: No, I do not think so.

Hon. Mr. Haig: Yes. It is Professor Ira Mackay.

Hon. Mr. Farris: His praise of the Senate is not unqualified. It is a peculiar circumstance that Professor Dawson who wrote twenty-five years later, while he quotes copiously from Mackay's book, selects, so far as I can find, every one of his quotations from statements which are critical of the Senate, and makes no reference to passages which are frankly favourable to it. Professor Mackay states:

Even aside from the possibility of reform, there is every indication that in the future the Senate will be of equal if not of greater use as a protector of rights.

Those, gentlemen, are the conclusions on this question of a really competent student.

My next point will be put in the form of a question, in reply to a criticism: Has the Senate failed in its duties—to use the words of Sir John A. Macdonald—as a reviser and corrector of legislation? First, as tested by results. Search the records to discover one complaint that it has failed. Then let the Senate claim the credit that is its due. I go to the most partial critic I can find. Professor Dawson, at page 346, admits this—and his pen must have hurt his hand as he wrote it:

There can be no doubt that the Senate is useful in revising bills, which are often sent from the Commons badly drafted, hastily assembled, and, in some instances, almost unworkable.

As this book was written in 1949, it is up to date.

Senators have more leisure and fewer distractions than members of Parliament—

From some other passages in this book I imagine that this is supposed to be an offence.

—and the wide experience of many senators makes it possible for them to add materially to the quality and practicability of the bills which come before them.

In law there is a rule which provides that you can always introduce evidence made against interest, and this rule of evidence applies when you have somebody who is an advocate for a particular cause and you can find in his argument an admission that is completely contrary to his advocacy.

The next criticism which has been made is that the Senate does not do enough work. I have some very strong views about this. I like work when it is work that I have to do; but I never could become interested in work just for work's sake. In my younger days in the practice of law there were many times, when clients did not come to me, that I might have read law books to my heart's content; but I did not do it, and I do not think any other lawyer would. I found, though, that when a client came in with an issue which gave me something that I could get my teeth into, I got right down to work with enthusiasm. Let me give you another illustration.

You may have a note that you hope the bank will take. As soon as you step inside the bank you see the staff in the outer office, apparently working their heads off. Then you go into the private office of the manager, and you find him sitting on a comfortable chair, smoking a cigar. He does not appear to be busy at all. I once heard a banker described as a man who sits in his office with his feet on the table, smoking a cigar, and saying "No" once in a while. The point is that the primary test of the efficiency of the manager is whether he is doing a good job and not how many hours he works as compared with the employees in the outer office.

A real complaint which has been made is that we are unable to investigate all legislation as fully as we should because some of it comes to us in the closing days of the session. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) said in his speech the other night that this is our own fault. I say yes and no to that statement. In one sense I suppose it is our own fault. If we wanted to, we could "gang up" and serve notice on the members of the House of Commons that we will hold them up if they again present legislation to us at the last minute and expect us to deal with it in time for prorogation. I doubt whether this would be wise and I know that the great leaders in this house have doubted the wisdom of so doing, and they have never done it. But let us get down to realities. The criticism of this practice does not fall on the Senate but on the House of Commons, and more particularly on the Cabinet.

As many of you know, I was pretty active, with my honourable leader, in getting our rules amended so as to allow Cabinet Ministers to introduce bills in the Senate. In my opinion that amendment could have been of the greatest value to the Senate, and I exceedingly regret that it has not been put to greater use. Notwithstanding my advancing years—to which I shall refer later—I am still a very busy practising lawyer, and my clients have not yet discovered that I am too old to do their work. I hope to conceal that from them for some years.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: We have been here now some three weeks, and I am sure honourable senators will agree that if legislation had been sent to us we would have put our teeth into it and applied ourselves, just as diligently as any professor, to accomplish our uob. If we have not received this legislation, then it is not reform of the Senate that is needed, but reform of another place. I quite appreciate that members of the Cabinet are crowded with work, but they are no busier a month after the session starts than they are a month before it ends.

My honourable friend from Toronto-Trinity has said that the Senate would not be a restraining body if it were to deal with legislation first. I do not agree with that observation. Without casting any reflection on the members of the other house, I would point out that when daling with a lengthy bill they sometimes spend weeks discussing one paragraph, because of its political aspect. That is both proper and necessary, but very often the lengthy discussion that takes place on that one paragraph means that the rest of the measure is put through with a whoop, in half an hour. Then the legislation is sent over here, and because the Governor General is waiting at the door, it is hurriedly put through by the Senate. I do not think the Senate should be put in a position where it has to hold up the House of Commons for a week or two while it deals with various pieces of legislation. I think we should take advantage of the amendments which have been made to our rules.

There is another basic condition which is bound to exist, and which you cannot cure. I refer to the matter of dealing with legislation in this chamber. The Senate could do a complete job of checking, investigating and studying legislation in two to three months, if it were given that legislation to deal with. We could sit here day and night, as is the practice in the House of Commons, and pitch right into our work—but we are not able to do this for several reasons. First of all, we have to go along contemporaneously with the other house. We cannot postpone dealing with certain legislation bcause many bills have to be passed in the early stage of a session. The result is that we have to put in six months to do what we could do in two or three months. Then they make fun of us, saying that we do not do our job; and the papers report "The Senate did not sit today". This whole condition is aggravated by the great distances that many senators have to travel to get to Ottawa. They must choose between sitting around here twiddling their thumbs while lengthy discussions of a political nature take place in the other house, or they must go back home to return here at a later date. If anybody were to take the trip from Vancouver to Ottawa, as I did a few weeks ago, when the snowslides were taking place, he would not be anxious to do it very often. It is argued that there are investigations that the Senate could make. Well, any time an honourable senator finds a subject, the merits and necessity of

which should be investigated, that is all right; but I have not the least interest in commencing investigations here just to keep us busy and to show the public that we are doing something. That does not appeal to me at all. I want to do the work I am assigned to do, and then go home and attend to other affairs. The House of Lords has a great advantage over us in this respect. Its membership is concentrated, and when the house adjourns the members just have a short trip home, whereas we have great distances to travel.

I should like to point out that the activities of a senator should not be confined to the time he is in Ottawa. I think you will agree with me that there are many useful duties a senator can perform when he is at home or among his constituents. I have the honour, from time to time, of speaking to Canadian Clubs, service clubs, and other organizations, and I find that, with the prestige a senator has, there is a lot one can do in that field. I never refuse an invitation to speak on public affairs before any organization, if it is possible for me to fulfil the obligation—for I feel that is an obligation, and part of my duties. And I do not consider that my duties outside the Senate are confined to public speaking. There are all kinds of organizations in which senators can do effective work. My honourable friend from Thunder Bay (Hon. Mr. Paterson) is a very prominent member of an organization that performs important public duties, and he serves there more efficiently and with more authority and prestige because of the fact that he is a senator. Do not overlook this branch of activities in which senators can and do very valuable work.

Another of the strong attacks that has been made on the Senate is to the effect that we are not independent. I am afraid that I am speaking too long.

Some Hon. Senators: No, no.

Hon. Mr. Farris: It is said that we are not independent and are too partisan. Well, honourable senators, right here there ought to be a definition of terms. There is a great difference between independence and partisanship. There is a great difference between applying partisanship to a man as a term of opprobrium and saying that he is a party supporter. Any of us here can say, "I am a party supporter." I am a Liberal, I say, but I think it is now about 30 years since I was an elected member of a legislature, and I should hate to think that I am a partisan in the sense that one of these professors uses that accusing term. The charge of lack of independence is entirely unfounded, for there is all the difference in the world between possession of party convictions and lack of independence. The Fathers of Confederation never intended the Senate to be a spineless assembly, without convictions. I defy any man to sit in this Senate and have convictions with regard to public affairs unless he has some party affiliations. Did you ever see one of these fellows that claim to be superior to party, in a country where the party system is the basis of our whole government? I have seen them, and nearly every one of them has been a hound for publicity. There is no easier way by which a man can get publicity than by becoming a member of a party and later attacking it. Is that the kind of men you want in the Senate? Do you want spineless individuals who will not stand up for anything, who will wobble over night and be on the other side next day? The party system is the basis of democracy, and no party is useful without strong men in it. And you cannot have any strong men in the public life of a country unless you have men of political convictions who are prepared to express them and to fight for them.

Does anyone seriously suggest that a man of strong political convictions is not independent? Why, strong political convictions and independence go hand in hand. Gladstone was a party man, the strongest kind of party man, but would anyone say that he was not independent? Churchill is today an outstanding party man, leader of the Conservative party in Britain. Does anyone say that he is not independent? He has belonged to more than one party, and he has changed not because of partisanship, but from conviction. And besides Sir John A. Macdonald, some others of our own public men who might be mentioned are Alexander Mackenize, Laurier, Borden, Bennett, Meighen, King, St. Laurent and George Drew—all partisans, in the proper sense of the word, but all independent. Those men would not stultify themselves to sacrifice their country for any influence that they did not consider was just and legitimate. Would their partisan convictions disqualify or have disqualified any one of these men from serving as a senator? Meighen was a senator—one of the great members of this house. I do not know of any senator who had stronger convictions and was freer to express them. It is true that, having strong convictions as a Conservative, he did not always or generally see that the other side was right.

Some Hon. Senators: Oh, oh.

Hon. Mr. Farris: But does anyone say that he was not independent? A man like Meighen

would stand up and proclaim his convictions regardless of consequences, and that is the highest type of independence.

I am going to read a little from Professor Robert MacGregor Dawson's book to show what confusion of thought results from failure to distinguish between strong convictions and independence. I do not want to be misunderstood in my comments on Professor Dawson. I do not know the gentleman, and indeed never knew anything about him until I read his book in preparation for this speech. I am not a bit disturbed by what he says about the Senate, although I think it does harm, for he is a professor at the largest university in Canada and I have no doubt that anything he says will be accepted as gospel by a good many students. I was really more concerned the other day when in a couple of newspapers I saw his picture and read that he had been selected to write the memoirs of Mackenzie King. Mackenzie King lived in one of the great ages of Canada, and memoirs derived from his documents ought to be one of the great basic historical documents of our generation. I hope—and I do so devoutly, without prejudice—that Professor Dawson can show more capacity for fair conclusions, based on facts rather than on the smart-aleck statements of some newspaper columnists, than is indicated in this allegedly scientific article in his book, *The Government of Canada.*

May I read to you what Professor Dawson has written on this question? After pointing out that many distinguished senators were appointed to this body from the House of Commons, he says:

> Their whole lives rise up to make it difficult to adopt an attitude of political neutrality—

On the title-page of his book Professor Dawson is described as a professor of political economy, and I imagine he would be greatly insulted if it were suggested that he was a neutral political professor. His idea of neutrality so far as the Senate is concerned may be something like the notion that an American expressed about national neutrality before the United States participated in World War I, when he said he was perfectly neutral, for he did not care who licked the Germans —whether it was the British or the French.

I conceive that a man of political neutrality has no convictions. When a man has convictions he ceases to be neutral. But let us see what Professor Dawson goes on to say about political neutrality as a qualification for senators. Referring to those who came here from the House of Commons, he says:

> —the fact that they are still associating with their old colleagues only a few feet away from the thickest of the fight makes party detachment and independence little more than a fanciful aspiration which has lost contact with the facts of life.

I see my honourable friend from Churchill (Hon. Mr. Crerar) a little to the right in front of me. His deskmate, who is absent this evening, is the senator from Waterloo (Hon. Mr. Euler). Both are former members of the federal cabinet and are now distinguished members of this house. I wonder what they would think of the statement that the closeness of their old associates is contaminating, and preventive of independent thought in this chamber. I should like to know what kind of isolation there would have to be in the Senate in order to remove them from any possible contamination of that kind.

Professor Dawson continues:

> . . . the system tends to crack the very foundation of the Senate's efficiency. There is no doubt that many of these appointments are well made and that many of those appointed are a credit to the Senate; there is no doubt that the system is useful as an instrument of party discipline and service; . . .

I would point out that no other prime minister appointed more members to this house than did the late Mackenzie King, and yet this is the author who is proposed to write his memoirs. He continues:

> . . . but there is equally no doubt that the chief purpose underlying these appointments—

He might as well have said "by Mackenzie King".

> —is not the public good, but party patronage and advantage, and that this is reflected in the general low regard in which the Senate is popularly held.

In order to convince his students, the author attempts to back up this scientific approach with a quotation by a columnist containing a lot of smart-aleck observations which would be most appropriate for the Sunday supplement of a newspaper, but inappropriate for a legitimate scientific discussion in a book on political economy written for the benefit of college students.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: Honourable senators, did you ever stop to consider who in the community would come under the classification of political neutrals? In my opinion, the first group would be government contractors. Without any reflection on them, I think we can assume that they are political neutrals. The next group would be businessmen who are so selfishly engrossed in their own affairs as to be unmindful of public duty—and there are a great number of them. True, they have acquired considerable wealth and prestige, but they are ignorant of public affairs. Would you want to bring that kind of man into the Senate? As a third group, I would point to a certain type of high-brow professors who, I have no doubt, are political neutrals, and suffering from delusions of their own wisdom.

Some Hon. Senators: Oh, oh.

Hon. Mr. Farris: Then there is the general group of ignoramuses who know and care nothing about the affairs of the nation.

Now honourable senators, from those groups of strictly political neutrals how are you going to select the proper persons who are for appointment to the Senate? I say we want no such men in this branch of the public life of Canada. True, we want men who are independent and free from party expediency and the fear of political consequences which may flow from a stand they take against the majority in their own constituencies. We want the kind of partisanship which is based on a strong and courageous outlook, backed up by principles and experience. Whether rightly or wrongly, I say, honourable senators, that I would pit this body, regardless of the parties to which the members previously belonged, and, so long as they have retained their faculties and abilities, regardless of their age, against any other body of a similar nature.

Honourable senators, I speak feelingly on this subject, for I was a very young man when I was elected to the provincial legislature. Within a year after my entry into that house and while I was still in my thirties, I became Attorney General of the province. I remained in that office for five years, and though the government by which I was appointed was still in power, I resigned of my own free will because I wanted to get back into private practice. When I was called upon to give an opinion or to discuss a question on its merits in my own office in Vancouver, I was struck most forcibly by the independence and freedom which I enjoyed. Some men in parliament may rise above all the influences to which they are subject; indeed, there may be the occasional man who is big enough and strong enough to say: "In no case will I be influenced by the possibility of what may happen at the next election". But, honourable senators, a great many men in public life would never be elected to office for a second term if they took that stand. Make no mistake about it and let us have no false impressions—and I say this without reflecting in any way on men in public life—these men must adjust themselves to the greatest ultimate good. They must consider the wide and general policies of their party. In that regard, the honourable leader of this house well knows that the question of cabinet unity arises, and that in these times the ultimate general good must be considered. The Senate of Canada is freed from all such obligations. From my long experience in this house I repudiate the suggestion that the rank and file of senators are contaminated by their close association with the chamber next door, and that they are dominated by the Prime Minister, or are influenced by the possibilities of an election. It is just not so, and any person who chooses to put such an attack in writing is going contrary to the facts.

What are the remedies which offer a cure for the ills of this unfortunate body? One suggested remedy is that the Senate should be an elected body. My answer is that of all the proposals that have ever been made for the reform of the Senate, that is the most unsound and farthest from the constitutional principles involved.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: In the first place, it would defeat the purpose of a second chamber. Of course we have a partisan House of Commons; but the setting up of a partisan Senate, which would be equally subject to the voice of the people from day to day and year to year, offers no remedy for our ills. On the one hand we hear criticism of the Senate because it is too partisan, and on the other we hear the suggestion that it should be made an elected body, and thereby become more partisan. I am not a Latin scholar, but I am reminded of a school of medicine which subscribes to the principle of *similia similibus carantur*. The honourable deputy leader (Hon Mr. Hugessen) no doubt can translate this phrase, or perhaps my deskmate (Hon. Mr. Howard) could help me if he were here tonight. I am told that it means "like cures like". If we are going to cure too much partisanship by more partisanship, then we should apply that principle.

Seriously, honourable senators, an elected Senate would be contrary to the principles of responsible government. It was my privilege to speak at a joint meeting of the American Bar and the Canadian Bar held in Washington last September, and there to undertake to explain the meaning of responsible government. I was told that I did make clear the difference between the system of government in Canada and that in the United States. Our American friends have representative government, but they do not have responsible government. In my remarks I was of course careful to explain that I did not mean that their government was not responsible in the sense of being irresponsible, but that they did not have responsible government in the technical sense in which we use the term. Briefly, this is the difference: When in the United States a President is elected for four years, his cabinet stays with him as long as he holds office, quite regardless of the vote of the people as reflected in the elected chamber. Theirs is a representative government—it is elected by the people—but it is not a responsible government. The basis of

responsible government under the British parliamentary system is that a government stays in office only so long as it has the support of the elected chamber.

If the Senate were to become an elected chamber, what would happen to responsible government? Which chamber could defeat the government and throw it out of office? Would it be necessary to have a majority in both houses against the government in order to defeat it? The theory must be that the viewpoints of the houses are going to differ; otherwise what is the use of having two elected houses, except to elect more members of parliament? If we stop to think of it, honourable senators, such a proposal would be inconsistent with the principles of responsible government.

In the second place there should be full acknowledgment of the strength and stature of the House of Commons. My honourable friend the leader opposite (Hon. Mr. Haig) was very clear about that the other day; and the honourable member from Toronto-Trinity (Hon. Mr. Roebuck) said that he wished that the House of Commons would appreciate it. But that is a fact. If the members of the Senate, a smaller group, are elected from larger areas, and the views of this house are different from those of the House of Commons, the Senate will come to transcend the other house; more than that, it will start a row between the two houses.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: If I come to this house conscious of the constitutional limitations which concern me, and fully appreciating the conventions that are involved, I am going to be careful—as it is intended I shall be—as to how far I oppose the will of the people as expressed in the House of Commons. But supposing I were elected from a constituency as large, perhaps, as the city of Vancouver, which now has four or five members of the House of Commons, I would be disposed to say, "I speak for British Columbia more than you do; my opinion must prevail"—and trouble would arise at the very start. It would be an impossible situation. The proposal for an elective Senate is not well thought out, and would do no good to this country. Furthermore, it would mean more elections. As it is, we have too many elections in this country. There are federal, provincial and municipal elections; and every now and then one hears whispers about extravagance in campaign funds and nefarious acts are imputed to the government and various other people. With an elected Senate, such complaints would be doubled.

My next suggestion, honourable senators, is that more parties should be represented in this house. We need wider representation. So far I have been getting pretty nearly unanimous support; I am not so sure that it will be accorded me from now on. In my opinion it would be better, very much better in the interests of the country and of the Senate, if this chamber were to contain representatives of different parties and types of thinking. I do not believe it is either beneficial or fair to have too one-sided a chamber. We know what the conditions are today. My honourable friend the leader of the opposition has, I believe, eleven supporters. I do not want to seem facetious: I am serious in saying that so far as I can see there is a pretty good chance that the Liberals will be returned for another term at the next election.

Hon. Mr. Horner: We hope not.

Hon. Mr. Farris: That may not be so: strange things happen. But Canada now has one of the greatest Prime Ministers of its history. It may be that the people who gave him their unqualified support in the last election will do so again. If that should be so, and the conditions governing appointment remain as they have been, the entire membership of this house may consist of Liberals. Now I think it possible to have too much even of a good thing. It is all very well to say, "If your argument that senators are non-partisan is correct, these men would do their job as well as if the house were composed of members of different parties." But more than independence is needed. We want different viewpoints in the Senate. Independence applies to freedom of action; difference of viewpoint applies to the expression of convictions which are held by individuals. The two things are very different. A clash of ideas is of the very essence of vitality of any organization. For my part I would like to see a greater conflict of ideas in the Senate, and I would enjoy the opportunity of mixing up in it. I think there should be representation of other parties. In Alberta there is a Social Credit party in power; in Saskatchewan the government is CCF. In Quebec there is a party called—

Hon. Mr. Hugessen: —the Union Nationale.

Hon. Mr. Farris: One of my Senate friends said, "Do you want to bring one of those fellows here?" I said, "Yes. I do. I want to have a look at him. I have been in the Senate about fifteen years and I never saw nor heard one of the members of that party. I think my education would be more complete and my

usefulness greater if I saw this man stand up here and assert himself and declare the faith that is in him. Then," I said, "I would like to hear you get up and reply to him. That would give me an education which I have not been privileged to have during all the years I have been in this house."

Public opinion is not to be ignored. I have spoken somewhat boastfully of the virility which this organization has shown since confederation in face of the attacks made upon it. But I predict with great seriousness that if the Liberal party continues in office, and the policy in respect of appointments that has prevailed since confederation is maintained, so that the house consists of a solid body of Liberals, nobody on earth will ever convince the public that the best interests of the people are being served.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: This is a question which should be faced, if on no higher ground than that of pure expediency. After my honourable friend the leader of the opposition had made what I thought was a wonderful speech, I read in the Ottawa *Citizen* an article written from a somewhat critical viewpoint. The writer ended by saying:

> One thing that can hardly be questioned is that to do nothing about the Senate is to court disaster for it. In instituting a special inquiry the government evidently has decided against letting it die on the vine, sapless, unsavoury and unloved.

I do not agree with those words, nor do I understand that the government's policy is as the writer depicts it, but I do say that it is not enough for Caesar's wife to be virtuous; Caesar's wife must be above suspicion. It is not enough for the judges of this country to be absolutely fair and honest in their dealings on the bench; equally essential to the administration of justice is a conviction on the part of the general public that the judges are fair and impartial. I say that it is desirable, even for no higher reason, that a condition which would create the sort of criticism I have mentioned shall be avoided if it is practicable to do so. I think in that way we would create more confidence in the public and more interest in the Senate. Also I would expect when I came down here to have a lot more fun in being a senator! Amongst other good results, it would head off that utterly foolish suggestion that we ought to have an elected Senate.

Now what remedies should be carried out? I think an obvious remedy would be for the Prime Minister for the time being to declare that from now on there shall be an entirely different policy, and that he will make his appointments regardless of party affiliations. I read the other day, as I am sure you have done, Laurier's answer to a similar suggestion. The fact is that Canada has had many strong and able Prime Ministers, and every one of them has either resisted or failed to give effect to that policy. I see no indication that, whatever party may be in power in the future, there will be a substantial change from the system which has existed hitherto. If what it is desirable to do cannot be accomplished in that way, one must look for some other remedy. I advance this as a suggestion: it is the best conclusion I have formed over the years. I did not come to it hastily, but after having discussed it with people at home, in the trains, with my colleagues in the Senate and in the House of Commons, it is now my view that the best change which could be made in this respect would be to allow the provincial governments to appoint one-third of the members of this house.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Farris: I think that plan would at once cure the evils I have enumerated. If, for example, the next vacancy should occur in Alberta, the new senator from that province would represent a fresh viewpoint. I have no doubt he would be just as good as any of us. When Mr. Douglas had his chance he would send somebody here from the C.C.F. party, and I am sure that Mr. Douglas would go out of his way to send a man who could hold his own against any of us. Such a policy would give more affect to the theory of the Fathers of Confederation that the Senate be the protector of provincial rights.

Hon. Mr. MacLennan: Do you not think it would create political blocs in the Senate, such as are found in the parliament of France.

Hon. Mr. Farris: No, I do not think so. I am glad my honourable friend from Margaree Forks (Hon. Mr. MacLennan) has brought up this point. If you had blocs in an elected body and the government failed to get a majority, then you would have the evil about which my friend is thinking.

Hon. Mr. Lambert: Would my honourable friend permit me to ask a question at this point? Assuming that the suggestion he makes about representation from the provinces is a sound one, has he given any thought as to how that would be put into effect? Who would decide it?

Hon. Mr. Farris: Who would decide what?

Hon. Mr. Lambert: That measure of reform.

Hon. Mr. Farris: It would have to be by an amendment to the constitution.

Hon. Mr. Lambert: Yes, but who is going to take the necessary action to do that?

Hon. Mr. Farris: The Parliament of Canada.

Hon. Mr. Lambert: What about the provinces?

Hon. Mr. Farris: As I understand the situation, at the last session we amended our constitution on the theory that the Senate was part of the government of Canada, and that we did not require to have the consent of the provinces when we asked the Imperial Parliament to make the amendments. Now then, if we, as a part of the Government of Canada, decide to amend the constitution, we have the complete constitutional power and right to do so, and if any one province were to say: "We refuse to appoint the senators for our province"—if my honourable friend really thinks there would be any danger of that—

Some Hon. Senators: Oh, oh.

Hon. Mr. Farris:—I would suggest that in amending the constitution we should provide that if any province did not make its appointments within, say, six months, the Dominion Government would be authorized to make them. I would not worry very much, though, about the provinces not making these appointments.

Honourable senators, again I am in a controversial field in which I am giving my arguments as I see them, and while I would under no circumstances change the time of service of the senators who are appointed by the federal house, I would not want to see the provincial governments appoint senators for life terms. My argument here is that when you are dealing with appointments made by the federal house you are dealing with national parties which have a continuity of existence. The chances are ninety-nine out of one hundred that the senators appointed by a certain federal party will represent the continued national existence of that party whether or not that party remains in power. This does not apply to provincial politics. I remember, when I was Attorney-General in British Columbia, coming down to Ontario at the time of the United Farmers' party and the Drury government. I recall having lunch in the parliament buildings, where the members of that government all ate their meals, and where some of them even slept. That party has since disappeared from the face of the earth. I would not want to see any provincial government, which might be here today and gone tomorrow, have the power of making life appointments to this chamber. I should like to have the appointees come here as a purely supplementary body to give the Senate, for the time being, a different viewpoint.

Hon. Mr. Beaubien: For what term would you suggest the provincial appointees should serve? Would it be for such length of time as the provincial government in question remained in power?

Hon. Mr. Farris: I think I would make it a term of five or six years, and if the provincial government remained in power longer that that period it could re-appoint. However, that is a detail.

Hon. Mr. Lambert: Does my honourable friend seriously argue that the federal parliament would attempt to amend the British North America Act without consulting the provinces in this particular matter?

Hon. Mr. Farris: I said that parliament had the fullest power to do so; but what it would do I do not know.

Hon. Mr. Lambert: Has it the fullest power?

Hon. Mr. Farris: Of course it has. That was declared by the Prime Minister of Canada, the Attorney-General, and every lawyer of high authority, when at the last session an Act was passed on the basis that we had full power to amend our constitution in regard to the Senate. There is no question about that. The Parliament of Canada has that power. It may well be that in considering the exigency of such legislation a man like the present Prime Minister—and I am sure the same would be true of Mr. Drew—would call in the provincial premiers for consultation, and I am sure that there would be unanimity in the endorsation of this proposal.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: That is the answer to my honourable friend from Ottawa (Hon. Mr. Lambert). I would be opposed to this idea and drop the whole thing, however, if I thought that we were going to let a fly-by-night government—perhaps that is not a fair expression—make appointments to the Senate. Take the Social Credit government in Alberta. I believe it is a good government, but it is only that because every one of its proposed Social Credit measures has been disallowed by the federal parliament or by the courts, and of necessity the Social Credit government has been forced to operate along other lines. The prosperity which that government has enjoyed proves that it is a first-class government; but if it operated on the basis of Social Credit policy, which has never prevailed in this country, I would predict that sooner or later it would disappear just as the Farmers' Government in Ontario disappeared.

Hon. Mr. Horner: I am afraid it would take a long time to disappear.

Hon. Mr. Farris: That may be so; but if it did not disappear no harm would be done and it could make its appointments. I suggest that this would be a supplemental remedy which would not destroy the principle of life appointments to the Senate, but would bring in a certain group from time to time to give a little more colour to our views. It would create wider current representation of the sentiments of the country without disturbing the basis of permanency which I think is so essential to this house.

I come now to my last point, the question of whether there should be an age limit in the Senate and whether we should abolish life appointments. I am entirely in favour of the present system and entirely opposed to any suggestion of establishing an age limit of sixty-five, seventy-five, or eighty-five. In all that I have listened to or read I have never heard any sound, basic argument against the present system. In his book Professor Dawson quotes a newspaper clipping about one old gentleman, who died in 1903, and pokes fun at him as if he were characteristic of the Senate. I cannot see it that way.

If you can put up with my speaking a little longer—

Some Hon. Senators: Yes, go on.

Hon. Mr. Farris: —I will read what Professor Dawson says, at page 357:

> But the most needed reform of all must be concerned with removing the deadening effects of the life term.

Well, I can understand a columnist making a crack like that in a smart article for a newspaper, but this is the statement of a solemn professor in a textbook.

Hon. Mr. Dupuis: So-called.

Hon. Mr. Farris: Well, it is a book that is used by university students.

At page 340 he said this:

> The great bulk of the over-age senators cannot perform their duties with the same effectiveness as younger men.

Well, there is another group of Senators here in Ottawa, who are very good athletes. They play—what is it, hockey?—and I have no doubt that if we were to compete with them in that we should probably get the worst of it. But in any contest involving the service of the state by intellectual capacity, mental alertness, wide experience, well-balanced judgment, fair and dispassionate conclusions, I have an idea that the members of this Senate would compare favourably with the members of any other organization in this country. I do not say that boastfully. However, during the fifteen years that I have been a senator I have not been in the old-age and fully incompetent class. I may be getting a little close to that class now, but I am still putting up a bluff to my clients, and I have better ones and more of them now than I ever had before. I am not saying that to advertise myself, but merely by way of illustrating my point, that with our ripened experience we are better qualified to perform our duties to the state than we ever were before.

Let me quote one other remark from Professor Dawson's book, this time at page 336:

> The most important group, however, will be a large number of senators with distinguished records; but the great bulk of these enter the chamber only when their active political life is over.

Well, my honourable friends from Churchill (Hon. Mr. Crerar) and Kootenay East (Hon. Mr. King) certainly are among those who entered this chamber with distinguished records, but their active political life was by no means over. The senator from Churchill, who was long a member of the cabinet, has given serious study to and expressed frank criticism of much legislation that has come here in recent years. The senator from Kootenay East, also a former cabinet minister, has since his appointment to the Senate served as leader of this house and, more recently, as our Speaker.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: And only last year he was Joint Chairman of the Joint Committee of both houses on a very important subject, old age security. No one who knows anything about the outstanding work done by that committee will suggest that he did not play as active and valuable a part in it as any of the younger men from the other house.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: "Knowledge comes, but wisdom lingers." I submit that these men are performing as fine a duty to the state as they ever did when members of the other house, and that they are still as capable of rendering as good public service as are any younger men in that house today.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: I could go down the list of our members and point out many other eminent men who have given and still are giving very valuable service to the country. Can anyone suggest to me what public duties such men as these are incapable of performing? True, perhaps, they could not play hockey. But the functions of the Senate are to protect minorities, to scrutinize and give effective consideration to legislation, and to make up for shortcomings caused by the

hurry and rush in the other house. I say that, on its record, this house has shown that it does fulfil those functions with credit.

Reference to elderly men reminds me of the late Senator Dandurand, who was for many years leader of this house. He was a very alert and distinguished man in parliament, to the very end of his life.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: I was with him in committee the night before he died. Another elderly senator was the late Sir Thomas Chapais. Who made a greater contribution to our public life, to Canadian education and thought, than Sir Thomas Chapais made for so may years, right up to his death?

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: Then there was the late Senator Ballantyne, who sat where my honourable friend from Winnipeg (Hon. Mr. Haig) now sits, as leader of the opposition in this house. A man of wide business experience, he retained his connection with a great many industrial concerns, and during his tenure here applied his very valuable and practical knowledge to the consideration of legislation and other public questions. Was he a time-server of the type that Professor Dawson talks about? A little further along to the left on the front opposition benches sat the late Senator C. P. Beaubien, who died at eighty-one. It was an inspiration to hear him speak in this house.

Now by way of further illustrating my point that ripe experience is a valuable asset in the Senate, I will mention a few representatives of my native province of New Brunswick who were members of this house when I first came here. There was Clifford Robinson and Walter Foster, each a former premier of the province; and Arthur Copp, who carried on efficiently as Deputy Leader until his death.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: There was Frank Black, and George Jones, and the father of my honourable colleague from Cariboo (Hon. Mr. Turgeon). Would anyone claim that they were time-servers here? Has any professor the right to make an allegation like that against those great men who dominated the thinking of this house? Age did not wither them, nor the years decay. It may be that among our membership there was here and there someone unable any longer to bear his full share of the Senate's work; but better one or two like that and a majority of outstanding men of ripe experience, strong convictions and steady courage, than a whole house of young persons without any special contribution to make to the carrying on of the public affairs and the government of this country. And what I have said about the men who were in the Senate when I first came here can be said of former and present members. I challenge flippant critics to disprove my contention that ripe and wide experience is the most valuable quality that a second chamber can bring to bear upon the study of legislation. That principle does not apply to judges. Once in a while we may find in this country a judge who by reason of over-age may do some harm; but if there is associated with him a host of great intellects, men of wide experience and ability in their patriotic service, no great harm can result.

My honourable friend the leader of the government (Hon. Mr. Robertson) is not in his place tonight, but I would answer him, a younger man than myself, with these few lines of poetry:

> Grow old along with me!
> The best is yet to be,
> The last of life, for which the first was made;
> Our times are in his hand
> Who saith, "A whole I planned,
> Youth shows but half; trust God; see all,
> nor be afraid!"

Some Hon. Senators: Hear, hear.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, February 20, 1951

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill G, an Act to incorporate Traders General Insurance Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 13, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the report of the committee on Bill H, an Act respecting The Dominion Association of Chartered Accountants.

He said: Honourable senators, the committee have, in obedience to the order of reference of the 12th of February, 1951, examined the said bill, and now beg to report the same without any amendment.

THIRD READING

Hon. Mr. Bouffard moved that the bill be now read the third time.

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

EXPORT AND IMPORT PERMITS BILL

FIRST READING

Hon. Mr. Hugessen presented Bill W-2, an Act to amend the Export and Import Permits Act.

The bill was read the first time.

IMMIGRATION

MOTION

Hon. Cairine R. Wilson moved:

That the Standing Committee on Immigration and Labour be authorized and directed to examine into Immigration Act (R.S.C. Chapter 93 and Amendments) its operation and administration and the circumstances and conditions relating thereto including:—

(a) the desirability of admitting immigrants to Canada,

(b) the type of immigrant which should be preferred, including origin, training and other characteristics,

(c) the availability of such immigrants for admission,

(d) the facilities, resources and capacity of Canada to absorb, employ and maintain such immigrants, and

(e) the appropriate terms and conditions of such admission;

And that the said committee report its findings to this House;

And that the said committee have power to send for persons, papers and records.

She said: I regret that this motion, through an error, and because it was in the form of one drafted by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), was originally put on our order paper in his name.

In a very fine speech, devoted chiefly to the proceedings of the last General Assembly of the United Nations, the honourable senator from Cariboo (Hon. Mr. Turgeon) referred particularly to the International Refugee Organization and its activities. It was originally intended that this organization should terminate its work on June 30, 1950, but because of the great number of refugees who then remained under its care, the term was prolonged until March 31, 1951; and I believe every honourable senator must have been gratified to learn that there are sufficient funds to carry on the IRO until the end of next September.

Unfortunately there are still a great many refugees and displaced persons remaining to be cleared by the IRO. According to the first constitution of the IRO, refugees who could be registered for protection under it were limited to those who came under its care before the end of December, 1945. While I was at the General Assembly in 1949 I was very much distressed to learn that there was no recognition of the large number who were fleeing from Soviet-controlled territory, but although the IRO had not formal authority to deal with these cases, it nevertheless gave these people protection.

In September next the High Commissioner of Refugees, appointed by the General Assembly, will take over this responsibility; but apart from regulating the legal status of refugees and displaced persons he will have no authority. There will be no funds for

material assistance. It is therefore very important that we give consideration to this problem and see whether Canada can offer any solution towards the protection or re-settlement of displaced persons when the IRO passes out of existence. For this reason, and because immigration is now a topic of absorbing interest in Canada. I would think it important that our committee should be set up as soon as possible, and I trust that this committee may make a valuable contribution to the work of parliament. This country now has the responsibility of providing manpower for stepped-up defence industry and agricultural production, and it is felt that all Canada will benefit from an increased population. I hope therefore that honourable senators will adopt this motion.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Fogo (for Hon. Mr. Aseltine) moved the second reading of the following bills:

Bill O-1, an Act for the relief of Martin Raymond Quinn.

Bill P-1, an Act for the relief of Kathleen Beatrice Denman Blackadar.

Bill Q-1, an Act for the relief of Dora Greenwell MacKinnon.

Bill R-1, an Act for the relief of Albert Edouard Desjardins.

Bill S-1, an Act for the relief of Raymond Boyer.

Bill T-1, an Act for the relief of Aline Alina Buka Allaire.

Bill U-1, an Act for the relief of Margaret Beatrice Tynan Dossin.

Bill V-1, an Act for the relief of Kathryn Louise Morrison Ralston.

Bill W-1, an Act for the relief of Gerald Tudor Parrott.

Bill X-1, an Act for the relief of Marie Leontine Juliette Henriette Giguere Fiset.

Bill Y-1, an Act for the relief of Esther Marie Henning Ober.

Bill Z-1, an Act for the relief of Elmsley Alexander Leftly.

Bill A-2, an Act for the relief of Ruth Landan Goodman.

Bill B-2, an Act for the relief of Yvonne Michaud Telford.

Bill C-2, an Act for the relief of Edward Albert Flewitt.

Bill D-2, an Act for the relief of Mary Margaret Lillian Phillips Campeau.

Bill E-2, an Act for the relief of Mary Zientek Latkowski.

Bill F-2, an Act for the relief of Olga Kushner Dolny.

Bill G-2, an Act for the relief of Joseph Taite Connor.

Bill H-2, an Act for the relief of Doris Dominiqua Sernuck Wardell.

Bill I-2, an Act for the relief of Ann Galganov Schwartz.

Bill J-2, an Act for the relief of Doris Mayoff Weinstein.

Bill K-2, an Act for the relief of Jean-Maurice Martel.

Bill L-2, an Act for the relief of Ann Astroff.

Bill M-2, an Act for the relief of Margaret Elizabeth Audrey Midgley Bennett.

Bill N-2, an Act for the relief of Kathleen Agnes Margaret Saddleton Pout Boon.

Bill O-2, an Act for the relief of Bill Oleschuk.

Bill P-2, an Act for the relief of Eileen Haswell Houghton.

Bill Q-2, an Act for the relief of Saul Samuel Goldsmith.

Bill R-2, an Act for the relief of Brigitte Dorothea Felicity Gutmann Lowenbach Brooks.

Bill S-2, an Act for the relief of Violet Edith Hack Findlay.

Bill T-2, an Act for the relief of Cerna Segall Bercovitch.

Bill U-2, an Act for the relief of Paulette Charbonneau Lanthier.

Bill V-2, an Act for the relief of Ernest Churchill.

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

PRIVATE BILL

SECOND READING

Hon. Stanley S. McKeen moved the second reading of Bill M-1, an Act to incorporate Trans Mountain Oil Pipe Line Company.

He said: Honourable senators, the object of the petition for a charter for the Trans Mountain Oil Pipe Line Company is the construction of an oil pipe-line from Edmonton, Alberta, to Vancouver, British Columbia, through the Yellowhead Pass.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. McKeen: I may say that this is an all-Canadian route, and the pipe-line will end in Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. McKeen: The pipe-line will be 24 inches in diameter and approximately 715 miles long. Initially it will carry 75,000 barrels a day, but it will have an ultimate daily capacity of 200,000 barrels. A marine terminal and storage tank will be built in the port of Vancouver, to ship out any of the oil that is not required in British Columbia.

The oil fields of Alberta and the adjoining provinces constitute one of the largest discoveries of oil in recent years, and they

produce far more than can be used in the prairie provinces. It is estimated that by the end of 1952 sufficient oil would be available there to keep a pipe-line running continuously on the West Coast.

The construction of a pipe-line to the Pacific Coast will give Alberta oil fields an outlet at tidewater. At the moment the Interprovincial pipe-line which runs down to the Great Lakes provides an outlet in that area, but during about five months of the year—and this is something we in British Columbia like to talk about—most of the eastern ports are blocked by snow and ice.

Hon. Mr. Isnor: No, no.

Hon. Mr. McKeen: But the port of Vancouver is open all year around. Even during the bad winters of the last two years the harbour there remained open, whereas oil that goes down via Lake Superior is held up by ice for approximately five months, and if in an emergency it were desirable to transport oil to tidewater at any time from October or November on to May it would be necessary to wait until the ice broke up before it could be transported.

In the initial stage of the pipe-line this shipping of oil to Vancouver will save to the country approximately $50 million a year, and it is estimated that when the pipe-line is running to full capacity the annual saving will be about $100 million. When you consider that prior to the shipping of oil from the Alberta fields Canada was buying about $350 million worth of oil a year, you can see what this means in exchange to the economy of this country. In peacetime this shipment of oil is very helpful, and in wartime it is a matter of necessity. The Northwest territory, British Columbia, Alaska, Oregon, Washington and part of Idaho, use approximately 300,000 barrels of oil a day, and at present this territory is serviced from California. However, California is feeling the strain and in time of war its oil reserves might not be sufficient to take care of all the requirements of this territory. So as a defence measure this proposed line is essential to our safety on the West Coast.

Also, it should be pointed out that the oil now served to Western Europe comes from the Persian Gulf, where the daily output is about 1,800,000 barrels a day. If war with the communist powers should come, it is quite possible that that oil would be denied to Western Europe, in which event the requirements would have to be made good from this side of the Atlantic, possibly from the Venezuelan fields, whose daily production is about 1,200,000 barrels. That would necessitate the supplying of oil from somewhere else to make up for the quantity going to Western Europe. With the oil tied up at the Great Lakes, there would be no alternative route available; therefore, this western pipe line is of great necessity in the event of war.

The Bechtel organization which proposes to build this pipe line, and which is now asking for the charter, is one of the largest and best equipped pipe-line contracting firms in the world. Last year it completed a pipeline from Edmonton to Regina, a distance of 450 miles.

Hon. Mr. Euler: Is that an organization in the United States?

Hon. Mr. McKeen: The company which will build this pipe line is set up in Canada, and will be financed in Canada. The parent body is the Bechtel organization, with headquarters in San Francisco. If one is interested in reading the history of this firm, the current issue of *Fortune* contains a most complete article on it. The company has about 700 engineers working on projects all over the world. It has just completed construction of the Trans-Arabian pipe-line, the major portion of which was finished last year. It has also constructed a pipe-line for the Pacific Gas and Electric Company, from Texas to California, a distance of 500 miles, and is now working on a 30-32 inch pipe line from Kirkuk, Iraq, across the Syrian desert and the high mountains of the Lebanon and the Anti-Lebanon to Banias on the Mediterranean coast.

If a charter is granted this organization proposes in the construction of the pipe-line to employ, as far as possible, Canadian contractors and materials. Should more be required, they will be brought in from the United States.

The steel requirements for this project have been arranged for, and the company undertakes to complete the work by 1952. If the Canadian contractors are unable to fulfil the undertaking, the Bechtel organization will step in to ensure that there will be no default. Associated with them will be the oil companies supplying the oil which will flow through the pipe-line.

This, honourable senators, is not a promotional effort; it is an actual project to be carried out by people who are in the oil pipe-line business. All oil companies who wish to participate in the financing and the shipping of oil through this line may come in, and assurance has been given by many of the major companies that they will use this line to transport their product to the Pacific coast. The supply of oil to that area will mean a great deal, by reason of the fact that it will release some of the products now

being used for fuel. Oil will become readily available for use in large plants at the coast, and the surplus will be shipped to the northwest by means of water transport out of Vancouver.

Hon. Mr. Euler: My friend said a moment ago that this line would in the first year save $50 million. Did he mean a saving of $50 million in American exchange, or a saving of that amount to the consumers?

Hon. Mr. McKeen: It would save $50 million to Canada.

Hon. Mr. Euler: That is exchange.

Hon. Mr. McKeen: It may be called exchange. It will both save and create exchange.

Hon. Mr. Euler: But will it effect a saving to the consumer?

Hon. Mr. McKeen: I think it will, by reason of the lower transportation costs. British Columbia now has use for approximately 44,000 barrels of oil a day, and this pipe-line equipment will have a capacity of 75,000 barrels. The balance will be shipped to Oregon and Washington, and perhaps to parts of Idaho. British Columbia will not only save the exchange on the cost of 44,000 barrels per day, but will collect in American funds for the balance of 30 odd thousand barrels.

This company will offer its debenture for sale in Canada, and sufficient bonds will be sold in the United States to pay for the materials and supplies coming from that country.

Hon. Mr. Lambert: What is the capitalization of the company?

Hon. Mr. McKeen: To start with the company will be capitalized at about $87 million. The estimated cost of the pipe-line is about $82,400,000 in American funds, which is roughly $87 million in Canadian funds.

Hon. Mr. Lambert: And there will be an issue of shares?

Hon. Mr. McKeen: There will be an issue of shares to those participating in the line, and there will be debentures with warrants available to the general public in Canada.

Hon. Mr. Lambert: That means bonds.

Hon. Mr. McKeen: That means bonds. The debentures will carry warrants, but will not be convertible into common shares. When the warrants are taken up the money made available will be used to pay off the debentures.

I do not propose to go into the bill in detail, honourable senators, but I will be glad to answer such questions as may be asked. My intention is, when the bill has received second reading, to move that it be referred to the Standing Committee on Transport and Communications.

Hon. Felix P. Quinn: Honourable senators, I have listened attentively to everything the honourable senator from Vancouver has said in explanation of this bill; but as an old friend of mine in Halifax used to say, "to keep the record straight", I must take exception to the statement that the Atlantic ports of Canada are closed five months in the year. My friend from Vancouver may not be acquainted with the fact that the two great ports of Halifax and St. John are open to shipping 365 days in the year.

Some Hon. Senators: Hear, hear.

Hon. Mr. McKeen: I am pleased that I gave the honourable member from Bedford-Halifax (Hon. Mr. Quinn) an opportunity to say a word for Halifax. What I meant to say was that because of ice in the Great Lakes, transportation from the eastern end of the pipe line is closed for five months of the year.

Hon. Mr. Reid: I should like to ask a question of my honourable friend from Vancouver. I was much interested in his explanations of the advantages to be gained by a certain distribution of oil in the event of war. I wonder if the promotors of this bill are aware of the possibilities of the use of the port of New Westminster, which would save a distance of fourteen miles in the event of war, and in my opinion is better protected than the port of Vancouver.

Hon. Mr. Euler: Run a branch line across.

Hon. Mr. McKeen: I would remind my friend from New Westminster that only last winter the river at New Westminster was blocked with ice.

Some Hon. Senators: Oh, oh.

Hon. Mr. Reid: You have just told us there was no ice.

Hon. Mr. McKeen: I was speaking of the port of Vancouver. I was born at New Westminster, so I can scarcely take offence at my honourable friend's suggestion.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. T. A. Crerar moved the second reading of Bill N-1, an Act to incorporate Border Pipe Line Corporation.

He said: Honourable senators, this bill is similar to other pipe-line measures which have been considered by this house. The original incorporation takes place under the provisions of the general pipe-lines Act which parliament passed a few years ago.

The applicants for this charter represent business interests in Vancouver, Calgary, Winnipeg and Toronto. They are asking for powers to build a pipe-line from the main oil-bearing region of Alberta, southerly, and westerly through the Crowsnest Pass to Cranbrook, from Cranbrook across the international boundary at Kingsgate, to Spokane, west to Portland, and north to Vancouver—

Hon. Mr. Euler: How about New Westminster?

Hon. Mr. Crerar: —regions where, I understand, the roses bloom twelve months in the year.

Hon. Mr. Hugessen: Sometimes.

Hon. Mr. Crerar: The line would, of course, serve adjacent territory, including the district of New Westminster, so ably represented in this honourable house by the senator from that city (Hon. Mr. Reid). I am advised that the reason this route was selected is that it affords the easiest route for the construction of a pipe-line to the west coast; and of course, the corporation will be in a position to supply the cities of Spokane and Portland, whose oil, I am informed, is now brought from California to Seattle by tanker, and thence to the interior by other means of transportation.

The capacity of the line will be approximately 150,000 barrels per day.

The financial provisions of the bill resemble those which are ordinarily found in these charters. The initial capital consists of five million shares of no par value, and the company will have the power to finance through bond or debenture or preferred stock issues.

The bill is a simple one. As I have stated, it must conform to the provisions of the general pipe-lines Act, and certain aspects of the charter, as in other charters which we have approved, are subject to the provisions of the Joint Stock Companies Act.

If the bill receives second reading, I shall move that it be referred to the Committee on Transport and Communications.

Hon. John T. Haig: I never like to rise in opposition to an honourable member who has presented a private bill, and I am not going to do so now, other than to say this. In another place last year there was a long fight over a pipe-line bill, and, to be quite candid about it, my sympathies were with those who opposed that measure. I am in full agreement with the proposal that a pipe-line should be built in Canada and that the line shall run to Vancouver, and from there go south, if that is what the promoters want; and if today's bills go to a committee of which I am a member, I will vote for the bill to construct a line direct to Vancouver and vote against the bill whereby priority is given to American cities.

Let there be no misunderstanding about this. I do not believe that this country can prosper unless our industrial resources are available first to our own people. It may be that our oil resources are greater than Canada can use. Possibly the surplus should be sold to the United States. But if the proposed pipe-line is to supply oil first to Portland and other United States cities, it is my view, after listening to the honourable member for Vancouver (Hon. Mr. McKeen), that very little oil will reach Vancouver. The same point of view was taken in the debate on the pipe-line bill promoted last year by the Imperial Oil Company, whose line was routed through Alberta, Saskatchewan and Manitoba to Gretna. The result was that the company built a branch line into Winnipeg, and one of the finest refineries in the world is being constructed nearby: from there the line will continue into Ontario. I am in entire agreement with that kind of policy.

I dislike having to object to the bill of the honourable member from Churchill (Hon. Mr. Crerar). He is a gentleman, and I like him. But I cannot support it against another bill providing for a line from the same basic field direct to Vancouver. May be New Westminster needs consideration, and perhaps if Vancouver has to send to New Westminster for its mayors, it could get its oil from the same source.

An Hon. Senator: They are one town now.

Hon. Mr. Haig: I am not going to divide the house, nor ask anybody to vote against this bill. But if it is sent to committee I shall vote against it. I have no doubt that when it reaches the other place there will be a bitter fight; and I think we should yield to no one in the other house in our determination that the resources of Canada shall be developed, if possible, in Canada. It is for that reason that I am opposed to this bill.

Hon. Mr. Lambert: May I point out to my honourable friend that the point of view he has expressed was pretty fully dealt with in our committee, and there was not much of a

fight there. All the fighting was done in the other house. I thought we took the absolutely correct point of view when we said that, provided the bona fides of the incorporators were established, we had no alternative but to assent to incorporation. Under the Pipe Lines Act jurisdiction to deal with the matters which my honourable friend has raised belongs to the Board of Transport Commissioners. Theirs, not ours, is the duty and the responsibility.

Hon. Mr. Reid: I have one question to ask the honourable senator who introduced this bill. As respects almost every bill of this kind that has been before us this year, we have been told that a supply of steel pipe is assured. I should like to know whether this company also is assured of the steel pipe it needs.

Hon. Mr. Crerar: I cannot answer that question. I presume there may be some difficulty at times about getting sufficient steel. But it is certain that the incorporators have no hope of making arrangements for getting it until they know whether they will have the power to build a pipe-line.

Perhaps, before I close the debate, other senators should have the opportunity of speaking. I want to comment on what was said by my honourable friend the leader of the opposition.

Hon. Mr. Hugessen: Say it.

Some Hon. Senators: Go ahead.

Hon. Mr. Crerar: The point raised by the leader of the opposition is fairly clear, but I submit that under the circumstances it is a rather strange one, and I do not think it has much validity. Briefly, his argument is that we should not export a natural product —oil—from Alberta to certain areas in the United States until we are sure that we shall have enough oil to support all the industries that may be established in Canada. In discussing the bill which immediately preceded this one, the honourable senator from Vancouver (Hon. Mr. McKeen) gave some information as to how far Canada is dependent for oil upon outside sources. There is no doubt much of the oil now being used in Eastern Canada—and in Western Canada, too, before the oil development took place in Alberta—originates in areas outside of Canada. Some of it is imported from South American countries, and a large portion of it comes from the United States. Is it therefore, not the part of common sense and wisdom for us to place ourselves in a position where we can export Alberta oil to cities like Spokane and Portland? These centres would find the Alberta oil fields a much cheaper source of supply than those from which they draw now. This is a sort of reciprocal arrangement, and if we are going to take the position, on the rather narrow ground put forward by the leader of the opposition (Hon. Mr. Haig), that we should not export our oil to the United States, what then can we say if in the future the United States refuses to allow the export of their oil to us for the same reason? I cannot see the logic or merit of my honourable friend's stand; but we shall be able to discuss this more fully if the bill is referred to committee. At that time the honourable senators from Winnipeg (Hon. Mr. Haig) and Ottawa (Hon. Mr. Lambert) may resume this discussion with me under somewhat freer auspices.

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

REFERRED TO COMMITTEE

Hon. Mr. Crerar: Honourable senators, I move that this bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. A. N. McLean: Honourable senators, in rising to make a few remarks about the resolution before the house, I wish to sincerely congratulate the honourable member from Vancouver South (Hon. Mr. Farris) on the very excellent speech he made last night. It takes a great deal of work to prepare such a speech, and I think it was one of the finest I have heard in this chamber. I think his address made new history; but I shall confine my remarks to past history. I also want to congratulate the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable leader opposite (Hon. Mr. Haig), who both made excellent speeches on this subject.

In looking over the Senate *Debates* for many years back it seems that the problem of creating more legislative work for the Senate, especially in the early part of the sessions, has been a worry to a substantial number of leading statesmen of Canada, and others, who graced this house as well as those in the other place. Committees have been set up from time to time to deal with the situation, but the problem has never been

solved. In 1934 there was an extended debate in the Senate on this question, and some of the most outstanding parliamentarians of that period—Hon. Charles Murphy, Hon. Raoul Dandurand, Hon. Rodolphe Lemieux and others took part in that debate. Their conclusions were that when ministers with portfolios ceased to sit in the Senate, this house did not get a fair share of the legislation presented to parliament until very late in the session. In fact, this difficulty arose in a small way, right after confederation.

In 1934 the Honourable Charles Murphy gave notice of inquiry in this chamber as follows:

That he will call the attention of the government to the work of the Senate and to the efforts made by the Senate to secure the initiation in this house of government measures, and will inquire if it is the intention of the government to introduce in the Senate at an early date any of the legislation indicated in the Speech from the Throne.

This inquiry was introduced after the then Honourable Senator McRae from Vancouver made the following statement in the house:

I make bold to suggest that some honourable member, with long experience both in this and in the other house, as well as in the government, should make a very clear statement on the responsibility of the Senate and the scope of its authority. In this way, I am sure, we should hear much less criticism of this honourable body by reason of the long adjournments which are necessary from time to time for lack of business.

In his speech the Honourable Mr. Murphy made some very illuminating remarks about the work of this honourable body. He described it as a narrative of recorded facts, and then he took his fellow senators on a short excursion into parliamentary history. If any honourable senator has not read that speech by Mr. Murphy it would be worth his while to do so. I shall just record here a few of the points brought out by that honourable gentleman. He prefaced his remarks by repeating the following statement which was made by Sir John A. Macdonald during confederation debates:

In order to protect local interests, and to prevent sectional jealousies, it was found requisite that the three great divisions into which British North America is separated should be represented in the upper house on the principle of equality . . . Accordingly, in the upper house . . . which has the sober second-thought in legislation, it is provided that each of those great sections shall be represented equally by twenty-four members.

There would be no use of an upper house if it did not exercise, when it thought proper, the right of opposing, or amending, or postponing, the legislation of the lower house. It would be of no value whatever were it a mere chamber for registering the decrees of the lower house. It must be an independent house, having a free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that body.

Honourable Mr. Murphy recorded that in 1868 a select committee had been appointed to "consider and report whether by any alterations in the forms and proceedings of this house the dispatch of public business can be more effectively performed." Sir Alexander Campbell was made chairman of that committee, and the substance of the committee's report, which was presented in May, 1868, would seem to indicate that we have somewhat similar conditions today. The committee was of the opinion that it would be possible to originate a much larger number of bills in the Senate, and it appeared to the committee that it must rest chiefly with the government of the day to accomplish this. The committee thought that the public interest in the more thorough consideration of legislative measures as well as in the dispatch of business would be much better served by a persistent effort on the part of the government of the day to originate in the Senate as many measures as the law and usage of parliament would permit. The report was unanimously adopted.

In 1874 a special committee, made up of members both of the House of Commons and the Senate, was set up to deal with the subject, but little was accomplished.

In 1879 protests were made in this body over the delays in legislation coming from the other place, but in the session of 1881 there was an improvement, which was described by the Honourable Senator Miller on the floor of this chamber as follows:

I think it is only fair, under the altered circumstances this year, to compliment the government on the decided improvement which has taken place in that respect during the present session of parliament. We have had very important measures initiated here, and had full time to discuss them. We have not, on any one single day up to the close of the session, been behind with our work . . . We have been able to keep up with it, and give it all the time that we thought it deserved . . . I only hope the good departure the government have made this year will be followed up in subsequent sessions.

However, in 1882 things got back into the old rut again, and the Honourable Senator Alexander, who had been a member of the House of Commons in Sir John A. Macdonald's time, voiced loud criticism of the receipt of important bills in this chamber 36 hours before the closing of the session.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. McLean: In 1908 several motions were introduced into this chamber by honourable senators—one by the Honourable Senator David and one by the Honourable Senator Beique—stating that it was desirable that legislation come through from the House of Commons more efficiently and that more work be given to the Senate.

During the session of 1923 the Honourable Senator Dandurand presented this motion:

That a message be sent to the House of Commons requesting that house to unite in the appointment of a joint committee to be composed of an equal number of members, not exceeding five, of each house, to consider the following matters:

1. The forms of bills and the best means of affording the information and assistance in the consideration thereof at all stages of legislation in both houses of parliament.

2. The better distribution of the work of legislation between the two houses.

The joint committee was duly appointed and made the following recommendations, which were presented to the Senate in 1923 and adopted:

Your committee further recommend that the distribution of all private bills, exclusive of divorce bills, be regulated by the Speakers of both houses jointly, with the understanding that they will see as far as practicable that private bills, exclusive of divorce bills, be introduced one-half in each house.

In his summary of the Senate's work the Honourable Mr. Murphy put on record a statement of the large amounts of money the Senate had saved for the public treasury by amending financial bills or refusing to pass them. In this connection he quoted Sir Richard Cartwright as having said in the Senate in 1906:

It is not by any manner of means a trifling thing when I say that the nature of a Senate is not only what the Senate does but what the Senate prevents other people from doing.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. McLean: The total saving to the public treasury by the Senate over the years 1875 to 1934 amounted to more than $100 million, and besides the Senate prevented the making of proposed land grants running into millions of acres. And in his speech here a few days ago the honourable leader of the opposition (Hon. Mr. Haig) told us of the hundreds of millions of dollars that have been saved to the prairie provinces through preservation of the Crowsnest Pass freight rates.

The outstanding men who have graced this body over the years have had difficulties similar to ours with regard to the proper distribution of legislation between the two houses of parliament. Different methods to improve the situation have been tried, but no permanent solution has been found, and that is the crux of our trouble today. Men like the honourable Sir John Abbott, Sir Mackenzie Bowell, Sir Oliver Mowat, Sir George Ross, Sir George Drummond, Sir Frank Smith, Sir John Macdonald—it was truly said of those men by the Honourable Senator Murphy that they did their utmost to preserve the great character with which the Senate was invested by the Fathers of Confederation, and at the same time strove earnestly ever to increase its usefulness. In later years our outstanding predecessors, such as Senators Meighen, Lemieux, Dandurand and McRae, puzzled their great brains as to how to overcome the same difficulties with which we now seem to be faced. The eminent former members whom I have mentioned seemed to have been really well satisfied with the set-up of this honourable body, but they did have the same difficulties that we have in getting legislation before this house in the early part of the session.

Now in the light of what has happened in the past, the proposal for a fundamental change in the complexion of this honourable body is something that we all should be extremely careful about. Such a proposal would involve our entering upon new ground where almost angels fear to tread, for few subjects have been discussed so much and so thoroughly in this chamber in the past as this one has, and that by some of the ablest and brainiest men of the country. So we should realize our great responsibility if we undertake to make any major changes, and be prepared for what may be the consequences. One thing I do know: we all can do a great deal as individuals, and individual effort counts. We can see to it that this fine body continues to be as useful to the country in the future as it has been in the days that are gone.

In passing, may I say that I think that Prime Minister St. Laurent is to be sincerely congratulated upon his choice of men of such high character and outstanding ability as are those who represent the great province of Newfoundland in this honourable chamber.

Some Hon. Senators: Hear, hear.

Hon. Mr. McLean: Personally, I like the work here and do not have many idle moments. A growing country like Canada needs the services of this honourable body now more than ever before, and if each of us keeps his shoulder to the wheel, mighty useful work will be accomplished in the future, as in the past, not only while we are in this chamber but when we are in our respective constituencies. Just like our great predecessors, we need to receive legislation from the other place more promptly, and we should all try to unite in a plan, if one can be found, to bring about this result.

Honourable senators, in my humble opinion a change in the age limit of senators or in the manner of appointment to this honourable body would not solve our problems at all.

Hon. Mr. Duff: Quite right.

Hon. Mr. McLean: Those things have nothing to do with the real problems that

confront us, and that confronted our predecessors. To anyone who doubts my statement I would say without hesitation that I base my claim on the past history of this great institution. And the wisdom of the ages is at all times to be found in history.

I trust that the resolution will be withdrawn. If it is not, I shall have to vote against it.

Hon. James P. McIntyre: Honourable senators, in rising to make a few remarks on the motion moved by the honourable leader of this house (Hon. Mr. Robertson), I first wish to congratulate him upon his very able speech in support of the resolution. I also wish to congratulate the leader of the opposition (Hon. Mr. Haig) upon the excellent speech that he delivered so well without a note or paper to guide him. The honourable senators from Toronto Trinity (Hon. Mr. Roebuck) and Vancouver South (Hon. Mr. Farris)—two eminent lawyers, each an ex-Attorney General of his province and real statesman—also made excellent speeches, outstanding speeches, in this debate.

It is a very strange coincidence that the honourable senator from Vancouver South and the honourable senator who has just finished speaking made use of some of the very material that I dug up from the library for use in my own speech. Yet neither of us knew what the other was going to say. I am prepared to go into some phases of the question a little more deeply than did my honourable friend.

Some Hon. Senators: Hear, hear.

Hon. Mr. McIntyre: Before dealing with the motion I desire to place on the record certain quotations from the speeches of Sir John A. Macdonald and the Honourable George Brown, two outstanding statemen who had most to do with bringing the provinces of Canada into confederation in the year 1865. Sir John A. Macdonald gave a clear outline of what he thought was the purpose of the Senate in a speech delivered on February 6, 1865, and which appears in the *Parliamentary Debates*, at pages 26 and 27. This extract is rather lengthy, but because of its importance I would ask the indulgence of the house while I read it. It is as follows:

> There would be no use of an upper house, if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the lower house. It would be of no value whatever were it a mere chamber for registering the decrees of the lower house. It must be an independent house, having free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that body; but it will never set itself in opposition against the deliberate and understood wishes of the people.
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> The members of our upper house will be like those of the lower, men of the people, and from the people. The man put into the upper house is as much a man of the people the day after, as the day before his elevation. Springing from the people and one of them, he takes his seat in the Council with all the sympathies and feelings of a man of the people, and when he returns home at the end of the session, he mingles with them on equal terms, and is influenced by the same feelings and associations, and events, as those which affect the mass around him. And is it, then, to be supposed that the members of the upper branch of the legislature will set themselves deliberately at work to oppose what they know to be the settled opinions and wishes of the people of the country? They will not do it. There is no fear of a deadlock between the two houses. There is an infinitely greater chance of a deadlock between the two branches of the legislature, should the elective principle be adopted, than with a nominated chamber—chosen by the Crown, and having no mission from the people. The members of the upper chamber would then come from the people as well as those of the lower house, and should any difference ever arise between both branches, the former could say to the members of the popular branch—"We as much represent the feelings of the people as you do, and even more so; we are not elected from small localities and for a short period; you as a body were elected at a particular time, when the public mind was running in a particular channel; you were returned to parliament, not so much representing the general views of the country on general questions as upon the particular subjects which happened to engage the minds of the people when they went to the polls. We have as much right, or a better right, than you to be considered as representing the deliberate will of the people on general questions, and therefore we will not give way." There is, I repeat, a greater danger of an irreconcilable difference of opinion between the two branches of the legislature, if the upper be elective, than if it holds its commission from the Crown.

I am sure that all honourable senators agree that Sir John A. Macdonald was one of the ablest statesman that Canada has produced in the past hundred years.

Some Hon. Senators: Hear, hear.

Hon. Mr. McIntyre: I come next to the sayings of the Honourable George Brown who, though an able man, did not come to the forefront as did Sir John A. Macdonald. There is no doubt, however, that these two men were instrumental in bringing the provinces of Canada into confederation. The quotation from Mr. Brown is not very long—

Hon. Mr. Hugessen: Go ahead.

Hon. Mr. McIntyre: It reads:

> I have always been opposed to a second elective chamber, and I am so still, from the conviction that twe elective houses are inconsistent with the right working of the British parliamentary system. I voted almost alone against the change when the Council was made elective, but I have lived to see a vast majority of those who did the deed wish it had not been done.

Honourable senators will recall that the Honourable George Brown was then speaking of

the Legislative Council of Ontario, which was an elective body, and which was later abolished. It is notable that all the elective legislative councils in Canada, except in Quebec, have been abolished. In this regard I venture to say that should the Senate become an elective chamber I would not be surprised to see it suffer the same fate in the not-too-distant future.

Honourable Mr. Brown continued:

> I thought it would be well to provide for a more frequent change in the composition of the upper house, and lessen the danger of the chamber being largely composed of gentlemen whose advanced years might forbid the punctual and vigorous discharge of their public duties. Still, the objection made to this was very strong. It was said:
>
> "Suppose you appoint them for nine years, what will be the effect? For the last three or four years of their term they would be anticipating its expiry, and anxiously looking to the administration of the day for re-appointment; and the consequence would be that a third of the members would be under the influence of the executive." The desire was to render the upper house a thoroughly independent body—one that would be in the best position to canvass dispassionately the measures of this house, and stand up for the public interests in opposition to hasty or partisan legislation.

Hon. Mr. Haig: May I interrupt the honourable senator?

Hon. Mr. McIntyre: Yes, of course.

Hon. Mr. Haig: I thought I heard him make a statement which may not be historically correct. He said that the Honourable George Brown was dealing with the Legislative Council of Ontario. I would point out that Upper Canada and Lower Canada at that time had one parliament, and the Executive Council was called the Executive Council of Upper and Lower Canada.

Hon. Mr. McIntyre: I meant to say the Executive Council of Upper and Lower Canada.

Hon. Mr. Hugessen: It was the Province of Canada.

Hon. Mr. Haig: The Province of Canada, yes; but the Council was elected.

Hon. Mr. McIntyre: To prove the worth of this chamber since confederation, I should like to emphasize two or three points. The functions and the work of this chamber are very much less known to the people at large than what goes on in the other place.

Away back in 1898 the Canadian Pacific Railway Company was desirous of building a branch line from Lethbridge to the Crowsnest Pass in British Columbia. Probably the honourable member from Lethbridge (Hon. Mr. Buchanan) knows much more about the details than I do. The company had, I believe, approached the government in 1895 and 1896, but nothing was done. A new government came into office in 1896, and in 1898 the company approached that government for financial assistance in building the line. Assistance amounting to $3,400,000 was granted. In consideration of this assistance the Canadian Pacific Railway and the government entered into an agreement known as the Crowsnest Pass Agreement, by which the railway undertook to establish maximum rates on wheat and wheat products eastbound and on farm implements, machinery, fruit and other commodities westbound. At that time British Columbia had not gone to any extent into the production of fruit. From the date of the agreement until 1906 the farmers of the prairie provinces had the benefit of those reduced rates.

In 1906 the government of Manitoba entered into a similar agreement with the Mackenzie and Mann interests. The rates under this agreement were somewhat lower than those under the Crowsnest agreement. The Canadian Pacific Railway reduced their rates to meet those under the Manitoba agreement, and consequently, from 1906 to 1918 Western Canada enjoyed the benefits of the rates prescribed under the Manitoba agreement with Mackenzie and Mann.

In the year 1918 the cost of operating railroads increased very materially. The late Senator Gideon Robertson, Minister of Labour, stated that the cost of living had increased 100 per cent. At this point I wish to pay a tribute to the late Honourable Gideon Robertson, who was Minister of Labour in 1930. Perhaps one may be pardoned a personal reference. I had something to do with the late senator back in 1930, when, if my memory serves me right, the Bennett government provided $20 million for unemployment purposes throughout Canada. I came to Ottawa to sign an agreement for Prince Edward Island's share of the grant, which was $90,000. At that time I happened to be Minister of Public Works. When I entered the office of Mr. Robertson, whom I had never seen before, he rose from his chair, met me half way across the room, and extending his hand, said, "How is Prince Edward Island?" He then asked me about a gentleman, a railway man like himself, whom I knew very well, and he made me feel so much at home that I was not a bit embarrassed. The $90,000 was used for unemployment projects in different parts of our province.

Hon. Mr. Duff: Not very much.

Hon. Mr. McIntyre: Not very much, but it was something. One particular project was the building of a mile of hard-surface road a little way outside Charlottetown. It was the

first of the paved roads on the island, of which at the present time there are approximately three hundred miles.

Hon. Mr. Grant: The McIntyre highway.

Hon. Mr. McIntyre: They did call it that.

Hon. Mr. Grant: It is a good name.

Hon. Mr. McIntyre: But when the legislature met I got quite a trouncing from the opposition. They spoke of the Roman roads, the Pacific highway, the Lincoln highway, and famous men who gave their names to great highways, and then they referred to the one-mile road—the McIntyre highway.

Hon. Mr. Grant: It is there yet.

Hon. Mr. McIntyre: My honourable friend from Prince (Hon. Mr. Barbour) succeeded me in office as Minister of Public Works, and he and I in our terms of office built a great many miles of hard-surface roads in Prince Edward Island. I remember having taken my honourable friend from Churchill (Hon. Mr. Crerar), when he was Minister of Mines and Resources, over some of these highways to the national park.

As the cost of living had gone up 100 per cent, the railways were justified, I think, in asking for increased rates, and the Board of Railway Commissioners in 1918 ordered an increase. In 1919 the Minister of Railways introduced a bill containing certain amendments to the Railway Act, to provide that the higher schedules of freight rates should apply to the Canadian National Railways. Had those increases, which were approved in the other place, passed this chamber, the agreement of the Canadian Pacific Railway with the government and the agreement with the Manitoba-Mackenzie Mann interests would have been nullified, freight rates would have taken a jump, and the western farmers would have had to pay the increased rates. When that bill was introduced in the other house a lengthy debate took place before it was given third reading. It was then introduced in this chamber, sponsored by Sir James Lougheed, the government leader in the Senate, who was also a member of the Cabinet. In the debate here the Honourable Mr. Watson stated, "I think I am justified in moving that we do not concur in that amendment". In any event, the amendment was defeated in this chamber and the freight rates remained as they were. The retention of freight rates at the pre-1918 level, according to a statement made by the railway officials before a parliamentary committee, meant a loss to the railway of $20 million a year. Those rates were restored in 1922, twenty-eight years ago, and they are still in effect. Now, if you multiply $20 million by twenty-eight you get $560 million, and this would represent the amount saved by the wheat and fruit growers of Western Canada in the last twenty-eight years. The annual cost of operating the Senate during this period —it has been a little higher in the past few years—would average approximately $800,000 per session. Now, if you multiply $800,000 by twenty-eight you get $22,400,000, which would represent the cost of operating the Senate over the last twenty-eight years. Then subtract $22,400,000 from the $560 million, the amount saved by the wheat and fruit growers, and you get the sum of $537,600,000, which on the basis of an annual operating expense of $800,000 would pay the cost of the Senate for more than 700 years.

Hon. Mr. Duff: Tell them about the Yukon railway.

Hon. Mr. McIntyre: Honourable senators, that is not the whole story. How much did this chamber save the taxpayers of Canada in 1912 when it defeated the Naval Bill? This bill would have given the British Government $35 million to build warships, which would have been manned by British sailors and sent anywhere the British Government ordered. This bill was debated in the other house for months before it was given third reading; but it was rejected here. As I say, it meant a saving of $35 million to the taxpayers of Canada, and I am sure that if a similar bill were to come before us today the Senate would again protect the Canadian taxpayers. The Senate showed its independence when it defeated the Naval Bill, and it has continued to do so throughout the years. There are no party politics in this chamber and I hope there never will be. We form an independent body, and we shall retain our independence as long as we are able to do so.

The speech made last night by my honourable friend from Vancouver South (Hon. Mr. Farris) was probably one of the ablest I ever heard, but I do not agree with everything he said. For one thing, I do not agree with his idea of having senators appointed by the various provincial governments. From Alberta we would have Social Crediters, and from Saskatchewan we would have CCFers.

Hon. Mr. Reid: Any Coalitionists from British Columbia.

Hon. Mr. Dupuis: And bridge builders from Quebec.

Hon. Mr. McIntyre: Yes. What kind of a chamber would we have then? I think it would mark the end of the Senate of Canada. Honourable senators, I have just tried to

give you some idea of what the Senate has saved the taxpayers of this country since confederation.

The Senate is an independent body, and its members do not have to speak to the galleries or go to the people and be elected. I am proud to say that the independent spirit of the Senate still prevails. The honourable gentleman from Vancouver South said that the Liberals will probably remain in power after the next election. That may be so, but what of it? I recall that in 1935, when we returned to power in the Legislature of Prince Edward Island, there was no opposition at all. We had plenty of opponents in our own party, though, and I think some of our own party members gave us more trouble than we would have had if there had been a half dozen Conservatives in the house. I hope the same situation does not come about here; but if it should, and if the membership of the Senate should be made up of one political stripe, either Conservative or Liberal, I think the house would still exercise its independence just as it does now.

Honourable senators, we are living in a dangerous period, when we do not know from day to day what is going to happen. We do not know at what hour war might be brought upon us. It seems to me that the United States, China, Russia, and other countries are unable to get together. When the United Nations puts a proposition to the People's Government of China, that government calls it propaganda, slander and everything else. When the Russian Government puts a proposition to the British Government, the United States Government, or the United Nations, it is called propaganda and slander too. Before we can have peace in the world somebody must give way. If all countries would just give in a little in an attempt to come together it would end all the slander that is being thrown around by the Chinese, and the Russians and their satellites. Nobody wants this sort of thing.

I close by quoting the following statement, which I came across somewhere:

> There is a Christian moral teaching that a man has a right to his reputation, that it is a sin to ruin his good name, either by spreading calumny about him or by unnecessarily revealing imaginary things, when no other purpose is served than to hurt him or his family and to provide matter for mongering.

Honourable senators, I thank you for the attention you have given me.

Hon. Mr. Beaubien: Honourable senators, in the unavoidable absence of the senator from Ottawa (Hon. Mr. Lambert), on his behalf I move adjournment of the debate.

Hon. Mr. Duff: No, let us have a vote.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from Thursday, February 15, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Stambaugh for an Address in reply thereto.

Hon. R. B. Horner: Honourable senators, my rising to speak on the Address in reply to the Speech from the Throne is getting to be an annual occurrence, but I assure the house that but for the fact that I wish to say something which perhaps no one else will say here, I would have refrained at this time.

At the outset I wish to congratulate sincerely the mover (Hon. Mr. Stambaugh) and the seconder (Hon Mr. Dessureault) of the Address. The mover painted a very fine picture of his province of Alberta, but he omitted any reference to the feature which I appreciate most, that it is Canada's banner grazing or ranching province. That section which has been kept open for ranching, down in the foothills country, is, I think, still the most beautiful spot in Canada.

I was encouraged to say something in this debate by an article that I saw the other day in the Ottawa *Citizen*. It is headed "A sermon against sermonizing," and reads in part as follows:

> So swift is the sequence of events in the modern world, so vast the stage on which history is being unfolded, that the plain citizen often feels bewildered. It may seem to him that his influence counts for little, that his fate will be determined by forces beyond his control. Perhaps he feels that he can only hope, like Naaman of old, for some great thing to resolve all difficulties, for the achievement of peace and security by some dramatic means. But in CBC's National Sunday Evening Hour last Sunday, Dr. Cyril James, Principal and Vice-Chancellor of McGill University, made eloquent use of Naaman's story to dispel this attitude. The fact is that each person has a part to play, no matter how modest, in shaping the future. And each must bear the responsibility for what he does or neglects to do.

That, I repeat encouraged me to perform what I deem to be my duty on this occasion. However, because of the very serious situation in the world today, I hesitate to say all that I otherwise might have said.

I have enjoyed listening to the speeches in this debate, particularly those of the senator from Cariboo (Hon. Mr. Turgeon) and the deputy leader of the house (Hon. Mr. Hugessen). While I do not always agree with the conclusions arrived at by the deputy leader, I never fail to listen to him with interest. I sometimes think while he is speaking that he feels everything is going along nicely and

that the government of this country is doing things to the entire satisfaction of the people, and I am thereby reminded of a remark made by someone in the British House of Commons —I believe it was Joseph Chamberlain—that he wished he could be as sure of any one thing as a certain honourable member was of everything.

Honourable senators, I think that the very serious situation in the world today imposes a real duty upon every individual in this country. I may say that I have no faith in might, in the expenditure of $5 billion for defence. That will not be enough, it seems to me, unless the people of the world experience a genuine change of heart and discontinue the mad race in armaments. I should like to see more money spent on purposes of peace than we are now spending on them, but I wonder if we shall ever get around to trying that. The honourable gentleman from Cariboo (Hon. Mr. Turgeon) made a fine statement about faith. Well, we all believe in a Supreme Being, but there are many different religious denominations and churches and diverse ways of worshipping. I often wish we could come to common agreement that a person could worship equally well in any church. What a fine example we might set to the rest of the world! I personally would be willing to do my worshipping in any church, if that were agreeable to other people.

To my mind, one of the things that should concern us most at this time is the outlook that our people—especially our young people —have on life. I cannot speak about Canada in general, but I very much regret that the part of the country that I am familiar with is immensely unconcerned as to what happens. Formerly a threat of war gave rise to a vital spirit of willingness to fight in defence of the country. I was just discussing with my deskmate (Hon. Mr. Quinn) the fact that some of our finest soldiers, those who made the very greatest contribution, had what the ordinary person would regard as scarcely anything to fight for. The country had afforded them a very meagre existence. Yet, in these days of abundance, with our social security and bonuses, that vital spirit is entirely lacking—at least, in the part of the country that I am acquainted with. Every day of the week men well able to work, many of them young men, are playing cards, or crowding the pool rooms, skating rinks and other places of sport, while the churches stand empty, and even on Sunday are only partly filled. That strikes me as a very serious thing.

In looking over the Rosetown *Eagle*, the little paper published in the home town of my room-mate (Hon. Mr. Aseltine), I noticed an interesting story. A man, to give his young son something to keep him occupied, cut a map of the world into a great many pieces and told the boy to put it back together properly. Very shortly afterwards the task was accomplished, and the father inquired how it had been done so quickly. "Oh," was the reply, "on the back of the paper there was a picture of a boy, and I knew that if I built the boy up rightly the world would come out all right".

I am afraid, honourable senators, that we are not spending enough on the building up of our young people.

It is perhaps nobody's fault in particular that we do not seem to have an outstanding leader today who can inspire in the people a true appreciation of our democratic freedom. I have maintained a strong opposition to the government's practice of handing out baby bonuses and other forms of social security. In my opinion such grants not only fail to improve conditions, but reduce the number of volunteers for military service and cut down our volume of production.

In the past I have complained rather bitterly about our lack of leadership when Stalin interfered with and prevented a peace treaty between Austria and the western powers. When I pointed out that there were available to us 2,000,000 Germans who were badly needed in this country, the answer was that we were still at war. I am strongly of the opinion that had we in 1945 opened our doors to the displaced persons of that country, we would today have a strong body of new Canadians who by now would have learned the democratic ways and the advantages of this country, and would be prepared to fight for them.

For my part I am not particularly alarmed about the possibilities of an invasion of Canada from the north. I am, however, fearful that Europe is today in real danger. The honourable deputy leader (Hon. Mr. Hugessen) went what I thought was a long way when he stated that we should perhaps come to the defence of Yugoslavia. I would ask him: What about Western Germany? Why have we allowed Russia to do what she has done to Eastern Germany? Displaced persons who succeed in fleeing the eastern sector find great difficulty in gaining entry to this country, where we have not only abundant natural resources but a crying need for people to do the work.

The member of the other house who calls himself an "Independent", but who persistently supports the government, recently

said that he would be quite happy to see the Minister of Finance block out the gold that is still in the ground and issue money against that wealth for defence purposes. How much better it would be to block out the areas of this country containing gold and issue money against it to build, for instance, an irrigation dam in Saskatchewan? Certainly we could issue money in this way more cheaply than we do now and develop our natural resources to provide food for a hungry world.

Some mention was made in this house last evening about the Social Credit Party to which I take exception. I believe that had it not been for Mr. Aberhart, the former Premier of Alberta, we would not today have a central bank in Canada. During the recent war enormous sums of money became necessary to finance the defence efforts of the country, and although the chartered banks did a good job in their own way, the Bank of Canada proved of great value to us.

The honourable senator from Bruce (Hon. Mr. Stambaugh) boasted of what the province of Alberta produces. What chance have we in western Canada got to produce and sell our grain at a profit with the rising freight rates? Not only have we within the past year suffered loss by frost, but the wheat agreement with Great Britain has been a source of trouble. I understand the Minister of Agriculture is now in England trying to secure an additional payment on that agreement from the British Government. Now we have a new wheat agreement—almost a world agreement—signed by many countries, and we are selling our wheat for about fifteen cents a bushel less than we formerly received for it.

I did not complain when Canada made a straight cash donation to Great Britain, but I was never satisfied with the British Wheat Agreement. Although the president of the wheat pool was in favour of the agreement no effort was made to allow a vote on the question by the supporters of the pool, of whom I was one. Action to implement the agreement was taken by the men in charge of the pool, without consulting the producers. Our experience with the wheat agreement and discussion about the "have regard" clause remind me of the days when I used to trade horses. It was a poor policy, I found, to allow the other fellow to make too good a deal; he never came back because he was afraid you would try to get even with him.

Hon. Mr. Beaubien: That is good logic.

Hon. Mr. Horner: And today Great Britain refuses to buy our bacon, perhaps for that very reason.

I have before me an article written from Melbourne, entitled "Anglo-Aussie Meat Deal".

It reads this way:

A 15-year meat agreement—

Not a five-year agreement.

—between Australia and Britain, to make Australia one of the biggest meat-producing areas in the world, will be signed shortly, Commerce Minister John McEwen, announced today.

McEwen said the main point would be a guarantee by Britain to buy Australia's entire surplus of beef, lamb and mutton.

On this basis, Australian cattle and sheep raising is to be expanded considerably, and vast tracts of virgin land are to be opened up for cattle farming with the help of British capital.

McEwen said the agreement will provide a fixed floor price. Selling prices would be reviewed every year.

That is a better deal than we got. Great Britain, I think, feels that she got the best of us in the wheat deal, and she is not going to buy our bacon for fear we will attempt to recover what we lost on the wheat.

Today farmers by the thousands are signing petitions with a view to getting greater returns for their wheat. As a matter of fact, oats are bringing fifteen cents a hundredweight more than wheat. A rather strong letter appeared recently in the Ottawa *Citizen*, written by a man in the province of Alberta, claiming that because he got $1.40 a bushel for his wheat he was robbed. The *Citizen* seems to have gone astray, as a lot of eastern people do, in telling the story. The fact is that this wheat may have been graded No. 3 or No. 4, and if that was the case he would not receive more than $1.40. The *Citizen* rather assumes that the wheat was No. 1 delivered at the head of the lakes. Then too, it is likely this man would have to pay freight of about 30 cents a bushel.

I come now to a criticism of the government, for which I make no apology. I refer to the lack of action, or the ineffective action to prevent further increases in the high cost of living. I have referred before to the present practice of observing an eight-hour day and a five-day week in the cities. With this plan in vogue farm help could not be had. How can we expect our young people to stay on the farm and milk cows seven days a week, when their friends who go to the city have two days a week off? We must expect to pay for all the extra services we get.

Canada today is importing butter and oils, and I claim that the policy of the government during the war was to keep the price of farm products down below cost. The effect of the butter subsidy was to provide the consumer with No. 1 creamery butter at as

low as thirty-two cents a pound, a price which rose gradually to about forty cents. I stated in this chamber that butter could not be produced for less than sixty to seventy cents a pound. What was the result of this policy? The farmers lost all hope. Further before the Western producers were able to ship beef, one hundred thousand cattle were sold across the line under conditions which probably meant the loss of another hundred thousand young cattle the following year.

Through the indifference of the western world, Russia has practically cornered the supply of Australian and other wool. A year ago last fall when I was in Victoria I was told that a plant had been set up to manufacture rugs from pure Australian wool. The necessary machinery was imported, but the great difficulty was the high price of wool. At every wool sale Russian representatives were present, prepared to bid five cents more than anyone else. The same sort of thing has been going on in the rubber market: supplies are short and prices high. The available supply of wool is smaller than ever.

Hon. Mr. Barbour: And $3 a pound.

Hon. Mr. Horner: Were I Minister of Agriculture there is nothing I would find it easier to do than to increase the production of wool and mutton. Last fall I would have made an order prohibiting the sale of staple breeding stock, ewe lambs, to encourage farmers to go into the production of sheep. It is no more trouble to raise sheep than to raise chickens, and there is always a demand for wool and meat. But no; nothing was done. It was sickening to see young ewe lambs going to slaughter. There is no encouragement to produce meat, yet we continually hear the argument that prices are too high. I am sure that if the present trend towards shorter hours and greater security continues we shall have to pay yet more for our meat and our milk.

Here is the report of an address by J. S. Turnbull, of Regina, President of the National Dairy Council of Canada. It is headed: "Dairy Prices Must Increase to Spur Output."

The report states that Mr. Turnbull said:

Prices for dairy products must go higher this year if there was to be enough produced to meet demands. Mr. Turnbull addressed the Saskatchewan Dairy Association's convention in Regina. He said that during the last two years the price of dairy products in relation to other commodities had been depressed and this had had an adverse effect on milk production.

OUTPUT DOWN

Milk production in Canada in the last five years had dropped by 1,250,000,000 pounds although the human population had increased by nearly 2,000,000.

This is a very serious situation; and I wish my friend from Waterloo (Hon. Mr. Euler) were present to hear about it.

The report continues:

"Unless we can increase the over-all production of milk in this country it is inevitable that as the population continues to expand, a larger precentage of milk will be required for the fluid trade and concentrating purposes," Mr. Turnbull said.

Speaking of the competition of vegetable oils, he said consumers were buying certain types of bakery goods under the false impression that they contained pure cream fillings.

"These cheap vegetable oils, which can be brought into this country . . . without payment of tariffs of any kind, are threatening not only the butter industry in the form of margarine but also the operations of every dairyman in the form of imitations and substitutes for every dairy product produced," Mr. Turnbull said.

Health experts have discovered that pure powdered skim milk—note this, not whole milk, but powdered skim milk—is a wonderful health-producing food. I cannot quote the exact figure, but a small amount of it contains as much protein as a large beefsteak; and this is a matter of some importance to a person whose intake of facts is restricted. We heard the other day from the honourable senator from Kennebec (Hon. Mr. Vaillancourt) that maple sugar products, one of Quebec's earliest industries, were being adulterated. If this condition needs remedying, surely the dairy interests are entitled to protection from the competition of imported oils. Much has been said about the world-wide scarcity of fats and oils and the share of these products to which Canada might be entitled. But what of the hungry world today? We are depriving our farmers of the full measure of milk production which, were we logical, we would enable them to engage in, and we are robbing the rest of the world of fats that are sorely needed. That was the situation years ago; it is worse today.

In speaking of the world situation, several speakers have given high praise to the Secretary of State for External Affairs, but not one honourable senator has mentioned any particular thing he has done or left undone which has accomplished anything for world peace or for Canada. I should like to be told at some time just what it is that makes him a wonderful man. Canada spent about a quarter of a million dollars on an embassy building in China. Last fall our ambassador returned, and I had a visit with him. I am sure he recommended to the government that the new Chinese government should be recognized. At the time he left China the Communists were in possession of the country, and it was hoped that the country would not become dominated by the Kremlin. But the government delayed its

decision; nothing was done; and now that we are fighting these people in Korea it is too late. I wonder whether, on the advice of our Ambassador, acceptance of the Communist government would have had some effect.

Hon. Mr. Hugessen: My honourable friend remembers, of course, that Great Britain recognized Communist China, and the result of that was not very impressive.

Hon. Mr. Horner: I admit that. At the same time, had Canada and the United States taken similar action, it is possible that the invasion of Korea by Chinese troops would not have taken place. Great Britain's recognition did give some hope to the world, and I have read that the British Government has sent a representative to China.

Hon. Mr. Hugessen: I think the Chinese have refused to receive any representative of Britain.

Hon. Mr. Horner: I cannot say. However a greater effort should have been made in this direction by Canada.

Hon. Mr. Turgeon: May I say just one word? Our Secretary of State for External Affairs, of whom the honourable senator has spoken, made the only approach in the United Nations towards the recognition of the claim of Communist China to receive a hearing. Mr. Pearson's resolution was adopted, and a committee was set up for the purpose of studying the true representation of China in the United Nations. This committee is to report to the General Assembly of the United Nations, and in the meantime the Nationalist Government of China is to be seated provisionally. This action was taken at the instance of the Canadian Secretary of State for External Affairs.

Hon. Mr. Horner: Thank you, but what success did it have?

Hon. Mr. Turgeon: The committee has been set up, and it has yet to make its report. This whole action did not bring about a meeting between the representatives of Communist China and the Cease-Fire Committee of three members, of which Mr. Pearson was one.

Hon. Mr. Horner: Well, I am sorry it did not meet with any greater success. The honourable senator from Medicine Hat (Hon. Mr. Gershaw) mentioned a complaint that has been voiced by medical men in this country. He said that he did not know how carefully immigrants who leave distant shores are screened before coming to Canada, and he referred to the complaint that quite a few displaced persons and other immigrants afflicted with diseases like tuberculosis are finding their way into our hospitals soon after arriving here. I am not so much concerned about them going to the hospital for a time; I am more concerned about them going to jail. I am sure that if the good doctor himself was examining one of these immigrants and thought that he would make a good democratic citizen, he would not hesitate to send him to a hospital to be medically cured. I have no complaint about that, but I do know that some communists are getting into Canada. I am disturbed about the Communists already in Canada, and the number who are continually arriving here. Recently we read about a professor who left this country after teaching at Toronto University for some ten years. As he disappeared behind the Iron Curtain he blasted Canada as being a nation of haters, or something like that.

Hon. Mr. Reid: And we shall likely be foolish enough to let people like him return to our country.

Hon. Mr. Horner: Maybe so. I think we shall have to start screening our teachers and professors like they are doing in the United States now. Elections were held in the University of Saskatchewan and several communist members took seats in the university parliament. I understand also that there are several professors of Communist leanings who are teaching at the University of British Columbia. This is a serious situation, and because we have not been able to convert men like these professors to our way of thinking, I think we should study ourselves to see whether we have done something or have left something undone.

Honourable senators, Canada is concerned, and rightly so, about the people of India, who are facing starvation. In this connection I should like to refer to a letter which recently appeared on the editorial page of the Ottawa *Citizen*. It was submitted from the office of the High Commissioner for Pakistan at Ottawa. I shall not read the whole letter, but in one place the writer says:

> For political reasons, India has been deliberately cutting down on her grain production since 1949. She is turning over hundreds of thousands of acres of good-growing land to jute and cotton. She does so because she wishes to cripple Pakistan's economy, who could easily supply her with these two fibres.

The writer goes on to say:

> In addition to her attempted economic strangulation of Pakistan, India is bringing political pressure to bear on that country by maintaining large numbers of troops in Kashmir and on other parts of her borders with Pakistan.

This problem is presently being debated in the United Nations. It is purely a religious question; but because there are so many different religious denominations in this

country we would only be throwing stones if we were to criticize these people.

Honourable senators, the Speech from the Throne says, among other things:

> You will also be asked to consider a complete revision of the Indian Act and the Consolidated Revenue and Audit Act.

A number of us here served on the Joint Committee of the Senate and House of Commons which was appointed to inquire into the Indian Act. While attending the meetings of this committee I sometimes felt as though we were getting lost. It reminded me of a lady who got lost in a building. She said that if she could only get back to where she started from she would be able to find her way. I recall some of the chief recommendations made by the Indians to that Joint Committee. I remember hearing about a band of some 3,000 Indians in Northern Quebec. Some Jesuit Fathers were running the place, and the Indians were complaining about the bingo games that were going on. They claimed that bingo playing was teaching their children to gamble. The clerical gentleman in charge of this group was very embarrassed when he appeared before our committee to reply to this charge. Honourable senators will have noticed that just recently Archbishop Leger of Montreal banned bingo and other games of chance in church halls and basements in his archdiocese. An article, which later appeared in the editorial pages of the Ottawa *Journal,* highly commended him for his action. I certainly do myself. The Archbishop explained, just as I would have done, that people were not thinking of piety or charity but of gain and gambling.

One recommendation that the Indians made —and I am in favour of it as far as the whole of Canada is concerned—was that schools on Indian reservations be government-supported and free from any religious interference. They claimed that the children should receive their religious training on Saturdays and Sundays. All my life I have thought that this has been one of the things which has caused disunity in Canada. I recall that when I lived in Quebec a family by the name of Kennedy lived near us. The children started to school with us but they were sent away to attend a Separate School. I may be wrong, but I believe that this has been one of the reasons why the United States has gone ahead of us by leaps and bounds in the matter of attracting people; and it probably explains why some people have gone there from Canada. I have known Catholics who did not want to live in a district where they had to support Separate Schools; and some of our excellent Catholic immigrants left Western Canada and went across to the United States because there was only one kind of school—a Public School which was recognized and supported by the state.

Hon. Mr. Quinn: What has this to do with the Speech from the Throne?

Hon. Mr. Horner: It has a lot to do with it. The Indian Act should be rewritten, and I am going to support the Indians in their request. I am also saying that I believe international unity would be strengthened if we in this country set an example of close agreement on religious matters. To help towards that end I would be willing to attend any church for the rest of my days. After all, every one of us believes in a Supreme Being. Then why can we not get together on some form of worship? We should at least be able to do that in our public schools, for surely the clergymen of the different denominations could agree on an opening prayer acceptable to all concerned. And if the home life of our children is what it should be, they can be taught there how to carry on in everyday life, as good neighbours and citizens. I feel that the maintenance of religious differences and of different schools has done more than anything else to divide this country, and I say again that to help break down these differences I personally would willingly worship at any church for the rest of my days.

The Address was adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 21, 1951

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

Prayers and routine proceedings.

RADIO BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Transport and Communications on Bill W, an Act to amend the Radio Act, 1938.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 15, 1951, examined the said bill, and now beg to report the same without any amendment.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Transport and Communications on Bill F, an Act to incorporate Trans-Canada Pipe Lines Limited.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 13, 1951, examined the said bill, and now beg leave to report the same without any amendment.

NATIONAL DEFENCE PURCHASES

RETURN TO ORDER

Hon. A. K. Hugessen: Honourable senators, I should like to table a return in answer to the order passed by the Senate on February 15, with reference to the amount of war contracts awarded in the various provinces.

PEACE TREATY WITH JAPAN

ORDER FOR RETURN

On the notice of Hon. Mr. Reid:

1. Has the Canadian Government been consulted by Mr. John Foster Dulles of the United States regarding the Peace Treaty, or settlement, with Japan, following his recent visit to that country?

2. Have the provisions of the recent proposed treaty with Japan been made known by Mr. John Foster Dulles of the United States to the Canadian Government?

3. If so, has the Canadian Government's views been obtained or asked for on the same?

4. Is there any definite provision in the proposed treaty to protect the Pacific Coast fisheries of Canada and the United States from invasion by fishing vessels owned or operated by Japanese nationals?

5. If no such provision is included in the proposed treaty what, if any, assurances have been given by the Japanese Government or Japanese authorities that they will not again invade the Pacific coastal waters of British Columbia and the United States with fishing vessels?

6. Were any representations made to the Government or any member of the Government, by Canadian citizens for losses sustained by them in either China and Japan due to the war with Japan?

7. Have any claims for reparations been made by the Canadian Government on account of Canadian citizens for losses of property, chattels, goods or money? If so, how many such claims have been settled?

Hon. Mr. Hugessen: Honourable senators, I am informed that this inquiry should be changed to an order for return because it involves answers from a number of departments. Therefore, with the consent of the honourable senator from New Westminster (Hon. Mr. Reid) I would suggest that the inquiry be passed as an order for return.

Hon. Mr. Reid: I do not mind as long as there is not too much delay in bringing down the answers.

The inquiry was passed as an order for return.

DIVORCE BILLS

THIRD READINGS

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

Bill O-1, an Act for the relief of Martin Raymond Quinn.

Bill P-1, an Act for the relief of Kathleen Beatrice Denman Blackadar.

Bill Q-1, an Act for the relief of Dora Greenwell MacKinnon.

Bill R-1, an Act for the relief of Albert Edouard Desjardins.

Bill S-1, an Act for the relief of Raymond Boyer.

Bill T-1, an Act for the relief of Aline Alina Buka Allaire.

Bill U-1, an Act for the relief of Margaret Beatrice Tynan Dossin.

Bill V-1, an Act for the relief of Kathryn Louise Morrison Ralston.

Bill W-1, an Act for the relief of Gerald Tudor Parrott.

Bill X-1, an Act for the relief of Marie Leontine Juliette Henriette Giguere Fiset.

Bill Y-1, an Act for the relief of Esther Marie Henning Ober.

Bill Z-1, an Act for the relief of Elmsley Alexander Liftly.

Bill A-2, an Act for the relief of Ruth Landan Goodman.

Bill B-2, an Act for the relief of Yvonne Michaud Telford.

Bill C-2, an Act for the relief of Edward Albert Flewitt.

Bill D-2, an Act for the relief of Mary Margaret Lillian Phillips Campeau.

Bill E-2, an Act for the relief of Mary Zientek Latkowski.

Bill F-2, an Act for the relief of Olga Kushner Dolny.

Bill G-2, an Act for the relief of Joseph Taite Connor.

Bill H-2, an Act for the relief of Doris Dominiqua Sernuck Wardell.

Bill I-2, an Act for the relief of Ann Galganov Schwartz.

Bill J-2, an Act for the relief of Doris Mayoff Weinstein.

Bill K-2, an Act for the relief of Jean-Maurice Martel.

Bill L-2, an Act for the relief of Ann Astroff.

Bill M-2, an Act for the relief of Margaret Elizabeth Audrey Midgley Bennett.

Bill N-2, an Act for the relief of Kathleen Agnes Margaret Saddleton Pout Boon.

Bill O-2, an Act for the relief of Bill Oleschuk.

Bill P-2, an Act for the relief of Eileen Haswell Houghton.

Bill Q-2, an Act for the relief of Saul Samuel Goldsmith.

Bill R-2, an Act for the relief of Brigitte Dorothea Felicity Gutmann Lowenbach Brooks.

Bill S-2, an Act for the relief of Violet Edith Hack Findlay.

Bill T-2, an Act for the relief of Cerna Segall Bercovitch.

Bill U-2, an Act for the relief of Paulette Charbonneau Lanthier.

Bill V-2, an Act for the relief of Ernest Churchill.

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

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Norman P. Lambert: Honourable senators, I am rising to speak in this debate partly in response to the appeal of the leader of the government (Hon. Mr. Robertson) who, in introducing the resolution, said that participation in the discussion would be preferable to silence or indifference.

Also I feel in duty bound to take part in this discussion because I am opposed to the proposal contained in the resolution. That is not because I am opposed to certain changes in the character and structure of the Senate, but because I am not prepared to deal with the problems involved in the way suggested by the resolution. I shall have something more to say about that later.

Some reference has been made to the position of the leader on this side in presenting this resolution as a senator and not as a minister of the government. I am quite sure that he consulted the Prime Minister before presenting the resolution here and, so to speak, received the "green light" to go ahead and do what he wished to do in the matter.

Hon. Mr. Reid: He said he did not.

Hon. Mr. Lambert: I think he made it quite clear here that he was acting as an individual and not as a minister of the government, but I am venturing the opinion that before presenting the resolution he approached the Prime Minister, told him what he had in mind, and received tacit permission to proceed with what he was about to do. In any event, the spectacle of a minister of the government stepping out of his double role, if one may so describe it, and speaking honestly and conscientiously as an individual, does not disturb my equilibrium very much. As a matter of fact, I am inclined to like it, and should be glad to see more pronounced examples of the same kind in other places. I say this with all due regard for the theory of responsible government. But I am sure that my two more experienced colleagues on my right (Hon. Mr. Euler and Hon. Mr. Crerar) can testify that the desire of members of the government to enjoy the privilege enjoyed by ordinary folk, of expressing an unbiased and untrammeled view on a problem of the day, is not always resisted, and has not always been resisted by my honourable friends themselves.

One other aspect of the leader's position may or may not have been noted by his colleagues, on this side of the house particularly. I am going to mention it. It involves a certain amount of secrecy, if you like to call it that, or semi-secrecy, which is no longer a matter of secrecy. The conversation of some three years ago with the late Prime Minister Mr. Mackenzie King, to which the leader of the house referred, was related to a number of us here at that time and it was discussed privately outside of this house on one or two occasions. Some of us, in fact a considerable number of us, including myself, who are possibly more hard boiled than the leader is, thought that the Prime Minister's proposal was one of his characteristic, diplomatic and accomplished gestures toward shifting a hot potato to other quarters. To make a long story short, the result of that discussion was to persuade the leader on this side of the house not to press the matter further than to present in this house a resolution which

would propose that the rules of the Senate be amended so as to permit a minister from the other house to come here and explain his legislation. If I am guilty of revealing any undesirable details in telling this story I apologize for doing so. At any rate, it has a bearing on the matter to this extent, that as a sequel to it the honourable leader a week ago Monday night presented to this house a resolution which was entirely his own. As I listened to his narration of his intimate conversation with the late Prime Minister Mackenzie King, I could not help feeling, having some appreciation of the temperamental and rather mystical background of Scottish minds, that there was some suggestion of the fulfilment of an obligation. If my impressions were correct and it was done in an honest and conscientious way, all I can say is: More respect to him for doing so.

My position in relation to this resolution is exactly the same as it was when we discussed its subject matter outside this chamber three years ago. The basis of my thinking is that the Senate is an integral part of parliament, and that any reform or change in the constitution of this country affecting either branch of parliament is the concern of the whole of parliament. Further, it is the concern of the federal government which, in general terms, is spokesman of parliament; and, as partners to the constitution of Canada, the provinces are also concerned. Holding that view as I do, I do not think that it is the responsibility of the members of this house to discuss in detail measures of reform regarding their own positions as members of parliament, or to suggest that there should be set up a special committee to inquire into and make recommendations for the reform of this particular branch of parliament. For one thing, I feel it would in many ways be invidious to assume the responsibility for seeking publicly to deal with our own positions in this way. This is particularly true at this time in the light of constitutional amendments being considered in the series of conferences between the dominion and the provincial authorities. Therefore, apart from the question of incidental enlightenment and information available for public consumption as a result of this debate, I cannot see that any useful purpose is to be served by the resolution.

The leader of the opposition (Hon. Mr. Haig) referred in his speech to the need for public enlightenment owing to a wide misunderstanding of the Senate's place and work. I am inclined to agree with him in what he said in that connection, but I think it is possible to exaggerate this impression. If it does exist, it is in the form of a flippant attitude of mind, and tends to envelop the whole of parliament and all it stands for. This is not unrelated to the efforts of, may I say, certain cheap-skate commentators who read prepared manuscripts from time to time over the air.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lambert: I am sure that the point of that remark will be appreciated by my honourable friends from Rosetown (Hon. Mr. Aseltine) and from Huron-Perth (Hon. Mr. Golding). I think there is this to be said about commentators over the air as contrasted with columnists, to whom my honourable friend from Vancouver South (Hon. Mr. Farris) paid some copious compliments the other night, that the columnist at least leaves, in the form of the printed word, his mark in the newspaper for which he writes, but an air commentator leaves nothing but the sound of a voice which is supposed to have certain tonal qualities that enable him to speak on the air, and he disappears—an unknown quantity—into the night. I think that these rather superficial and irresponsible comments which are made off the reel in order to fill in two or three minutes on the air—

Hon. Mr. Aseltine: Fifteen minutes.

Hon. Mr. Lambert: —should be subject to a good deal more discipline than seems to prevail at present.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lambert: Before I conclude I intend to refer further to the relations between parliament and the public at large, as suggested by this particular reference to the need for wider understanding of our institutions.

Hon. Mr. Haig: May I ask the honourable gentleman a question? Has he not had inquiries, particularly from university students, about the work and functions of the Senate? Only the other night I had a letter from a student at McMaster University, and I was able to send him a copy of the speeches on this resolution by the leader of the government (Hon. Mr. Robertson), the honourable member for Toronto-Trinity (Hon. Mr. Roebuck) and myself. A friend told me that that was the first information he had been able to get about the Senate from any place.

Hon. Mr. Lambert: I think this incident is typical of the extent of public knowledge of the Senate.

My next reference is to a discussion which took place about a year ago, following the very welcome presentation to this house of a statement in which the honourable senator from Halifax (Hon. Mr. Dennis) offered the

facilities of his organization to make more widely known the work and functions of the Senate. In his reply, the honourable leader on this side did not at that time distinguish between his position as a minister and as a private member. He made certain references to a desire on the part of the Senate for increased efficiency, and remarked by way of illustration that he thought legislation might be expected in the near future which would have the effect of defining an age limit for senators. The effect of that statement was to arouse a great deal of public interest. One of the results of it was that I was asked in the Easter recess to write something about the background, the historical justification and the purposes and functions of the Senate; not particularly to engage in a discussion of proposals whereby the Senate might be reformed, but to supply material which would give a better understanding on the part of the public of this institution. That I proceeded to do, and the result of it, as honourable senators know, was bound in a pamphlet and circulated later, and gave rise to the debate in this house in which the honourable member from Ponteix (Hon. Mr. Marcotte) and myself participated. I have found the result of that action reflected in public interest from all over this country. I still get letters asking me if I will send the writers a copy of these articles. I believe there is a far greater measure of interest in the functions of our parliamentary institutions than is suggested by some popular commentators in their rather superficial and flippant contributions to the entertainment of the Canadian people.

In dealing with these questions and trying humbly to fulfil a certain measure of responsibility as a member of parliament, I have confined myself pretty largely to supplying historical information and describing the present functions and operations of the Senate. I have conscientiously tried to avoid the discussion of the problem of possible changes. One has ideas about these things but, as I said at the beginning, I maintain strongly that there is a proper place and time and proper circumstances in which these matters should be discussed and decided. I might add, that from the pre-confederation discussions until the present, no considerable constitutional discussion has taken place publicly; it has been held in camera; and those who have participated have been well qualified to do so. As a result of their discussions and findings, positive resolutions have emerged. These concrete proposals then become subject to the approval or disapproval of parliament as a whole. That is the proceeding which I think should characterize the response to any suggestion at this time about a reform of the Senate.

I wish now to refer for a few minutes to some observations made the other evening by the honourable senator for Vancouver (Hon. Mr. Farris) regarding the relationship of the federal constitution or the amended constitution, the British North America Act, (No. 2) 1949, to the powers of the provinces, particularly as respects proposed changes in the Senate. I do not propose to argue with the honourable gentleman, of all people, on the theoretical implications of the recently amended B.N.A. Act. The practical fact of the matter, however, as reported in the proceedings of the conference of January, 1950, between provinces and the dominion, is that strong objections were expressed by the provinces to the amendment of the B.N.A. Act as represented under the B.N.A. Act (1949) No. 2. It was strongly represented at that time that the provinces should have been consulted before such action was taken, and this representation was made so forcibly that the Prime Minister gave definite undertakings that the application of the B.N.A. Act (1949) No. 2 would be held in abeyance pending the production by the provinces of a better method of amending the constitution. If honourable senators are interested in reading the statements, I would refer them to pages 46, 49 and 69 of the report of the proceedings of the conference between the provinces and the dominion of January last.

Representatives of the federal and provincial governments are now engaged in continuous conference, trying to devise such a method. In so far as the B.N.A. Act clauses affecting the Senate are concerned, the subsequent reports of the proceedings of the conferences which have taken place amongst the Attorneys-General of the different provinces, as a committee appointed by the main conference last January to follow up these discussions in detail, have shown that all of the provinces except one insisted that no change be made in any clause affecting the Senate without unanimous consent of the provinces in certain cases, and majority consent in others.

Hon. Mr. Davis: Will the honourable senator permit me to ask a question on that very point? Do you think the complexities of amending our constitution would not be better handled by a constitutional conference between the provinces and the dominion? The United States has held these conferences on a federal and state basis on numerous occasions, handling the question federally for the first time in 1786.

Hon. Mr. Lambert: I shall answer my honourable friend from Winnipeg (Hon. Mr.

Davis) in a moment when I come to that stage of my address. Right now I want again to refer to the proceedings of the conference of Attorneys-General, which was held in Quebec last September. I would like to emphasize that at this moment exemption from the application of the B.N.A. Act (1949) No. 2, in so far as the Senate is concerned, has already been claimed by all provinces except Saskatchewan. It is fair ground to assume, therefore, that exemption from the application of the amended B.N.A. Act would be insisted upon by the provinces, and it is impossible to think that the federal government would contemplate action in this matter without the consent of the provinces. I make that reference, not in reply to the question raised by the honourable senator from Vancouver South (Hon. Mr. Farris) when I asked him a question the other night, but rather as a practical commentary upon constitutional theory involved in the B.N.A. Act.

The situation now, therefore, is that the federal government, in conference with the provinces, is trying to work out ways and means of amending the B.N.A. Act. in so far as possible to the satisfaction of all parties concerned, rather than make any positive recommendations as to amendments or the substance of reforms or anything of that kind. They are now exploring every possibility of finding ways and means of amending the constitution of Canada, in Canada, without referring to the Imperial Parliament. When these ways and means are agreed upon it will be time enough to give consideration to the detailed measures which might be directed to Senate reform or changes of any kind affecting the parliament of this country. In the meantime I submit that it is neither timely nor desirable for members of this house to engage publicly in an inquiry upon the subject of their positions or status as members of the parliament of Canada. When the time comes for dealing definitely with proposed changes in the Senate or any part of the constitution, it seems to me that it would be appropriate for this chamber, if invited to do so by those in charge of the conference, to contribute its views through a special committee of some kind, sitting in camera with the members of that conference.

I refer now to the question raised by the honourable senator from Winnipeg (Hon. Mr. Davis), I would say that, when the time came that a constitutional conference would be advisable, consideration would have to be given to what members would take part in such a conference; but I think it would be logical if both branches of parliament were represented through special committees of their own in dealing with any recommendations for constitutional amendments affecting their status or functions.

I should like now to refer to something else said by the honourable senator from Vancouver South (Hon. Mr. Farris) in the course of his very powerful, comprehensive and spirited speech. I am sorry that he is absent from the chamber by reason of an attack of the flu, because I should like him to be here to correct me if I misrepresent anything he said. I refer to his statement on page 119 of *Hansard*, where he was dealing with partisanship, independence and convictions. At that juncture in his speech he was swinging his claymore pretty freely, having emerged from an imaginary contest with a certain author named MacGregor Dawson, and I think that possibly some of the feeling that had been engendered during that experience was carried over into a sort of *obiter dictum* on the question of partisanship, independence and convictions. I do not agree at all with what he had to say in that connection. He was introducing as a guiding principle into this body a point of view in which I shared very genuinely and extensively in my time outside this chamber, that of viewing my party, right or wrong, as the only one for me. Now, if I may say so, I believe that such partisanship, as I have experienced it, means an unreasoning partisanship and tends to dwarf both convictions and independence.

I do not reflect for a moment upon the sincerity of those who take that view, but I do say that it does not coincide at all with the judicial attitude of mind which should be cultivated by members of this chamber with respect to legislation, and which is generally adopted by a member of the bench in dealing with the law. I think that the comparison of this body as a political court of appeal with the appellate courts which deal with cases before them without any suggestion of partisanship or prejudice is a good one, and I think it is that point of view which should prevail here. In saying that I recall very definitely that when I was introduced into this house and was honoured by being asked by my revered and venerable late leader, Senator Dandurand, to move the Address in reply to the Speech from the Throne, he emphasized very strongly that I should take as a cue to my remarks on that occasion, and to my actions here later, the fact that the rule in the Senate was one of collaboration and co-operation rather than of competition. That will, I am sure, recall to the minds of many honourable members here the incident that Senator Dandurand liked to relate of his meeting, in the hall upstairs, Senator Meighen, who had recently been

appointed to this house and named government leader here. Mr. Meighen greeted him jubilantly and said: "Here is my opponent. I hope I am worthy of his steel." Senator Dandurand's reply was: "My friend, you are wrong on two counts. I am not your opponent, and I am not worthy of your steel." At that time, needless to say, Mr. Meighen commanded a majority in this house. I have always thought that Senator Dandurand, who certainly did not lack the courage of his convictions, and who in his day had been quite a partisan, was right in his point of view.

I also want to associate with that idea the viewpoint of Sir Allen Aylesworth, our venerated and venerable colleague, who is no longer able to sit in his place here but whose mind is still as strong as it was when he addressed the Senate on this subject in 1932. He said he would be willing to support legislation disfranchising members of the Senate in general elections in order that the judicial character of their position as members of this chamber might be established beyond doubt.

Now, that may have been an extreme suggestion, and it certainly was never acted upon, but it emphasizes the view which, it seems to me, members of the Senate should always carry with them. And I would humbly suggest that the statements expressed here on Monday night by my honourable friend from Vancouver South (Hon. Mr. Farris) should be placed alongside the judgment of men like Sir Allen Aylesworth.

In concluding these remarks I should like to mention one other function of the Senate. I have referred to the observations of the honourable leader of the opposition on trying to meet misunderstanding of the function of the Senate as a branch of parliament. My point here relates to the importance of unity in this country, and the preservation of the liberties which our people have enjoyed under our system of government. In many ways this Senate, whether it be reformed or not, is a symbol of national unity in Canada.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Lambert: The very circumstances in which the dominion was formed, in which the Act of Confederation was framed, make the Senate a symbol of national unity. The great vision which the Founding Fathers had in their minds was the development on the northern half of this continent of a nation which would be united regardless of race, religion or other differences. Actuated though they were by the pressure—what they thought was the dangerous pressure—of enmity and demoralizing factors across the border, the agency that really more than any other brought about confederation was the desire to preserve on the northern half of this continent a country under the British crown. As a device to help bring that about, the Senate was made the foundation stone, and it symbolized the great ambition and aspiration of the Fathers of Confederation for a united country under the name of the Dominion of Canada.

Under the pressure of the economically depressed thirties and the harrowing experiences of the war years, the strong trend towards an increasing measure of bureaucratic influence in the federal administration must have been observed by all of us during the past ten years. We are all familiar with the influences and indications of that development. Its chief characteristic is the expediting of legislative measures with a view to planning and controlling our economy. Its influence upon the executive branch of government is unmistakable; and in saying this I do not for a moment suggest lack of ability or industry on the part of the bureaucratic members of our service. On the contrary, they compare favourably with the outstanding figures in the high ranks of civil service in any country.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Lambert: But I have felt for some time, and I am sure others share the feeling, that their ways are not the ways of parliament. Their urge is sincerely enough one of public service, to get things done which they think are good for the people. But this desire is too often accompanied by a certain intolerance towards what seem to be the delays involved in parliamentary procedure. From my own experience and observation I know that that attitude of intolerance is greatly magnified in relation to the Senate. We in the Senate have no apologies to make for emphasizing our opposition to that trend or for identifying ourselves as far as possible in our committees and in this chamber, and we are justified in resisting that trend at every turn.

All the factions that fight outside the walls of parliament, and that may seem to have been influenced either by the Nazi or Communist urge to get things for themselves, care nothing for parliament, liberty or democracy. They know that the things they want to do cannot be done in the parliamentary way. Therefore, when all our talk about constitutional theory is finished, the test will be simply this: Is the policy proposed in government action susceptible to the parliamentary method? If it is not, the presumption is overwhelmingly against it, unless we are willing to sacrifice free institutions in order to adopt it.

My final words will be a quotation from a little book entitled *These Times*, written by Mr. J. A. Spender, one of the greatest political writers and thinkers of the past hundred years. Some years ago, at the suggestion of the late Mackenzie King, and at his expense, I had the privilege of circulating some 300 copies of this book among a number of his political friends, including his following in parliament at that time. This is what Mr. Spender wrote:

> So long as parliament exists it must do its business in its own way; and that way is inevitably the way of gradualness. It is the instrument of argument and reason, which means that it must respect minorities, give them opportunities for being heard, and, so far as it can, adjust legislation to their objections and even to their prejudices. This is a very delicate art and undoubtedly requires the dull virtues of patience and forbearance, and it is for lack of these that so many parliaments have made shipwreck.

Whatever constitutional changes the future may bring to the Senate of Canada, it can have no higher destiny than to help preserve that "delicate art" of democratic government.

Some Hon. Senators: Hear, hear.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 22, 1951

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

Prayers and routine proceedings.

IMMIGRATION

REPORT OF COMMITTEE

Hon. Mr. Turgeon, for Hon. Mrs. Wilson, presented the second report of the Standing Committee on Immigration and Labour.

The report was read by the Assistant Clerk as follows:

In connection with the order of reference of February 20, 1951, directing the committee to examine into the operation and administration of the Immigration Act, etc., the committee recommend that it be authorized to print 1000 copies in English and 200 copies in French of its day to day proceedings, and that Rule 100 be suspended in relation to the said printing.

The Hon. the Speaker: Honourable senators,—

Hon. Mr. Haig: Honourable senators, I have no objection to the report, but I would say that a very clear understanding was reached with the leader of the government (Hon. Mr. Robertson) that until the Easter adjournment reporting services would not be required, except to report the proceedings of this house and those of the Divorce Committee. That was a clear understanding, arrived at after consultation.

If this motion means that that committee can start in now to call witnesses and have their evidence reported, I am opposed to it. Otherwise, all right. The Government Whip (Hon. Mr. Beaubien) was present when the arrangement was made to report no other committee than the Divorce Committee between the opening of the session and the Easter recess. The reason for the arrangement was that we have not enough reporters to take care of other committees sitting at the same time, and the cost of getting additional reporters is very heavy indeed.

Hon. Mr. Beaubien: And also it is very difficult to get them.

Hon. Mr. Haig: It is practically impossible. It is necessary that the evidence taken before the Divorce Committee be transcribed as promptly as possible, in order that bills based on the evidence may be put through the Senate and be sent over to the House of Commons in time to give that house an opportunity to consider them. The trouble in the past has been that divorce bills have been going in large numbers to the House of Commons in the last week or two of the session, and that practice is unfair to honourable members over there.

At the beginning of the present session the leader of the government here (Hon. Mr. Robertson) proposed—and I must admit that he did so at my suggestion—that we arrange to finish our Divorce Committee work before the Easter adjournment. There were two reasons for that. In the first place, under the system that has existed in the past, the Chairman, Deputy Chairman and other members of the Divorce Committee have found it impossible to attend important meetings of certain standing committees. That is obviously unfair. It was thought that very little legislation would be sent over here until after Easter, and that if the divorce work was through then the members of that committee would for the remainder of the session be able to participate in the work of other committees dealing with various important measures. And the second reason for the arrangement was the one I have already mentioned, the shortage of reporters. The Chief of our Reporting Branch has told us that even if additional reporters were available the cost of obtaining them would be prohibitive. I repeat that if this motion implies that the Standing Committee on Immigration and Labour intends to hold sittings at which evidence is to be given between now and Easter, I shall have to vote against it.

Hon. Mr. Hugessen: Honourable senators, I agree with my honourable friend opposite. I think that the understanding was as he has stated, and that our Divorce Committee's sittings began much earlier this session than in the past, in the hope that all the cases would be dealt with before the Easter adjournment. I should perhaps incidentally make a brief comment now on the work that the Divorce Committee has been doing. The committee has been working extremely hard, and I understand it has already got through more than half the cases that are so far ready for hearing. That strikes me as an unusually good record of accomplishment for three weeks.

I should think it could be easily arranged with the Chairman of the Standing Committee on Immigration and Labour (Hon. Mrs. Wilson) to postpone meetings for the hearing of witnesses until after the bulk of the Divorce Committee's work has been completed. I do not know that there is any urgency about the hearing of evidence which it is desired to have brought before that committee.

Hon. Mr. Aseltine: Honourable senators, it is quite possible that within a week or two there may be occasional days when no cases

are ready for hearing by the Divorce Committee. If so, the information can be obtained ahead of time, for cases are set down two weeks before they are heard, and should the reporters have a few free days by reason of lack of cases to be heard, they could perhaps serve the Committee on Immigration and Labour at that time.

Hon. Mr. Hugessen: Quite.

Hon. Mr. Turgeon: Honourable senators, I presented the report on behalf of the chairman of the committee (Hon. Mrs. Wilson), but I have not discussed the matter with her. I would assume, however, that the committee will respect the understanding which has just been outlined in this chamber. In that event, I think no harm would be done by the adoption of the report today.

I would point out that the Committee on Immigration and Labour will have some very important work to do during the current session of parliament, and that arrangements should be made at the earliest moment for adequate reporting services to take care of the needs of that committee. I repeat that I am sure the chairman of the committee will regard as sacred the arrangement agreed to by the leader of the government.

Hon. Mr. Haig: Very well.

The motion was agreed to, and the report was adopted.

PEACE TREATY WITH JAPAN

RETURN TO ORDER

Hon. Mr. Hugessen: Honourable senators, I desire to file a return in answer to the inquiry by the honourable senator from New Westminster (Hon. Mr. Reid) with regard to Mr. John Foster Dulles and a contemplated peace treaty with Japan.

NORTH ATLANTIC UNION

NEWSPAPER ARTICLE—PRIVILEGE

On the Orders of the Day:

Hon. W. D. Euler: Honourable senators, on a question of privilege, I should like to comment briefly on an article which appeared this morning in the Toronto *Globe and Mail.* This article has to do with the placing on the order paper in the House of Commons of a resolution on the Atlantic Union, similar to the one that I presented in this house last year, and states that that resolution was defeated. As honourable senators know, it was carried with only one dissenting voice.

While I am on my feet for the purpose of correcting this misstatement, perhaps I will be permitted to say I have no desire to pass censure on any particular newspaperman who reports what is contrary to the fact, because he no doubt did it in good faith, and only did what many others have done. But after all, it is an illustration of the reason why the people of this country know very little about the Senate of Canada. I do not complain for myself, because I do not speak very often; but except for speeches made by the two leaders in the house very little publicity is given to what goes on here. I regret that such a situation has come about, particularly in view of the fact that so many good speeches have been delivered recently on the motion now before the house in relation to what we might call the reform of the Senate. I have noted that some newspapers which claim to be national in scope have carried nothing in their news columns about these very able addresses.

Hon. Mr. Quinn: They apparently do not like the subject.

Hon. Mr. Euler: As to the matter of general publicity, the proceedings in the Senate are either ignored entirely or receive very little attention in the press. We are not perfect, and may deserve criticism—even unfair criticism may at times be all right, for it is better to be criticized than to go unnoticed—but I do not like to read what is contrary to the fact.

I have in mind one other point, which perhaps the honourable leader opposite (Hon. Mr. Haig) should bring up, as he mentioned it in committee yesterday. I understand that over the radio a few days ago—

Hon. Mr. Aseltine: Last November.

Hon. Mr. Euler: —in making comment on the slim attendance in the House of Commons, the commentator, who I understand was a woman, said that after all the members of that house deserved gold stars as compared to the members of the Senate, where the attendance, she said, was something like twelve.

Hon. Mr. Haig: And that they were asleep!

Hon. Mr. Euler: Well, that was not in the article I read: she may have said they were asleep. It seems to me very unfortunate that the broadcasting of remarks like that should be permitted. I have been in the Senate about eleven years—though it does not seem that long—and I have never seen the attendance as low as twelve.

Hon. Mr. Haig: It could not be. A quorum is fifteen.

Hon. Mr. Euler: No, it could not be. From a fairly long experience both in the House of Commons and here, I say with considerable

confidence that I believe the record of attendance in the Senate will compare very favourably, percentage-wise, with that in the House of Commons.

Some Hon. Senators: Hear, hear.

DIVORCE BILLS

FIRST READINGS

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

Bill X-2, an Act for the relief of Jean Zelda Schacter Shmukler.

Bill Y-2, an Act for the relief of Beatrice Sullivan Lees.

Bill Z-2, an Act for the relief of Kathleen Louise Jones Robinson.

Bill A-3, an Act for the relief of Myrtle Dorcas Perry Rogers.

Bill B-3, an Act for the relief of Nell Gohenberg Lipson.

Bill C-3, an Act for the relief of Roslyn Beverly Gold Browman.

Bill D-3, an Act for the relief of Rolande Dumas Fritsch.

Bill E-3, an Act for the relief of Edith Frances Storrier Ritchie.

Bill F-3, an Act for the relief of Dorothy Isabel Pitcher Flipping.

Bill G-3, an Act for the relief of Sylvia Miller Ginsberg.

Bill H-3, an Act for the relief of Fernand Senecal.

Bill I-3, an Act for the relief of Vincent Tutino.

Bill J-3, an Act for the relief of Paulette Joly Foley.

Bill K-3, an Act for the relief of Jean Eurwen Jones Shaw.

Bill L-3, an Act for the relief of Edna Donnelly Boyle.

Bill M-3, an Act for the relief of Norma Phoebe Mary Buchanan Baker.

Bill N-3, an Act for the relief of Grace Gloria Ramsey Racine.

Bill O-3, an Act for the relief of Emily Ivy Rose Cook.

Bill P-3, an Act for the relief of Homer Leavitt Ayer.

Bill Q-3, an Act for the relief of Elma Lillian Le Drew Wells.

Bill R-3, an Act for the relief of Bertha Ellen Bradley Grant.

Bill S-3, an Act for the relief of Brenda Mary Powell-Tuck Buhr.

The bills were read the first time.

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

Hon. Mr. Aseltine: Next sitting.

PRIVATE BILL

THIRD READING

Hon. Mr. Bouffard moved the third reading of Bill F, an Act to incorporate Trans-Canada Pipe Lines Limited.

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

RADIO BILL

THIRD READING

Hon. Mr. Huggessen moved the third reading of Bill W, an Act to amend The Radio Act, 1938.

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

EXPORT AND IMPORT PERMITS BILL

SECOND READING

Hon. S. S. McKeen moved the second reading of Bill W-2, an Act to amend The Export and Import Permits Act.

He said: Honourable senators, the main purpose of this bill is to extend the life of the The Export and Import Permits Act for a further five years, until 1956. The bill also contains several minor amendments which have been made necessary by changes in other Acts. By one amendment the provision as to the length of time within which Orders in Council shall be published is deleted from the Act, because The Regulations Act, 1950 covers the matter of publication of all government orders.

Under the Export and Import Permits Act there was a list of goods which could not be imported without a permit. By this method importation from certain countries was restricted in a roundabout way. There was also a list of countries to which goods could not be exported without a permit. When a manufacturer applied for a permit to export a commodity to a particular country, the officials would check to see whether that country was on the restricted list for that commodity. For instance, a permit would not be granted for a steel product destined to a country behind the Iron Curtain, but it would be granted if the product was going to the United States. The bill now makes provision for the establishment of a list of countries from which goods may not be imported without a permit.

A new provision in the Act would authorize the refusal of a licence to export or import goods where the production, supply, distribution or use is restricted or otherwise regulated under the authority of an Act of Parliament. For instance, if the manufacturers of brushes

in Canada could only use 50 per cent bristle and 50 per cent hair, the provision I have mentioned is to prevent an importer from bringing in brushes made of pure bristle. It is to make sure that Canadian manufacturers, when restricted, will not be subject to unfair competition by reason of the importation of superior products. Super-de-luxe refrigerators may be manufactured in the United States, and if our refrigeration people were precluded from manufacturing that type of merchandise, it would be unfair to allow the American product to enter the country.

The bill would extend the life of the Export and Import Permits Act for another five years.

There is nothing complicated about the bill, and I would suggest that we might give it third reading at the next sitting of the house. If there is any objection, however, we could send the bill to committee. I think the bill is a simple one, and honourable senators can read it over for themselves before the next sitting.

Hon. Mr. Crerar: Can the honourable senator give the house some information about the reason for extending the operation of this Act until July 31, 1956, which is more than five years away?

Hon. Mr. McKeen: I do not know whether it was done arbitrarily, but I understand that the five year extension was asked for because the government did not think the present emergency would be over before 1956. The honourable senator from Churchill (Hon. Mr. Crerar) is quite aware that parliament can review any Act whenever it pleases, and if anyone wants to bring in an amendment before that period—

Hon. Mr. Euler: We cannot change this bill but we can prevent it from going through.

Hon. Mr. McKeen: I think the good faith of the government has been shown in the past. Up to the time of the Korean emergency practically all controls on imports were taken off, even though the Act was in effect, and I do not think we need worry about any abuse of this measure once the emergency has passed.

Some Hon. Senators: Carried.

Hon. Mr. Crerar: Honourable senators, I think this is one of those bills which should be closely scrutinized. I do not say that I object to the provisions of the measure before us, but I think it should be sent to committee, where points which at first glance appear rather obscure could be cleared up. It is quite obvious that under the original Export and Import Permits Act very wide powers were given to the administration to control the trade of this country. I am not saying that that control may not have been necessary, but I feel that this is something which parliament should scrutinize very closely.

If parliament, which includes this chamber as well as the House of Commons, tends to give the executive large powers too lightly, it may easily drift into the habit of doing so. This would mean that the executive would become more powerful and parliament less influential. That is the principle upon which I base my criticism of some of these measures. It is all very well to say that this measure will be a convenience to the government. I sat in the government long enough to know that it is a very nice thing for the government to be able to do things without reference to the elected representatives of the people; but after all, the members of parliament are here as representatives of the people, and I have no hesitation in stating that one of the primary functions of parliament is to prevent any unnecessary power passing from itself to the executive. That is a principle to which I hold very strongly. It seems to me rather extraordinary to provide that this Act shall not terminate for five years. When I raised objection to this provision, the honourable senator from Vancouver, who so lucidly explained the bill, replied that at any time within the next five years it was open to any member of parliament to bring in a bill to throw this one into the ash can. As a matter of fact, legislation is not changed in that way; and I for one think it would be better to put a shorter period of time in this Act. Then, if in two years' time the administration can make a case for the continuation of the power, parliament can grant it.

I do not think our hands should be tied in this way for five years, and I certainly do not agreee with the suggestion that we might dispose of this bill now. That is rather too airy a fashion in which to adopt a very important piece of legislation. I hope, therefore, that the bill will be referred to the appropriate committee—I presume the Banking and Commerce Committee—where it can be examined, and where those asking for the passage of this legislation can appear to justify the request they are making of parliament.

Hon. Mr. McKeen: Honourable senators, I did not suggest in any airy fashion that this bill be passed today. My proposal was that if the bill were given second reading today the house might see fit to give it third reading at the next sitting. The objection which has been raised by the honourable senator from Churchill is a serious one; and if the

bill is given second reading I shall certainly move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Crerar: May I be permitted one further observation which I overlooked before? The explanatory notes accompanying a bill sometimes state that the purpose of a proposed change is to correct a grammatical error in existing legislation. When legislation of this kind was brought to parliament in the first instance grammatical errors surely could have been guarded against. Grammatical errors may lead to interpretations which are different from what was intended. I will repeat what I have said on one or two previous occasions, that some measures are brought before parliament in a pretty sloppy form.

Hon. Mr. McKeen: Honourable senators, in this case the object of the grammatical corrections is simplification, and that would tend to prevent misinterpretation of the law.

Hon. Mr. Lambert: In view of the provisions of clause 2 of the bill, which substitutes a new section 6 for the present section 6 and provides that no goods included in a list established pursuant to subsection 1 of section 4, or no goods from a country named in a list established pursuant to subsection 2 of that section, may be imported except in accordance with a permit, I would suggest to the sponsor of the bill (Hon. Mr. McKeen) that the lists should be made available for examination in committee.

Hon. Mr. McKeen: The present Act provides that goods included in a certain list cannot be imported without a permit. The only new provision in this section is that no goods may be imported from any country named in a certain list, without a permit. However, I shall see that the lists of goods and countries, together with the regulations, are available when the bill is before the committee.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. A. K. Hugessen: Honourable senators, I think the first thing I should say in discussing this resolution is a word to confirm the statement that was read on Monday evening by the honourable senator from St. Jean Baptiste (Hon. Mr. Beaubien) on behalf of the honourable leader of the house (Hon. Mr. Robertson) with reference to my position as seconder of the resolution. I did not know that I was going to be called upon to second the resolution until the leader had spoken upon it, and I had no knowledge of what he was going to say until he had made his speech. Therefore I feel that, as the leader himself said in his statement, I should be at perfect liberty to make any suggestions that may occur to me with regard to the resolution. In other words, there has been no plot between the leader and me with respect to this particular resolution.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Euler: That sounds something like what is often said in the Divorce Committee.

Hon. Mr. Hugessen: Having made that clear, I will go on to say that I have no apologies whatever to make for seconding this resolution. Let me read it:

> That a Special Committee of the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

It seems to me, honourable senators, that that is a most innocuous resolution. After all, the Senate of this country, like every other institution, is a human institution. Human institutions are always fallible; they strive for, but never reach perfection. And surely it is not only right, but from time to time necessary, that we should take a look at ourselves to see whether we are performing properly the functions with which we have been entrusted by the constitution of this country.

I am amazed that any honourable senator should think a resolution of this kind inappropriate. The only kind of mentality which would appear to me to think this resolution inappropriate is that which is satirized so savagely by Voltaire in his famous work *Candide*, in which, as honourable senators will recall, one character is always saying that everything is all for the best in the best of all possible worlds. If there is any one justification more than

another for this resolution, it seems to me that it has been found in the excellent debate to which we have listened. I do not like to pick out a speech here and there, when all have been so good, but I do think we had exceptionally interesting contributions in the speeches of the leader on the other side (Hon. Mr. Haig), the senator from Toronto Trinity (Hon. Mr. Roebuck), and the senator from Ottawa (Hon. Mr. Lambert), and in the really magisterial address on Monday evening by the senator from Vancouver South (Hon. Mr. Farris).

There was one thing said by my honourable friend from Ottawa with which I feel bound to disagree. As I recall it—and he will correct me if I am wrong—he said he felt that it was inappropriate for this chamber to consider questions relating to its own reform during a period when the Dominion-Provincial Conference was continuing and would have to deal with that matter. Now, surely if Senate reform is to be one of the constitutional changes considered by the Dominion-Provincial Conference, it will be very helpful to the conference to have the views of this body, which, as was pointed out so clearly by my honourable friend from Vancouver South, can only be reformed with its own approval. If we fail to state our views the Dominion-Provincial Conference might take an attitude similar to that which my honourable friend from Ottawa has suggested we should take, and say that it will do nothing about Senate reform until the Senate itself has made a pronouncement upon the matter. That possibility reminds one of an old story about a terrible railway accident in one of the Western states. It seems that two trains crashed together at a railway intersection, resulting in great loss of life and damage to property, and that the state legislature, which was sitting at the time, immediately passed a law to prevent that sort of thing from happening in the future. The law read to this effect: When two trains are approaching one another at an intersection, each shall come to a dead stop, and neither is to start again until the other has safely crossed.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hugessen: The question would arise, who is to start?

So far as the debate on this resolution has gone, I think it can be said that it has displayed a wide variety of views on a great number of topics. There are some matters upon which all who have so far spoken are, I think, substantially in agreement, and I shall deal briefly with those points of general agreement first and consider the disputed questions later.

The first, and I suppose really basic question when we come to consider constitutional matters, is as to the need for a second chamber. The general consensus of opinion in this debate has been, I think, that a second chamber is in a general way necessary for the proper working of any national parliamentary system, and that it is particularly necessary under the special circumstances and conditions with which we in Canada are faced.

Dealing first with the general question of the necessity of a second chamber, I think we can say that the work of every parliament—that is, the physical volume of what every parliament is called upon to do, and the broad diversity of the functions which the people expect parliament to perform—is such that it is physically impossible for one chamber alone to deal with it all. That, I think, is increasingly the case. The function of government in our national life has had a tendency to increase in the past and is continuing to increase today.

We have a rather striking visual illustration of that right here in Ottawa. Honourable senators know that when confederation came about in 1867 the whole of the public business of this country, both legislative and administrative, was carried on in three buildings—the East Block and the West Block, which still exist, and the old Centre Block, which housed the Senate and the House of Commons chambers, and which has been replaced by the building in which we are now sitting. As I say, in 1867 and for some years after, the whole of Canada's public business was carried on in these three buildings. Today, no matter in which direction one goes through Ottawa and Hull, government buildings are mushrooming up everywhere. That gives some visual indication of the extent to which government service increases as years go by.

The only democratic country which I know of that has a one-chamber system of parliament is the one referred to by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), namely, New Zealand, which has abolished its second chamber. But that abolition has taken place so very recently that I think it is impossible to tell what the results will be, or to derive any benefit from the experience of that country. So much for the general question.

With regard to Canada, there are special reasons—geographic and economic reasons—why a second chamber is needed. Perhaps I could put it this way: One house popularly elected on the basis of population only is not enough, by itself, to reflect the whole of the national mind and national make-up of Canada. As my honourable friend the leader

opposite (Hon. Mr. Haig) said with such force the other day, this chamber, in contrast with the House of Commons, was originally designed to represent, without particular regard to population, the great territorial divisions of this country. I agree with him that it has done so very effectively; but I wish to add a footnote to what he said, and I think it is important. This body also provides representation of racial and religious groups, and of minorities within some of the provinces, which popularly elected bodies either might not or perhaps could not provide. I am thinking, for instance, of the English-speaking minority in the Province of Quebec, of the French-speaking minority in certain of the other provinces and of the religious representation, which by unanimous agreement and without any written law prevails in certain of the provinces with respect to the religious grouping of the senators who represent those provinces.

Hon. Mr. Haig: May I ask the honourable gentleman whether he can find any mention of that having been discussed in the confederation debates? In the speeches of such men as Macdonald, Brown and Cartier I found reference to territorial representation, but not to religious and language conditions. Heretofore I have always accepted the popular conception which my friend has expressed, but I now fear that I am wrong, and I think he also is wrong.

Hon. Mr. Hugessen: I did not say that that was what the founders of confederation intended; I said this has been a result of the setting up of the second chamber. I think we agree in principle that a second chamber is necessary.

The next point upon which I think there is general agreement is as to how the second chamber in this country should be set up; in other words, whether it should be elected or appointed. There again I think there has been pretty general agreement among the speakers participating in this debate, that the appointive system is better in this country. And with that opinion I am in complete agreement.

Hon. Mr. Euler: Has any other country the same method?

Hon. Mr. Hugessen: I do not know that any other country has the same method. Of course, each country as it grows has a tendency to develop the particular parliamentary institution, or a variation thereof, which suits its particular condition.

Hon. Mr. Euler: Is it not a fact that all the democracies except Great Britain, which has a hereditary House of Lords, have two elected chambers?

Hon. Mr. Hugessen: I do not think my honourable friend is entirely right. For instance, in France the new second chamber set up in the constitution, and which came into effect after the war—I believe it is called the Council of the Republic—is not directly elected, but is nominated by groups of provincial councils and bodies of that kind. It is not elected by the people and it is not appointed by the government.

Hon. Mr. Lambert: Nor is it elected in Ireland or in South Africa.

Hon. Mr. Hugessen: I think my honourable friend is right. I believe that both in South Africa and in the Republic of Ireland the second chamber is appointed.

Hon. Mr. Haig: May I ask whether it is not also true that the only chamber that has been abolished in any of the Commonwealth nations was formerly elected?

Hon. Mr. Hugessen: I do not know.

Hon. Mr. Haig: I understand that in New Zealand the Senate was elected, and it is now abolished.

Hon. Mr. Hugessen: That may be so. I am afraid I do not know.

Hon. Mr. Haig: I understand so.

Hon. Mr. Hugessen: But I do think that, in the particular circumstances of Canada, there is an advantage in having the two houses chosen on different bases. Of course, as various honourable senators have emphasized throughout the debate, the elected house, chosen directly by the people, must ultimately prevail —

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Hugessen: — in all questions that can really be termed political questions. This house can amend, it can delay to a certain extent, but in the ultimate analysis it cannot oppose the expressed will of the people.

I want to direct the attention of honourable senators to one very recent example of the sort of trouble which comes about when there are two elected houses. Honourable senators have spoken about the dangers that might arise from that situation: well, two or three months ago this is what actually happened in the Commonwealth of Australia. There, the House of Representatives is elected; the Senate also is elected, but for a longer term. Recently, as a result of a general election in the Commonwealth, the party headed by the present premier was returned with a very large majority in the House of Representatives. but the election of one-half of the members of the Senate, which took place at the same time, did not result in the return to the Upper House of a similar proportion

of partisans of the present government. The new administration was elected in the House of Representatives on a platform which included a bill to ban communism in Australia. Having received that mandate, the lower house passed a bill for this purpose, but the upper house, which did not reflect to the same degree the will of the people, and still contained a majority of the opposition party, refused to pass it.

Hon. Mr. Euler: Could not that happen here?

Hon. Mr. Hugessen: A very serious constitutional crisis nearly arose. In fact, the Prime Minister of Australia had to threaten to hold another election which would have included all the members of both houses.

There is another reason, it seems to me, why a second house, appointed on a different basis from the elected house, is good for this country. I think we all realize that there is open to the Senate a large and increasing area of activity which, in the first place, the House of Commons has no time to engage in, and which, in the second place, is better dealt with by a non-elective chamber, free from partisan bickerings. This area includes subjects of great public interest, and administrative matters with which our house over the past few years has dealt very effectively and in a way that I do not think the other place could be expected to deal with them. I have in mind, for instance, the great number of meetings which, during no less than three sessions, we held on the Bankruptcy Bill. I would refer also to the Militia Bill, which was before us a couple of years ago, and the inquiry into the administration of the income tax, which was propagated by my honourable friend from Toronto (Hon. Mr. Campbell).

Hon. Mr. Lambert: And exchange control.

Hon. Mr. Hugessen: I was going to deal with that in another connection.

To sum up this portion of my remarks, I would think we have reached general agreement, so far in this debate, that a second chamber is necessary in this country, and that it is better that it be appointed than that it be elected.

I now turn to more controversial matters; and let me say as a preliminary that it seems to me there are two important criticisms of the Senate today by the outside public,—criticisms of which it is necessary for us to take cognizance. The first is that this body is too one-sided, that it is filled up with representatives of one political party, and that it either does not represent, or represents very inadequately, some currents of public opinion which exist in the country. The second criticism, which is even more common, is that the membership of this house, in part at least, is too old to function effectively. These views are widely held. Honourable senators should make no mistake about that and I am sure they do not. Some of us may think these views are somewhat exaggerated, but I repeat that they are widely held.

Hon. Mr. MacLennan: How does my honourable friend know that? Did he take a Gallup poll, or did he get his information from a few people he meets on the train?

Hon. Mr. Hugessen: I might retort by asking my honourable friend how he obtains his views on public matters? By reading the press, by interviews and so forth. I am very glad my honourable friend asked me the question. I will refer to the resolutions adopted a very few months ago by an extremely important organization, the National Council of Women, which represents many thousands of women throughout Canada. They passed and sent to the government resolutions asking, first, that the Senate be made more representative of political parties in this country, and second, that an age limit be placed upon the members.

Hon. Mr. Lambert: And that more women be appointed.

Hon. Mr. Hugessen: These two criticisms, namely the unrepresentative character of this house, and the fact that its membership is in part too old, form the basis of the suggestions for reform which we hear and which are now in the public mind. I propose to deal in turn with these criticisms.

The first, as I have said, is that this Senate is not sufficiently representative of public opinion. I think that must be admitted. Today this house has a tremendous preponderance of members of one political party. I would say that the Liberal party is greatly over-represented here; that the Conservative party—

Hon. Mr. King: I am sorry to interrupt, but I want to indicate that the elected chamber of parliament must and does represent political views in this country, and that the present situation in this house is due to that fact.

Hon. Mr. Hugessen: I quite agree. But that does not affect the fact that the Liberal party in this house is over-represented in relation to the support which it has in the country, that the Conservative party is under-represented, and that there are strong bodies of opinion in various parts of Canada—the Social Credit party, the Quebec Nationalists, and the CCF—which are not represented at all.

Hon. Mr. Haig: Just a minute. Is there a much greater disproportion of the representation in this house than there is in the House of Commons, where there are 193 Liberals, 40 Conservatives, 13 CCFers, and 10 Social Crediters?

Hon. Mr. Hugessen: I believe that on any basis my honourable friend (Hon. Mr. Haig) chooses to take the disproportion between the members of the different parties in this house is greater than that shown in the popular vote, let us say, in the various provinces.

Hon. Mr. Howden: Does the honourable senator think that the great disproportion of political representation in this house has any real effect on the decisions it renders?

Hon. Mr. Duff: No.

Hon. Mr. Hugessen: Whether it does or not, I think the important thing is that in the opinion of the public we are a partisan body, and our reputation in this country is bound to suffer because the public will not believe that a legislative body which has a huge preponderence of one party will treat fairly the views of those others who either are represented inadequately here, or who are not represented at all.

Hon. Mr. Howden: But the country does not necessarily suffer.

Hon. Mr. MacLennan: Would you kill a few off to get rid of them?

Hon. Mr. Hugessen: I should like to discuss for a few minutes the reasons why this disproportion has arisen. I should like honourable senators to put themselves in the place of the Fathers of Confederation, and consider what their views were and what their experience was when they wrote the constitution.

There were two factors which faced them. The first was that they were accustomed to quick changes of government, and the second was that they were accustomed to the two-party system.

Hon. Mr. Davis: There was only Upper Canada and Lower Canada, then, so that did not affect the Maritimes.

Hon. Mr. Hugessen: Perhaps my honourable friend from Winnipeg is right in that respect, but the political history of the Province of Canada, as it was then called, was one of very quick changes of government. The same was true of England, the country to which the Fathers of Confederation looked as an example. During the last century in England parties remained in power for only a few years before being replaced by parties of the opposite political persuasion. With that experience before them, I am sure that when the Fathers of Confederation provided that senators should be nominated by the federal authority, they had in mind that there would always be a two-party system and a fairly quick turn-over of government, with the result that at all times there would be a fairly equitable representation here of the two great trends of political thought which existed at that time.

Their anticipation was not realized, however, because the pattern of our political history after Confederation worked out in a different way, there were long periods during which one party remained in power. The Conservative party under Sir John A. Macdonald and his successors—except for one period when the Mackenzie administration was in office—was in power from 1867 to 1896. The Liberal party, under Sir Wilfrid Laurier, held office from 1896 until 1911; and from 1911 until 1921 there was the Conservative government of Sir Robert Borden, followed by the Unionist administration. The result was, I venture to suggest, that towards the end of those prolonged terms during which one political party held office, a greater disproportion in this chamber than the Fathers of Confederation ever anticipated.

Still less could the Fathers of Confederation have anticipated what has taken place today. Not only has the two-party system broken down in part, but we now have in this country quite important bodies of public opinion which of themselves can never form a government, and which, therefore under our present system can never be represented in this chamber.

Then, again, the Fathers of Confederation could not have anticipated a condition of affairs whereby the Liberal party would be in office for sixteen years, during which—and of course I am speaking in an entirely non-partisan manner—that party would so gather unto itself the entire political brains and talent of the country as to make it seem very unlikely that it will be divorced from power before the next generation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: I do not think that the Fathers of Confederation could have foreseen what has happened to this chamber as a result of the events which have occurred in the political life of Canada.

It is rather interesting to ask oneself whether the Fathers of Confederation would have changed the method of appointing senators had they been able to foresee what has happened in actual practice, and the question arises whether we, the present generation, should make changes in the composition of this house to conform with these altered conditions.

Hon. Mr. King: Is it not within the power of the executive to do just what you are suggesting?

Hon. Mr. Hugessen: Absolutely, and on Monday night the honourable senator from Vancouver South (Hon. Mr. Farris) pointed out that it could be done, but that it never has been done.

Hon. Mr. King: Yes, but it could be done, and I think this should be brought out.

Hon. Mr. Hugessen: Yes, certainly.

I have given a good deal of consideration to this question, and I support the honourable senator from Vancouver South (Hon. Mr. Farris) when he suggests that in the future one-third of the members of this house should be appointed by the provincial governments.

Hon. Mr. Duff: Nonsense!

Hon. Mr. Hugessen: I think a provision of that kind would perform two useful functions. In the first place, it would fulfil one of the original purposes of confederation, which was to give the provinces some sort of representation in the central government. In the second place—and I think this is more important—it would provide representation in this chamber for currents of public opinion, which at the present time have no chance of expressing their views in this chamber.

Hon. Mr. Horner: Would you recommend that the provinces make life appointments to the Senate?

Hon. Mr. Hugessen: I shall discuss that point in a few minutes.

I foresee another advantage in this proposal. In my opinion no harm whatever would be done by having a little competition in the making of appointments to this chamber.

Hon. Mr. Baird: I think you have it now.

Hon. Mr. Bouffard: There is quite a bit of competition at the present time.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hugessen: I think that if the provincial governments were appointing a proportion of the members of the Senate they would exercise their utmost discretion in order to appoint the best men possible to represent their views in this house. To a certain extent also I think it would have the effect of spurring the federal government to maintain—I shall not say improve—the high calibre of appointments which it has already made.

Hon. Mr. Lambert: May I interrupt the honourable senator? I had intended to cover one aspect of that question yesterday, and I am sorry that I omitted to do so. In view of the obviously careful consideration that my honourable friend has given to this question, I should like to ask him if he has considered the problem of denominational and geographical factors in relation to direct provincial representation. There is a basic assumption that the Senate membership represents the regional and sectional interests of the country. Over the past eighty years the denominational and geographical factors entering into the selection of appointees from the various provinces have constituted a real problem, and I think it bears directly on this proposal.

Hon. Mr. Hugessen: I quite agree that it does. There would be some difficulty, but I think that with a little good will between the dominion and the provinces the balance would be retained.

Hon. Mr. McKeen: May I ask a question?

Hon Mr. Hugessen: Yes. I welcome questions.

Hon. Mr. McKeen: Is it your idea that persons appointed here by the provincial governments should represent their own provinces, or should they be expected to act always in the light of what they consider the best interests of Canada as a whole?

Hon. Mr. Hugessen: I think they would represent Canada as a whole.

While making his proposal, which I am now supporting, the honourable senator from Vancouver South was interrupted by what I regarded as a very interesting and pertinent question put by the honourable gentleman from Margaree Forks (Hon. Mr. MacLennan). The question was wh ther the system of partial provincial nomination would not result in provincial pressure groups. That caused me to ask myself what would actually have happened if that system had been in existence during the last few years, and I attempted to work out an answer. I took the list of senators from the various provinces as at the 31st of January, 1945, and I assumed that all the vacancies which existed at that time and which have occurred since had been filled, and that one-third of the senators appointed to fill those vacancies had been named by the governments of the provinces concerned. I also made the assumption, which I think is a fairly safe one, that these governments would have nominated to this house persons of the same political stripe as themselves.

The result, over the last six years, would have been as follows: four new Conservative senators from the province of Ontario; two, or at most three Union Nationale senators from the province of Quebec; two Social Credit senators from the province of Alberta, and one C.C.F. senator from the province of

Saskatchewan. That is, provincial governments, not of Liberal complexion, would have nominated a total of ten appointees over the last six years.

Now, honourable senators, I cannot think that that is a very revolutionary sort of thing. I cannot conceive that ten senators would be sufficient to constitute provincial pressure groups. In practice what would have happened? The four senators named from Ontario would obviously have joined the party led so ably by my honourable friend opposite (Hon. Mr. Haig) and, I am sure, would have been accepted by him as a very valuable addition to and reinforcement of his ranks. The one C.C.F. senator from Saskatchewan and the two Social Credit senators from Alberta could not by any stretch of the imagination have been expected to form provincial pressure groups by themselves.

Hon. Mr. Wood: There are four Conservatives from Saskatchewan, so there would have only been one Liberal from that province.

Hon Mr. Hugessen: I am afraid I do not follow my honourable friend's point.

Hon. Mr. Haig: He says that if your proposal had been carried out there would have been now only one Liberal from Saskatchewan.

Hon. Mr. Hugessen: Seeing that the CCF has been in power in Saskatchewan for six or seven years, I think it is entitled to representation in this house, even though that might temporarily mean only one Liberal representative of the province here.

Hon. Mr. McKeen: But four of the present senators from Saskatchewan are Conservatives.

Hon. Mr. Hugessen: My point is that if one-third of the vacancies that have occurred in the last six years had been filled by provincial nomination, Saskatchewan would now have one CCF representative here and one or two Liberals.

Hon. Mr. Haig: One Liberal.

Hon. Mr. McKeen: So Saskatchewan would have had only one Liberal senator, but four Conservatives.

Hon. Mr. Hugessen: Well, would there not have been a more equitable representation from the province of Saskatchewan?

Hon. Mr. Bouffard: It might not have been more equitable.

Hon. Mr. Hugessen: Judging by the conversations that are going on around the house, I seem to have given my honourable friends a good deal of food for reflection.

I want to refer to what was said a few minutes ago by my honourable friend from Blaine Lake (Hon. Mr. Horner). The honourable senator from Vancouver South (Hon. Mr. Farris) suggested on Monday evening that the provincial nominees should be appointed for a fairly short term. I do not know that I entirely agree with that. I think that their appointment should be for a time at least long enough to enable them to be entirely independent. Their term should not be so short that they would be constantly looking to the provincial government which appointed them for reappointment at the end of it.

Hon. Mr. Horner: If the provincial nomination system is tried at all, why should not the term of the appointees be the same as that of all other senators? I should think any other system would be impossible.

Hon. Mr. Hugessen: I should think a ten year term would be sufficient.

Hon. Mr. McKeen: How would appointment for the life of the parliament be?

Hon. Mr. Hugessen: I am willing to consider any method by which this Senate can be made more representative of the public opinion of the country. And I suggest to honourable senators that it is no use to pretend that there is not a vast deal of criticism of this house precisely on the basis that it is not as representative as it should be.

Hon. Mr. Baird: There would be criticism, anyway. The public is always criticizing.

Hon. Mr. Hugessen: And I think that in this case the criticism is justified. I have tried to give my reasons for feeling as I do, but of course honourable senators may disagree with me.

Hon. Mr. Beaubien: May I ask the honourable senator a question?

Hon. Mr. Hugessen: Certainly.

Hon. Mr. Beaubien: Suppose that the Liberal party, which has been in power for a long time, were re-elected at the next election and continued to appoint senators, would those appointees not represent public opinion in Canada?

Hon. Mr. Burke: Right.

Hon. Mr. Beaubien: Seeing that the government could continue in office only if re-elected by the people, would its appointees to the Senate not represent public opinion?

Hon. Mr. Hugessen: They would represent a majority of public opinion. But does my honourable friend seriously suggest that if this house were to become entirely Liberal, as it is likely to do within a few years, it would really represent the people of Canada? I do not believe it would. That is precisely the criticism which I think a great many

people are justifiably making against this house, and will continue to make. I think we should realize that and do what we can to learn how that condition can be changed.

Hon. Mr. Quinn: Will my honourable friend pardon an interjection? That would also be the case if there were a general election and it resulted in a reversal of the party arrangement as it is today.

Hon. Mr. Duff: Quite right.

Hon. Mr. Hugessen: I did not quite follow my honourable friend's remark.

Hon. Mr. Quinn: If after a general election there was an overwhelming Conservative majority in the other house, and that continued for a period of time, this body as it would then become would not reflect public opinion.

Hon. Mr. Hugessen: My honourable friend is quite right.

Now I come to perhaps the most controversial question of all.

Hon. Mr. Haig: Before my friend leaves the point under discussion, may I ask him whether he can point to any record since Confederation which shows that when the two houses of Parliament were of different political persuasion that the Senate so opposed legislation which came to it that the government went to the country on that issue? If there is such an instance, I should like to hear about it.

Hon. Mr. Duff: That is a sensible question.

Hon. Mr. Haig: So that I will not be misunderstood, I may add that in 1919 both houses had a Conservative majority, and this house saw fit to amend legislation which came to it. Since I came here this house has become of Liberal complexion, and it has amended legislation from the other house. But I can find no record of an instance when the other house was so irked by amendments from the Senate that it made an issue of the matter and went to the people on it.

Hon. Mr. Hugessen: I quite agree with my honourable friend. But what does he deduce from that observation?

Hon. Mr. Haig: Why be afraid of this house being contrary in politics to the other house? I am not afraid of it.

Hon. Mr. Hugessen: I did not say that I objected to it being contrary in politics to the other house. What I have tried to show was its tendency to become so overwhelmingly one-sided that the various currents of public opinion are not represented here.

Hon. Mr. Haig: My friend from Provencher (Hon. Mr. Beaubien) asked a question, and it was not answered.

Hon. Mr. Euler: Does my friend not think it possible for a man, upon entering this chamber, to divest himself of all political opinions so far as parties are concerned?

Hon. Mr. Duff: Pretty nearly.

Hon. Mr. Haig: He does.

Hon. Mr. Hugessen: I suppose that would be possible, but it is difficult for one to get away from the habits and feelings of a lifetime.

Hon. Mr. Euler: The same principle would apply in the appointment of judges. For instance, a Conservative government appoints Conservative lawyers to the Bench and a Liberal administration appoints Liberals; but after a lawyer is elevated to the Bench he acts in a completely non-partisan manner.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: I agree with my honourable friend that for the most part we as senators act in a non-partisan way, but I assert that in the face of public criticism we cannot maintain an almost one-party house, as the Senate is today, and that such a house has not the force and effect of one that represents equitably the general opinion of the country.

Hon. Mr. Euler: I think that is true.

Hon. Mr. Hugessen: I come now to the last point which I want to discuss—as to whether the membership of this house is too old. The remedy most commonly suggested for that condition is an age limit of say seventy-five years for retirement from senatorship. The question of over-age of senators is one of the complaints most commonly heard against this house throughout the country. I am going to take the unpopular stand—I realize that with the exception of my leader it is unpopular amongst the honourable gentlemen who have spoken—and say to the house that I am a firm and convinced supporter of an age limit of seventy-five years for members of the Senate.

An Hon. Senator: Hear, hear.

Hon. Mr. Hugessen: I disagree with the senator from Toronto-Trinity (Hon. Mr. Roebuck) and the senator from Vancouver South (Hon. Mr. Farris).

Hon. Mr. Lambert: Would my friend combine with his suggestion of an age limit, a limitation as to term of office, subject to

re-appointment? Personally, I think the chief objection to the Senate, if any objection is well founded, is that we sit here for life.

Hon. Mr. Duff: Quite true.

Hon. Mr. Lambert: The leader opposite (Hon. Mr. Haig), about a year ago put his finger on the point, when in a rash moment he described senators as the highest paid old age pensioners in Canada. That is the objection to senators.

Hon. Mr. Haig: I am sorry I said it.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hugessen: I have laid my cards on the table, and I will repeat that I am strongly in favour of an age limit in this house.

Hon. Mr. Euler: And in the House of Commons too?

Hon. Mr. Hugessen: I should like to approach the consideration of this subject by dealing with the arguments that were used by the leader opposite and others against the imposition of an age limit. Their arguments have been based very largely upon personal considerations, and they have dealt with individual cases of men who, in old age, have accomplished very great works. I would point out to my honourable friends that those men are the exception, and for that reason their names stand out to such a degree. Exceptions are not the general rule.

I much prefer to adopt another argument which the leader opposite made in the course of his remarks, and which impressed me so much that I have written it down. This is what he said:

> I would not want to sit in this chamber if all the senators were supermen and superwomen . . . I want to sit with a body of men and women who comprise a good cross-section of the Canadian people.

I could not agree more with my honourable friend than I did when he said that he did not want to see the Senate become a body of supermen. The Senate would become just that if it were to consist of such men as he mentioned in another part of his speech. Consider what a Senate would be like if it consisted of Thomas Edison, Benjamin Franklin, William Ewart Gladstone, John Wesley, Longfellow, Count Zeppelin and Connie Mack.

Hon. Mr. Euler: What is wrong with those men?

Hon. Mr. Hugessen: This Senate should, in my opinion, be composed of "a good cross-section of the Canadian people"; and to that I would add that the senators should be subject to the same economic laws which govern the vast majority of the Canadian people.

Hon. Mr. Duff: Are they not?

Hon. Mr. Hugessen: Honourable senators, when we have a life membership in this house we are enjoying a privilege which is enjoyed by no other class in the community, and I object to our having a privilege which other classes have not, and which we in particular deny to others over whom we have power and control. Under the laws we have made, federal civil servants are required to retire at sixty-five. Under the laws we have made the judges of our Supreme Court are compelled to retire at seventy-five.

Hon. Mr. Haig: On superannuation.

Hon. Mr. Hugessen: Under our constitution we are the legislative branch, the civil servants are the executive branch, and the judges are the judicial branch of the government of this country. Why should we hold a preferred position over the other two branches?

Hon. Mr. Haig: But judges and civil servants are superannuated.

Hon. Mr. Hugessen: Let me give my honourable friends a personal experience. The other day I got a letter from a man who occupies a minor position in one of the departments of government, and lives in a far distant part of this country. He wrote and told me that he had very nearly reached the age of sixty-five, that he was shortly to be retired on a little pension, and that he still felt perfectly well and able to carry on his job. I knew this to be so. He asked me whether I could make representations to have him continued in office for another year or two in order that his small pension might to some degree be increased. That is the sort of application, I suppose, that probably every senator has received. I did what I could for that man, but when I came to reflect on his position as compared with mine—he being forced to resign at the age of sixty-six on his small pension, and I remaining in office as a senator for as long as I chose to be here, or as long as I could totter into this chamber—I thought that the distinction between that man's position and mine was one which should exist no longer.

Now let me talk for a moment about the judges. We retire our judges at the age of seventy-five. A great number of honourable senators have said in the course of this debate, and I agree with them, that this house occupies a judicial capacity in relation to legislation which comes to us from the House

of Commons. Well, if we occupy a judicial position, why should we not make ourselves subject to the same rule of retirement as the judges?

Hon. Mr. McIntyre: Judges of the Supreme Courts of the provinces do not retire at seventy-five.

Hon. Mr. Hugessen: I have been talking for a few minutes about the civil servants and the judges who are under our control.

An Hon. Senator: Let me ask a question—

Hon. Mr. Hugessen: I have had a great number of questions, and I am trying to follow the trend of my argument. I hope my honourable friends will let me go on without further interruption.

Let me point out to the house that the vast majority of the Canadian people are under the obligation to retire at one age or another. I happen to be a governor of McGill University. The professors there, and those of every university in Canada, as well as, I understand, the teachers, have to retire at the age of sixty-five years. In commerce and industry hundreds and thousands of our fellow citizens—and the numbers are increasing—are subject to pension plans and to retirement at the age of sixty-five or seventy. In our public legislation we ourselves recognize that very thing. Why is it that we provide for old age pensions at seventy? It is because we realize that the generality of "the common man" has come to the end of an active working life at that age. Why should we not apply to ourselves the same rule that we apply to the people of the rest of Canada? Honourable senators, I plead with you. What we have done through this special privilege—for which I do not blame anybody, but which has grown up over the course of years—is to set a barrier between ourselves and the common people of Canada, the people whom we should represent in this chamber.

An Hon. Senator: No.

Hon. Mr. Hugessen: An honourable senator says "No."

Hon. Mr. Duff: Yes, it is absolute nonsense. You don't know the common people like I do.

Hon. Mr. Hugessen: The great majority of the honourable senators within sound of my voice have been at one time or another elected representatives of the people—

Hon. Mr. Duff: Quite right.

Hon. Mr. Hugessen: —either in the House of Commons or a provincial legislature or a municipal council. In the capacity of elected representatives they were responsible to the electors who placed them in office for the views which they expressed in public. May I suggest to my honourable friends who have had that experience that they recall for a minute or two the positions which they once held. Let them forget for a moment these four walls by which we are surrounded, and reflect that in reality we are considering this matter in the presence of the whole electorate of Canada. I defy any honourable senator to get up and tell us that if this question were submitted to a vote of the people of Canada, they would not vote overwhelmingly for the abolition of this special privilege.

Hon. Mr. Duff: Nonsense!

Hon Mr. Hugessen: Why would they do that? Because they themselves are subject to these rules of enforced retirement, and they see no reason—and I see no reason—why we ourselves should not be subject to the same rules.

Hon. Mr. Duff: Resign, if you want to.

Hon. Mr. Petten: You can resign.

Hon. Mr. Duff: I am here because the people want me here. If any member is not satisfied, let him resign.

Hon. Mr. Hugessen: A number of honourable members have said in the course of this debate that it is a great honour to sit here as one of the representatives of the people. I agree. I take second position to no man in my appreciation of the great honour of being a member of the Senate of Canada, but I ask my honourable colleagues to believe and to think that we should not abuse that privilege, that we should make an end of these conditions of special privilege which we of this chamber enjoy, and which, I am convinced, Canadians no longer either approve of or understand. I am in favour of this reform, and I believe that the provision of an age limit, particularly if it were suggested by ourselves, would do more than anything else to abate criticism of this house and increase the respect and esteem in which we are held by our fellow men.

Perhaps at this point I should make a statement which has been made by nearly all speakers in this debate, and say that I have already taken a great deal more time than I had expected to take.

One thing further that I wish to say has to do with the resolution itself. I am inclined to agree with the honourable senators who have criticized the proposal in the resolution to set up a special committee, under these circumstances, on the ground that a special committee would serve no useful purpose; and that it is not any committee, but the whole Senate, that should determine important matters of this kind. I suggest that the resolution might well be withdrawn.

I have been contemplating what the Senate might do in connection with this resolution. It so happened that a few months ago I was re-reading that monumental work, Morley's *Life of Gladstone,* and I came across an incident in Gladstone's life, in 1868, which seemed to me to afford a precedent which we might very well follow now. At that time Gladstone was out of office and Disraeli was Prime Minister. The great question which was then rising in the public mind had to do with the disestablishment of the Church of Ireland. As honourable senators know, the Anglican Church of Ireland was the established Church of Ireland at that time, even though the vast majority of the inhabitants of that country were Roman Catholics. What did Gladstone do about that important question? He submitted to the House of Commons three resolutions as the basis upon which he proposed to reform the Irish Church. Those resolutions were submitted to the House of Commons, were carried, and later formed the subject matter of legislation when Gladstone's own government came into power. It seems to me that we might take advantage of that precedent, and as the result of our present deliberations adopt a series of resolutions as to what reforms we think should be envisaged in this house. I have written out very briefly, without any great consideration, the type of resolutions which I think it might be advisable for the Senate to consider and vote upon after the resolution now before us has been withdrawn.

I would suggest that the first resolution might read like this:

That the system of nomination of senators, rather than that of direct election, should be continued as the best system in the interests of the Canadian people.

I would make the second resolution very general:

That it is highly desirable that some system be devised for a more fair and balanced representation in the Senate of the various currents of political opinion in the country.

The third resolution might read:

That future appointments to the Senate should not be made for life, but should be made subject to retirement at the age of seventy-five years at the latest.

I would suggest that if any of these resolutions were adopted it would mean that the Senate would be on record as to what it thinks should be done at the present time about the serious and important questions which the present resolution has placed before us.

Some Hon. Senators: Hear, hear.

Hon. Mr. Paterson: Honourable senators, I wonder if it would be in order for the honourable senator from Inkerman (Hon. Mr. Hugessen) to read now the oath that we all took when we first came into this chamber?

Hon. Mr. Quinton: Does the honourable senator from Inkerman intend that the three resolutions which he has just read should form an amendment to the motion which is now before this house?

Hon. Mr. Hugessen: No. The motion of the honourable leader (Hon. Mr. Robertson) is still before us, and it will remain before us until the debate has been concluded by the reply of the leader. I am merely suggesting that he should withdraw this resolution and substitute resolutions of the kind I have mentioned.

Hon. Mr. Baird: Do I understand that there was no collusion between the leader of the government and the speaker of this afternoon?

Hon. Mr. Hugessen: Collusion?

Hon. Mr. Baird: Yes.

Hon. Mr. Haig: Agreement.

Hon. Mr. Hugessen: I knew nothing about what the leader was going to say, and he knows nothing about what I intended to say or what I have said this afternoon.

Hon. Mr. McIntyre: Honourable senators, what I intended to say when the honourable gentleman from Inkerman (Hon. Mr. Hugessen) was speaking was that when I was addressing the house the other night the leader of the opposition (Hon. Mr. Haig) was good enough to put me straight on a misstatement I made. My honourable friend (Hon. Mr. Hugessen) has said that civil servants are forced to retire at sixty-five, and that county court judges and judges of the Supreme Court of Canada are retired at seventy-five, but that judges of the Supreme Courts of the provinces are not retired at seventy-five.

Hon. Mr. MacKinnon: That is correct.

Hon. Mr. Hugessen: Yes, that is right.

Hon. Mr. Beaubien: Honourable senators, on behalf of the honourable senator from Kootenay East (Hon. Mr. King), I move the adjournment of the debate.

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

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

THE SENATE

Tuesday, February 27, 1951

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

Prayers and routine proceedings.

MIGRATORY BIRDS CONVENTION BILL

REPORT OF COMMITTEE

Hon. Mr. McDonald presented the report of the Standing Committee on Natural Resources on Bill V, an Act to amend the Migratory Birds Convention Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Natural Resources, to whom was referred Bill V, an Act to amend the Migratory Birds Convention Act, having in obedience to the order of reference of the 19th of February, 1951, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. McDonald: With leave, I move the third reading of the bill now.

Hon. Mr. Paterson: Honourable senators, when the bill was before the house on the motion for second reading the honourable gentleman from Halifax-Dartmouth (Hon. Mr. Isnor) asked a question which, with leave of the Senate, I should like to answer at this time.

The information which I have received from the Honourable Robert H. Winters, Minister of Resources and Development, is as follows:

The Official Report of Debates of the Senate records that in the Senate on the evening of the 19th of February, 1951, Honourable Senator Isnor inquired of you if any study has been made with a view to permitting fishermen, particularly in Nova Scotia, to protect their own interests by killing birds that harm fishing equipment.

Senator Isnor did not name the kind of birds that he had in mind. The language used makes it seem likely that he was referring to cormorants, aquatic birds of which two different species occur along the Atlantic coast of Canada. Cormorants sometimes become entangled in fishermen's nets. They are not protected by the Migratory Birds Convention Act.

If Senator Isnor's inquiry referred to birds protected by the Migratory Birds Convention Act, such as gulls or diving ducks, some of which eat certain fish, although they seldom damage fishing equipment, the answer is that legal provision for the relief of fishermen is made and that appropriate studies are carried out from time to time, as required.

Subsection (2) of Section 4 of the Migratory Birds Convention Act provides that the Governor in Council may make regulations for various purposes, one of which is stated, in clause (d), as follows:

"(d) for the granting of permits to kill or take migratory game, migratory insectivorous or migratory non-game birds, or their nests or eggs."

Sections 36 to 40 inclusive, of the current regulations under the Migratory Birds Convention Act, provide for issuing permits of this type when protected birds are doing serious damage. When a request for a permit is made, it is the practice to investigate the local situation, if possible, before a permit is issued. It is realized that the matter may be urgent and therefore every endeavour is made to deal with such requests promptly. The department has a small number of scientifically trained men scattered across Canada who are prepared to handle requests of this kind. They are aided, when necessary, by assistant officers or by members of the Royal Canadian Mounted Police. The investigating officers make their special knowledge and experience available to the parties complaining and advise them as to the best way to deal with the situation.

Investigations of this type have been carried out on both coasts of Canada. An extensive investigation of the economic status of the herring gull was made at Grand Manan, New Brunswick, in 1949. Investigations of the economic status of mergansers and other ducks, with special reference to fish resources, have been made in British Columbia. This department and the Department of Fisheries are carrying on on the Miramichi river, New Brunswick, a joint special investigation of the relations between mergansers and salmon.

Requests for permits to kill migratory birds damaging fishery interests are not often received from Nova Scotia. Such requests should be addressed to Mr. Harry R. Webster, Dominion Wildlife Officer for the Maritime Provinces, 513 Prince street, Truro, Nova Scotia.

A copy of the current consolidation of the Migratory Birds Convention Act and the regulations thereunder is furnished herewith for your information.

Hon. Mr. Isnor: I wish to thank the honourable senator from Thunder Bay (Hon. Mr. Paterson) for the information he has obtained. The fishermen along the shores of Nova Scotia will, I am sure, appreciate having these facts on record.

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

PRIVATE BILL

FIRST READING

Hon. Mr. Fogo presented Bill F-4, an Act respecting a certain patent application of George R. Hanks.

The bill was read the first time.

DIVORCE BILLS

FIRST READINGS

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

Bill T-3, an Act for the relief of Eileen McDermott McRandall.

Bill U-3, an Act for the relief of Laurice Mary Michel Shatilla.

Bill V-3, an Act for the relief of Mihaly Kovacs.

Bill W-3, an Act for the relief of Rebecca Glicofsky Brown.

Bill X-3, an Act for the relief of Selma Rokowsky Kirzner.

Bill Y-3, an Act for the relief of Ferdinand Langlois.

Bill Z-3, an Act for the relief of Violet Edith Macdonald Harris.

Bill A-4, an Act for the relief of Francoise Brunet Crassowski.

Bill B-4, an Act for the relief of Emily Rita Rowlands Simpson.

Bill C-4, an Act for the relief of Ivy Lucas Levitt.

Bill D-4, an Act for the relief of Marguerite Marie Rita Fournier Cook.

Bill E-4, an Act for the relief of Paul Emile Piuze.

The bills were read the first time.

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

Hon. Mr. Aseltine: With leave, at the next sitting.

SECOND READINGS

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

Bill X-2, an Act for the relief of Jean Zelda Schacter Shmukler.

Bill Y-2, an Act for the relief of Beatrice Sullivan Lees.

Bill Z-2, an Act for the relief of Kathleen Louise Jones Robinson.

Bill A-3, an Act for the relief of Myrtle Dorcas Perry Rogers.

Bill B-3, an Act for the relief of Nell Gohenberg Lipson.

Bill C-3, an Act for the relief of Roslyn Beverly Gold Browman.

Bill D-3, an Act for the relief of Rolande Dumas Fritsch.

Bill E-3, an Act for the relief of Edith Frances Storrier Ritchie.

Bill F-3, an Act for the relief of Dorothy Isabel Pitcher Flipping.

Bill G-3, an Act for the relief of Sylvia Miller Ginsberg.

Bill H-3, an Act for the relief of Fernand Senecal.

Bill I-3, an Act for the relief of Vincent Tutino.

Bill J-3, an Act for the relief of Paulette Joly Foley.

Bill K-3, an Act for the relief of Jean Eurwen Jones Shaw.

Bill L-3, an Act for the relief of Edna Donnelly Boyle.

Bill M-3, an Act for the relief of Norma Phoebe Mary Buchanan Baker.

Bill N-3, an Act for the relief of Grace Gloria Ramsey Racine.

Bill O-3, an Act for the relief of Emily Ivy Rose Cook.

Bill P-3, an Act for the relief of Homer Leavitt Ayer.

Bill Q-3, an Act for the relief of Elma Lillian Le Drew Wells.

Bill R-3, an Act for the relief of Bertha Ellen Bradley Grant.

Bill S-3, an Act for the relief of Brenda Mary Powell-Tuck Buhr.

The bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: When shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move third reading now, because until third reading has been given to the bills they do not go forward to the printer, and we want to get them printed as soon as possible.

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

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from Thursday, February 22, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. J. H. King: Honourable senators, I enter this debate with some hesitancy. It will be remembered that on April 27 of last year, the esteemed leader of the government (Hon. Mr. Robertson) moved a resolution suggesting that a special committee of this house be appointed to review the constitution and functions of the standing committees of the Senate, and to make recommendations to facilitate the business of the Senate. The purpose of the resolution was to ascertain whether Senate committees could not perform a more useful service. That resolution motion was of interest, and the motion was properly made; but in speaking to the resolution, the leader stated that it was his intention to come before the Senate this year and, on his own responsibility, make definite proposals for Senate reform.

Honourable senators, I have had a fairly long experience in public life and in parliamentary affairs, and I took exception to that statement. If the house will bear with me, I shall briefly outline my experience in the public life of Canada, because, as honourable senators know, as we grow older we learn the value of experience, for it teaches us the need for caution in our daily activities, and how to avoid mistakes.

I first had the honour of being elected to the provincial legislature in 1903, and was elected again in 1907. I did not contest the election of 1910.

Hon. Mr. Haig: That was in British Columbia?

Hon. Mr. King: Yes. At that time I thought I would retire from politics; but a few days after the dissolution of the federal parliament in 1911 I was in Ottawa, and Sir Wilfrid Laurier, who was then Prime Minister, sent for me and said he would like me to stand as a candidate for the federal constituency of Kootenay. I agreed and was duly nominated at a convention held in Nelson. I prosecuted the campaign as vigorously as I could, helped by my friends, in the party, but I was defeated. I may say, however, that of the nine elections I have contested that was the only defeat I suffered.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: I am very proud of that record, not because of anything I personally have accomplished in public life, but because I obtained the support of many loyal men and women who believed in the principles that our party was advocating at that time.

After my defeat in 1911 I thought it would be well for me to confine myself to my profession—which I love very much, and in which I enjoyed some success—but in 1915 my friends in the constituency of Cranbrook requested me to be a candidate again in the provincial field. I accepted nomination, and in the election of 1916 was once more successful. I was asked by the then premier, Mr. Brewster, to join his government, and I accepted the invitation and became Minister of Public Works for British Columbia. Following Mr. Brewster's death, I continued in office under the premiership of the Honourable John Oliver, and thus I had the experience of serving in the provincial government under two great leaders.

In December 1921 the Honourable Mr. King, who was then forming a federal cabinet, asked me to join his government, and I acquiesced. The government was formed on the 29th of December of that year but I delayed taking my oath of office until I consulted with Mr. Oliver and my other colleagues in British Columbia. In those days we had not the long distance telephone and other rapid communication facilities that we have today. I came to Ottawa early in January, 1922, and was sworn in as Minister of Public Works. As I had not been a candidate in the general election, it was necessary for me to seek a constituency in British Columbia. I was opposed, and there was a by-election, in which I was successful, and I entered the House of Commons in March, 1922. I remained in Mr. King's cabinet, administering the Department of Public Works, until 1926.

In that year the government was defeated in the House of Commons, and Mr. Meighen formed an administration and promptly appealed to the country. Mr. King was again returned to office. He then asked me if I would accept another portfolio, that of Soldiers' Civil Re-Establishment and Health. I did so, and I continued to hold that portfolio until June 1930, when I was appointed to this honourable chamber. This is my twenty-first year as a senator.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: Upon the death of Senator Dandurand it fell to my lot, in a quite ordinary way, to be asked by the Prime Minister to act as government leader in the Senate. We all respected the Honourable Mr. Dandurand greatly.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: On the morning that he took ill his friend, the late Senator Beaubien of Montarville, who was in the hotel with him, communicated with me on his behalf, asking that I adjourn the Senate that day over the week-end. That was a Thursday, and I moved the adjournment until the following Tuesday. On the way to the funeral which was at Montreal, I suggested to the Prime Minister that he should give some thought to naming someone to carry on as leader in the Senate. He said, "Well, we shall take time to think it over, but you carry on next week." Shortly afterwards I was asked to take the oath of office as a minister, and I was given the opportunity and the great honour of continuing as representative of the government here and leader of the Senate. I accepted, and held that office from 1942 to 1945. I found my duties onerous, but they were interesting and I liked them. However, when attending the San Francisco Conference in 1945 I suggested to Mr. King, that if his government were returned after the then impending election it would be better for him to nominate as government leader in the Senate someone who during the parliamentary recesses lived close to Ottawa, and possibly a younger man than I.

In all I have had thirteen years' experience in the Legislature of British Columbia, during six of which years I was a minister, followed by nine years in the House of Commons, as a minister, and twenty-one years in the Senate—four of them as minister without portfolio, representing the government here. That is a total of nineteen years of ministerial responsibility, and forty-four years of service in the provincial and federal parliaments. I am naturally rather proud of that record, not on account of my accomplishment, but more particularly because I have enjoyed the confidence of the majority of the people in my constituency, whose loyalty to and interest in the Liberal party and myself made it possible for me to give this service.

I consider that I was fortunate in having the experience, both in the provincial and the federal fields, of being asked to join leaders who had been successful at the polls and were given the responsibility of forming new governments—in the provincial field, the direction to form a government being given by His Honour the Lieutenant Governor, and in the federal field by His Excellency the Governor General. Experience has shown me what a difficult task faces a new leader, especially a new federal leader, in assembling a group of men for cabinet appointment. In accordance with the British practice which we follow here, he has the sole responsibility of selecting his ministers. The fulfilment of that responsibility requires great courage and foresight, and good judgment. The leader must be one who during his period in opposition has gained the confidence of the people of the country, and succeeded in persuading them to express that confidence at the polls. He has the duty of bringing together a group of men from the scattered places of Canada, and of formulating and co-ordinating policies on which they can agree.

During a campaign the successful party's policy must have been preached to the electorate and it must have been endorsed by them. But the policy of a government is made from day to day in the conference chamber. As some of my honourable friends here know, there are debates, sometimes serious debates, about departmental policy, or about something which does not accord with the general policy as defined in the campaign. On such occasions the leader and his colleagues have to exercise their best judgment and be willing to conciliate in order to arrive at a conclusion. Members of the Liberal party, of the Conservative party, and of the CCF, know that sometimes it is necessary for individuals to make concessions, so that there may be that party solidarity which the people respect. Unanimity within the cabinet on any matter of policy is an old British tradition, which has been adopted in Canada. This unanimity must be expressed not only publicly but privately. Experience shows that nothing is more detrimental to a government than indiscreet gossip or a whispering campaign indicating disagreement or misunderstanding between the Prime Minister and some members of his cabinet. Many honourable members here know that gossip of that kind is often quite unreliable, but that does not prevent it from being widely believed and thereby doing great harm. We in this chamber have greater liberty than is enjoyed by members of the other house or of the legislatures in Canada. We are not directly responsible to the people, although the one on whose recommendation each of us here was appointed, was at the time of the appointment responsible to public opinion. We have been recognized and given an opportunity to come to this chamber; but it is not intended that we should be subject to the same discipline as are the members of the House of Commons or of other public bodies throughout Canada. We know that discipline must be rigid amongst the members of the other house.

For that reason the various parties hold caucuses. There are in the other house not only ministers, but members, and every member, regardless of party, must carry out the general party policy, otherwise his usefulness to the party is at an end. If he persists in going against party policy his lot becomes an unhappy one, and as a rule his political career is finished. The principle behind the correlating of the ideas of the members of a political party by meeting in caucus is one which may be availed of in all walks of life, such as in church management, in labour organizations, in business, and in other organized effort throughout the country. It even applies to family life, and if there is disloyalty to it, the family is destroyed.

I had an experience in this connection which I may be permitted to relate to the house. There are in the world today forces that would destroy the precepts and other things which we think are worth fighting for. I recall that, as whip for the Liberal opposition in the provincial legislature, I had to do with a group of seventeen members of our party and some six or seven independent members. I think that at that time there were about twenty or twenty-one government members. My job was to try to interest the independent group in the policies of the opposition, and if possible to get them to concur in amendments which we proposed making to government legislation. In the interests of the people as we thought, we

were desirous of ousting the government. I talked to the leader of that independent group, who was a very able man and a fine speaker, and he said to me: "King, do you not understand us". I asked him what he meant by that remark, and he replied in these words: "Until the Christian Bible is taken from the homes and the Liberal party disappears, we cannot succeed". What he said then has since proven to be true.

I perhaps have gone too far in relating my personal experiences; but what I have said has been said—should I in any way disagree with my esteemed leader—because of experiences which I have had.

On one occasion last year our leader here indicated the desirability of certain reforms in the handling of committee work I am pleased to see that he has succeeded in his objective to the extent of getting the divorce work started early in the session I congratulate him on it. I wish also to compliment the Chairman of the Divorce Committee (Hon. Mr. Aseltine), who at great sacrifice to himself has agreed to continue his chairmanship of that committee. I understand that some of our most prominent lawyers have been drafted for work on that committee—

Hon. Mr. Haig: Hear, hear.

Hon. Mr. King: —and are today fulfilling what is not only a duty, but part of their responsibility as members of this body.

The leader suggested last year that, in view of the early bringing down of the budget, committees set up for the purpose would find useful employment in going over the estimates and calling before them ministers and deputy ministers to explain certain items. My long experience in parliament caused me to take exception to that suggestion. I pointed out that as a rule the estimates do not come down as early in the session as they did last year. But if it is the decision of the Senate to have one committee, or more than one, consider the various estimates, I have no strong objection to that procedure. I would, however, point out that a minister goes through a difficult period following the opening of a session of parliament. Many questions are asked and resolutions moved by the members of the house, and they require the careful attention of the minister concerned, and his departmental staff. It is only after the budget has been brought down and the financial and general policy of the government has been declared, that a minister can heave a sigh of relief, for then the work of parliament proceeds in a more orderly manner.

In 1943 I discussed with Mr. King, the then Prime Minister, the fact that the Senate had been asked at half-past eleven or twelve o'clock on the evening of the last day of the session to confirm the expenditure of some billions of dollars, and I said that I did not want to see the house put in that position again. I suggested that a special committee of the Senate be set up to deal with the estimates; or, if it was thought advisable, that I would move to revive the Finance Committee, which had served a useful purpose during the First World War, so that ministers and deputy ministers could be called before it to explain more particularly large war expenditures. The resolution proposed was broad enough to allow any member to indicate his desire for an explanation of any certain estimates. That plan was followed until 1945.

I am not pressing my views on this question, honourable senators; but, as a former minister in the House of Commons, I repeat that the opening of a session is a tense time for the ministers, because the members of the other house have the right to ask questions relating to the administration of the various departments. I do not know what practice is now followed by the government, but in my day it met an hour before the house assembled, and among the first things to be discussed were the more serious questions which had been addressed to various ministers, and the readiness or otherwise of the ministers to answer them. It was important that answers should be prepared with great care; if a minister's reply was careless, or indefinite, further questions would certainly be asked of him.

As I say, during the early part of the session the ministers and their departmental officials are under great strain; but once the budget has been introduced and the financial policy of the government declared, there is an easier feeling in the House of Commons, and parliament settles down to discuss and deal with in an orderly manner the matters which come before it. I will not say any more on this matter, but I invite our friend to consider the other fellow a little.

Any citizen has a right to question any item in the estimates, and I believe it would be helpful to the government if, from the membership of this house, we formed a committee of say twenty-five or thirty—large enough to avoid the necessity of secretaries running around to obtain a quorum for various committees. This committee should include the leader of the government, the leader of the opposition and such aggressive members of this chamber as are sufficiently interested in the work of the house to attend and express their views. It should call upon ministers, deputy ministers and others to attend its meetings and supply necessary information. I believe that work of this type

could be handled to better advantage by one committee than if it were distributed among several committees.

The minister, in speaking to his resolution has removed a source of embarrassment which I indicated last year. At that time I pointed out that it was not the practice of the British Parliament, nor the practice that has been followed in Canada since Confederation, for ministers to indicate their personal views on matters of policy, especially a policy that is under review by the government of the day. The leader has removed that objection by advising the house that he has conferred with the Cabinet and that they have raised no objection to his proceeding as a member of the Senate without ministerial authority. We have been further advised by the honourable senator from Ottawa (Hon. Mr. Lambert) that the leader received, as he said, "the green light" from the Prime Minister. That relieves the situation to some extent; but I sincerely hope that this course will not establish what would be a dangerous precedent. There must be authority, solidarity and unanimity in government, and from my own experience I fear that for a cabinet to say to a minister, "Well, if you have those views you might try them out, we have no objection" would be very dangerous, and such a policy, if followed, might lead to the destruction of the form of responsible government of which, with reason, we are so proud. May I add a word of warning as to the undesirability of gossip. It can have terrible consequences; let us by all means avoid it.

The leader has made a suggestion that the Senate should appoint from its membership someone who would be characterized as "Leader of the Senate". It was difficult for me to follow what he had in mind, because in practice, over a period of eighty years, we have found it necessary to have not one, but two leaders in the Senate; the government leader is and has been for many years the only channel between the Senate and the government. If we in this chamber agreed upon and elected a leader, he would not necessarily be a member of the government. But to be practical, if it were our function to elect a leader to represent us, we would have to go to the Prime Minister and say, "Mr. Premier, we have in mind as our leader Mr. So-and-So; he would be a good representative of ours in your Cabinet". Well, one may suppose that the Prime Minister would say, "Gentlemen, that is very kind of you; I have in mind that individual", or "I have in mind somebody else". Whose opinion would prevail? Of course the person who would choose our leader would be the head of the government, which represents public opinion of this country. I cannot see wherein would be the advantage of our selecting a leader here and having the government indicate that they intended somebody else to be the connecting link between themselves and this chamber. That course would lead to confusion and difficulty as between the two leaders.

The leader himself has suggested that we should appoint a special committee to further canvass within our own ranks the question of reform. Well, we are having a very good debate in this chamber. The leader, with his usual fairness, expressed a desire to have the opinions of the various members. I do not believe that a special committee would appreciably forward our desires or clarify our opinions with regard to Senate reform. To be effective, such a committee would have to intrude on a field which is now being surveyed by the provincial and federal governments. In other words, this committee would primarily have to submit a request to see the Prime Minister of Canada. I have no doubt that they would be received with great courtesy and kindness, and be invited to be seated. I have no doubt that the Prime Minister would hear their story, but I think—

Hon. Mr. MacLennan: It would end at that.

Hon. Mr. King: Well, I think he would say, "Gentlemen, I am pleased to see you; but you understand this matter is now one of the subjects we are discussing in our endeavours to iron out some of the constitutional difficulties between the two fields of administration, provincial and federal, and I am not prepared to go further in the matter with you at this time. But I do thank you". I think that would end the conversation. If not, the committee would next have to go to the provincial premiers, some of whom might be as courteous as the Prime Minister, but would not tell the committee anything different than the Prime Minister had told them. I cannot therefore see any advantage to a committee of that kind.

Honourable senators, I think we are indebted to the honourable leader of the government (Hon. Mr. Robertson) for his excellent address in which he gave us the history of the Senate. I am sure we all realize that confederation could not have been accomplished without the establishment of this chamber.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: The leader very properly placed on record in the Senate *Debates* the precepts laid down by Sir John A. Macdonald —then John A. Macdonald—and Brown and Cartier, who were the leaders in that great movement. Those precepts indicate very wisely the functions of this body, and I think

the history of the Senate will show that all the leaders in this house have followed closely those precepts.

When I came to the Senate the then leader of the government, Honourable Mr. Dandurand, impressed upon me that this was not a political body. I had the views that a man usually has when he comes here from the House of Commons. I thought that we should step out a bit, but Senator Dandurand said, "You are wrong. This is a revising body. We hold up legislation, if necessary, and we have exercised that privilege". In my time bills have been held up by the Senate, and I know that we have the formula to deal with situations of this kind. A bill comes from the House of Commons. We may be of the opinion it should be rejected, but perhaps we are not prepared at the moment to take such drastic action. A conference is sought between the two houses, and managers are appointed to meet together to try to iron out the difficulty. In this way a solution may be found, and if so the legislation in question becomes law. On the other hand, it is always within the right of the Senate to say that it will not accept a bill, and to defeat it; and this has been done from time to time. I think our position is pretty clear.

Incidentally, I think this is one of the greatest chambers in the world, because the best fellows I know are here. I want to compliment my friend, the leader opposite, (Hon. Mr. Haig) on his speech. He must have given it a great deal of thought. He did not complain because his party has not now the right to make appointments to the Senate. Like myself, he believes that "Hope springs eternal in the human breast." Public opinion is very fickle, and the wheel of fortune turns rapidly. I know from my own experience that one had better be guarded about predicting what will happen in the political field; it does not take many unwise moves on the part of a government to lose public confidence.

Honourable senators, I think I have said almost enough, but I cannot conclude without paying tribute to my good friends who have spoken so far in this debate. I want particularly to compliment my good friend from Toronto-Trinity (Hon. Mr. Roebuck). I think his was one of the finest speeches he ever made in this house. He was very guarded, and spoke more carefully than usual.

Some Hon. Senators: Oh, oh.

Hon. Mr. King: I also want to refer to the speech made by my colleague and friend from Vancouver South (Hon. Mr. Farris). I think he has done as much as anybody to keep me in public life. I do not believe I ever entered a compaign that he was not near me, and he did not have much respect for my opponents. He could hit harder than anybody I knew. But as we grow older and become more mature we soften, and I think he went a bit soft the other day—

Some Hon. Senators: Oh, oh.

Hon. Mr. King: —when he suggested that 30 per cent of the membership of this house should be appointed by the provincial premiers. Good heavens! We are trying to settle differences between the two legislative authorities in Canada today, so why interject a suggestion of that kind? It does not sound right. My own impression is that my able friend is so desirous of having debate that he would like a little more opposition in order that he might extend himself.

Some Hon. Senators: Oh, oh.

Hon. Mr. King: I am a great admirer of the honourable gentleman from Vancouver South, but I cannot support his suggestion that the provinces make some of the appointments to the Senate. I think the authority of appointment should remain with the federal government through the Prime Minister.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: Perhaps the provincial premiers might suggest two or three candidates for appointment to the Senate; but the choice of appointments should be left with the federal authority.

Honourable senators, we know the gentlemen of the press well. They form a group which is set aside and a little beyond parliament. We have in this house several newspapermen, two of whom were formerly very able reporters. I refer to the honourable senators from Ottawa (Hon. Mr. Lambert and Hon. Mr. Bishop). Newspapermen have inquiring minds. It is their business to get information, and I have found that if you treat them frankly and fairly they will not abuse your confidence.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: It is only when you start to hedge and throw out suggestions that you give them a lead and they start arriving at conclusions. The presence here of representatives of the press is of great value to us, and their advice and confidence is worth while courting.

I am sorry that my honourable friend from Ottawa (Hon. Mr. Lambert) is not here. Like the present leader of the Senate (Hon. Mr. Robertson), he has held high office in the councils of the Liberal party. Each served for a time as Chairman of the federal Liberal organization, and in that position necessarily enjoyed the confidence of the Prime Minister

and all other ministers of the government. It is to the credit of my honourable friends that neither of them abused that confidence. But I was surprised to hear my honourable friend from Ottawa say that it might be well if ministers talked a little more outside of Council. He referred directly to two former ministers, who are now members of this house, and said they knew that members of the government did not always resist the desire to express an "untrammeled view on a problem of the day." Well, those two honourable gentlemen know, as I do, that we had differences of opinion, but we kept our confidence and kept our place as ministers of the Crown. I cannot agree with my honourable friend from Ottawa that it would be in the interest of good government and of the public life of this country that cabinet ministers should on occasion express their personal views in public. I think that would be destructive of government.

My good friend from Inkerman (Hon. Mr. Hugessen), who speaks with such facility and clearness—

Hon. Mr. MacLennan: He got very soft.

Hon. Mr. King: —seemed to have in mind the extension that has come about in the average life period, and to feel that there are today a lot of people beyond a certain age who probably should be dead.

Some Hon. Senators: Oh, oh!

Hon. Mr. King: He argued in favour of an age limit for senators. I have no objection to that, if that is what the public wants, although if the limit that he mentioned were in effect now I should not be speaking here tonight. However, since that limit is not in effect, I am going to continue exercising my privilege to speak. I thought his argument on this point was entirely inconsistent. He pointed out that in the Civil Service and in many other spheres of life people are being retired at the age of sixty-five, and I think that to be consistent he should have advocated retirement of senators at that age, instead of at seventy-five.

Of course, we all know of people pensioned off at sixty-five who, because of the wide experience and knowledge acquired by them in their positions, are sought after and given other important work to do in the business and professional life of this country.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. King: Today one sometimes hears young people say they do not need to provide for their own independence in old age, because when they reach sixty-five or seventy the government will take care of them. I believe we should warn our young people against relying for their security upon any prospect of that kind. If they persist they may be disturbed later on to find that they were labouring under a false impression.

Honourable senators, in closing I have only another word to say, and that is in tribute to our worthy leader (Hon. Mr. Robertson). I think that he has the unanimous respect of the members of this house.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: We appreciate the work he has done. He has suggested that he would like to appoint assistants to help him in carrying on his work. I should not like to see him do that. I would prefer that he follow the present practice of utilizing the services of various honourable members for the explanation of many of the bills that come before us. I think that in general the members of the Senate are better informed on legislation sent over here from the House of Commons than even the members of that house are.

When a measure reaches here we are familiar with what has been said about it in the Commons and in committees of that house. Then we are given an explanation on the second reading here, and if we are not satisfied we can obtain further information from the minister and departmental officials in our own committee. Finally, we can still discuss a measure in detail in committee of the whole house. Any senator who complains that he is not fully informed of the character of legislation passed through this house must have been remiss in his duties, and he has no excuse.

I do wish to assure the leader (Hon Mr. Robertson) and the deputy leader (Hon. Mr. Hugessen) that they have my full confidence, and that it is a great pleasure for me to assist them to the utmost of my limited ability.

Some Hon. Senators: Hear, hear.

Hon. J. J. Kinley: Honourable senators, it is a privilege to speak after the distinguished senator who has just taken his seat. The honourable gentleman from Kootenay East (Hon. Mr. King) has modestly referred to his services to the state and we all respect him very highly for his splendid record in the public life of our country.

Some Hon. Senators: Hear, hear.

Hon. Mr. Kinley: It is a pleasure to be able to pay this tribute to him while we are under the spell of his very able address. He is now seventy-eight years old and, as one can readily judge from the speech he has just delivered, he is a man of keen intellect. I hope the day will never come when this Senate will have to retire such men.

Some Hon. Senators: Hear, hear.

Hon. Mr. Kinley: I was absent from the chamber a few days ago when a tribute was paid to the late Senator Ballantyne, a former leader of the opposition in this house. It was only a short while ago that we paid our respects on the passing of the late Senator Copp, who at the time of his death was deputy government leader in the house. Both of these gentlemen were old men, but they were keen and alive, and made great contributions to the Senate. Though they are now dead, their influence lives on, and we benefit by it.

The great Joseph Howe, at a centenary celebration in Halifax, wrote a poem dedicated to our fathers. One verse of it went like this:

> The Roman gather'd in a stately urn
> The dust he honor'd—while the sacred fire,
> Nourish'd by vestal hands, was made to burn
> From age to age. If fitly you'd aspire,
> Honor the Dead; and let the sounding lyre
> Recount their virtues in your festal hours;
> Gather their ashes—higher still, and higher
> Nourish the patriot flame that history dowers,
> And, o'er the old men's graves, go strew
> your choicest flowers.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Kinley: The idea that men grow too old for service in the Senate has not been proven true. A few of our colleagues have been granted long and good lives. I am thinking of the honourable senator from North York (Sir Allen Aylesworth), who, though a very elderly man, is an inspiration to us and should inspire every young man in Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Kinley: A senatorship is, after all, only a part-time employment. In the nature of things, a man must be well along in years before he is honoured by appointment to this chamber. He is required by statute to be at least thirty years of age before he can qualify, and in practice he must have many achievements and attainments before that honour is conferred upon him.

The idea that this is an age of young men has, I think, been dissipated by many examples throughout the world. Some one has said that the old man is the exception; I would rather think that he is becoming the rule. The mind is becoming more and more the standard by which a man is measured. We are living in a complex and scientific world, and to prevail we need the knowledge and experience of older men. What about the man who split the atom? No one asks about his age. The minds of some old people remain very alert. My mother, for instance, is ninety-three years of age, and her mind is so alert that it astonishes me. When I have around me older men whose minds are alert I am always pleased to take advantage of their knowledge and experience. It is most worthwhile for those of us who are younger in the service of the country.

Some Hon. Senators: Hear, hear.

Hon. Mr. Kinley: Until a short time ago this house was composed of ninety-six senators. Now there are one hundred and two, of whom fourteen are over the age of seventy-five years. Well, if these members can be designated as such, we are not carrying very much excess baggage. Every human institution has something to carry. When I ride in an airplane I find that any excess over the weight allowed has to be paid for. When I entered this chamber in 1945 my identification card was No. 90; it is now No. 55. One can readily see that Providence looks after the bringing in of new blood to the Senate in a way that we can do little about.

In answer to the criticism one hears about the expense involved in the carrying on of the Senate, I would point out that after a senator has been absent from a session fifteen days, it costs him $25 a day—

Hon. Mr. Haig: How much?

Hon. Mr. Euler: $37.50.

Hon. Mr. Kinley: Yes; since there has been an allowance for expenses. And if he does not attend for two sessions he is disqualified. It is obvious that in the days of confederation the people were looking after the expenditure of public funds.

The recent speech by my honourable friend from Vancouver South (Hon. Mr. Farris) interested me very much, particularly his references to Professor Robert MacGregor Dawson. He said he did not know the professor, but that he was surprised at some of the things he wrote. Professor Dawson grew up in the town of Bridgewater, a few miles from my home, and I know him very well.

Hon. Mr. Aseltine: What do you think of him?

Hon. Mr. Kinley: His father was a good Liberal, and so was his mother. The father was a man of substance, and Robert Dawson got an extensive education and made the most of his opportunities. He was a good student, and has since attained a position of some prominence in the educational life of this country. For the comfort of my honourable friend from Vancouver South and the rest of us, I would say that—

Hon. Mr. Aseltine: Now, be careful.

Hon. Mr. Kinley: —notwithstanding his qualifications, if no heavier guns are trained

on us than those shot off by Professor Dawson, we are fairly secure within the lines of Torres Vedras.

Some Hon. Senators: Oh, oh.

Hon. Mr. Kinley: I read the book he wrote on the Senate and the Government of Canada, and I put down lack of experience as the reason for some of the things he wrote. He is a gentleman and, unless he has gone back on the faith of his father, he is a great Liberal. Whether or not he is equipped to write the memoirs of Mr. Mackenzie King I would not like to say, but he comes from my part of the country and I am proud that he has been given this distinction. I hope that he will pay heed to the admonition of the distinguished member from Vancouver South.

Hon. Mr. King: Hear, hear.

Hon. Mr. Kinley: I know he is strong enough in the faith to do a good job.

Of the Senate, Professor Dawson made this comment:

> Their whole lives rise up to make it difficult to adopt an attitude of political neutrality . . .

I would return the compliment, and say that his whole background makes it difficult for him to adopt an attitude of political neutrality. I do not think anyone would want to see a politically neutral Senate. For my part, I was appointed by the Liberal party because of my services to that party. I am still loyal to it, but I am capable of independent thought. We are all independent in thought, and because of our mature judgment and experience we are able to protect the people of Canada against legislation which is not in their interests.

Parliamentary reform is no new subject. When I was a member of the House of Commons I heard a lot about it; I saw articles in the press which accused parliament of wasting time, members, of being rubber stamps of the government, and all that sort of thing. But the winds of public opinion are a great thing to blow through legislation in the making. I do not believe this discussion was a waste of time, because bad legislation can do a great deal of harm. The American revolution was precipitated by bad laws hastily passed. The party caucus is where members air their views freely and why they stand together in the house. That is not being a rubber stamp; it is being efficient.

A second chamber provides assurance; the people feel assured that legislation will be reviewed by men of experience and wisdom. In effect we are the court of last resort before this or that bill becomes the law of the country. Today there are plenty of facilities for gauging public opinion. Day by day the press and the radio report what is going on and how the public are receiving it. This helps us to form our opinions. The fact that we have not come into conflict with the other house shows how carefully legislation is prepared and considered; and those responsible for initiating it appreciate the advantage of having it reviewed in this chamber.

People talk about the expense of legislative bodies. But it is not government that is expensive, it is the administration of government in this country which really costs money. Some woman is reported to have said that it costs a million dollars a year to run the Senate. I cannot believe that is so. A commentator spoke of having seen only a dozen senators siting in this chamber. There were sixty present last Thursday, and I am sure there are sixty here tonight. These careless statements and sloppy opinions which are circulated on the radio should be checked here, and I am sure the Senate is ready to stand up and fight. It is a good thing to stand up for one's rights; and if the time should come to bring purveyors of misinformation before the bar of the house, let us bring them here and thus make them stick to the truth.

It has been suggested that senators might serve without pay, like members of the House of Lords. The effect of such a change would be that only the well-to-do could be members of the Senate, and I do not believe that in this democratic country one would get far with the proposal that our membership serve without pay.

Two years ago an allowance for expenses was approved for the legislators of Canada. Members of the lower house were exempted from income tax on this allowance, but the exemption was not applied to members of the Senate. We did not feel that any indignity attached to this provision, because members of the government are not exempt from payment of income tax on their allowances; and I suppose that most of us agree that a member of the lower house, in meeting travelling expenses and the salary of a secretary whose services are necessary if he is to do his duty effectively, is put to far greater expense than we of this house. So we generally agreed with the legislation, in spite of this distinction, and we of the upper house pay the tax. I have mentioned this because opinion in this country is not well informed on some of these things, and it is well that we should give out information which will put an end to misconceptions of this kind.

Another suggestion frequently heard is that the Senate should be an elected body. According to the wording of my commission,

we are invited to assist and advise the King in matters of government. If we were elected we would immediately be in competition with the House of Commons. I do not think the other house would like that. From my observation of the personnel of this house, I believe that in that event we would dominate the situation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Kinley: I believe the last thing the House of Commons want is an elected Senate. It would throw our whole constitution out of balance. The fact is although members of the Senate, as presently constituted, are not elected nevertheless they are indirectly representatives of the people because they are appointees of a government which is elected by the people.

If there is one thing upon which we may congratulate ourselves it is that in the last decade, in fact in the last twenty years,—and I do not say this because the Liberal party has been in office; because any other party might have held power—we have had in government the stability which results from a party invested with a clear mandate to carry on its work. Had the Senate during all this time been elective, majority opinion would have ruled here in practically the same degree. So this matter of an elective upper chamber does not seem to me to be of much practical importance.

I am sure it would be detrimental to the Maritimes to have an elective Senate. At the present time they are represented by twenty-four members, and therefore have equal representation, numerically, with the province of Ontario and with the province of Quebec. Also, since Newfoundland came into confederation, the Maritime Provinces are strengthened by six additional senators. Does anyone suppose that if the Senate were elected on the basis of representation by population, the East and the West of this country would obtain the degree of representation they have now? It follows that as far as the Maritime Provinces are concerned, an elected Senate would diminish our influence in the Parliament of Canada.

Some people talk as though democracy always implies direct election by the people. Well, down in the United States the "Home of the Free", the federal government is not elected at all. The people who really govern the United States are appointed by the President; he alone is elected. Cabinet ministers there have no responsibility to the people; their responsibility is to the President himself. It is true that their appointments must be approved by the Senate; but if a man of sound reputation, who is likely to do a good job, is put forward, there is not much difficulty about confirming his selection.

The resolution before us is one for self-examination. Had it been brought down by the government, we might have felt obliged to defend ourselves in order perhaps, to preserve our position. But when one comes to the business of self-examination one must have a single regard to the truth. Personally I would hate to be a party to supporting some reform to come in the future, but to which I myself would not have to be subjected. It seems to me that if changes are to be made they should apply also to us. We should not ask somebody else to do what we will not do for ourselves.

It is, I think, a compliment to the Senate that we engage in discussions of this kind. In every organization there is a wish for improvement. To put the matter of appointments to the Senate on the lowest conceivable level, that of security, let me ask honourable senators to tell me from their experience in the public life of Canada what reward there is for the layman who enters politics and gives his life to that kind of service. The barrister may become a judge. It is a great incentive for the lawyer who enters public life; but for the lay member the case is different. Everyone cannot be a minister in the lower house; and can anyone think of a better reward for merit and long service than to be appointed to the Senate, a position of dignity, with the opportunity of giving experience and wisdom to the further service of the government? While that may be a low level on which to approach the matter, it is after all a practical one.

Now, the Liberal party predominates in this country, and it predominates in this house. That is our difficulty. We are overloaded with Liberals, and the opposition is becoming weaker and weaker. Everyone here knows very well that that situation is going to cause trouble in our parliamentary system, and we should find a solution. The recommendation that the provincial legislatures appoint senators is not a new one. The Honourable W. S. Fielding, undoubtedly frustrated by the fact that the Senate was overloaded with Conservatives, suggested years ago that the provincial governments appoint some of the senators. I do not think we should change the constitution in order to do this. I do not agree with the suggestion of the honourable senator from Vancouver South (Hon. Mr. Farris) that local governments should appoint members to the Senate, but I think the government should declare as a policy that the provinces are to be given the privilege or right —if you want to call it that—to nominate from a panel a part of the representation in this house. This system would overcome the

difficulty we now face, and it would probably bring about a spirit of good will which does not exist today between the provinces and the dominion. The way the various provincial representatives act when they come together in conference would lead one to believe that they came from different countries. We are all of the same country, and we are all the same kind of taxpayers. It does not matter how a province may try to arrange that it will pay less money in taxes, the Canadian taxpayers still pay the bill and the sooner we can work together in an intelligent and congenial manner the better it will be for everyone.

Hon. Mr. Euler: May I interrupt my honourable friend? He said a moment ago that you might eliminate the preponderance of Liberals now in this chamber, by having provincial legislatures make recommendations for appointments from a panel. How would that prevent the appointment of men of the same political stripe as the government in power?

Hon. Mr. Kinley: Well, if you had a panel from the Ontario government you would bet Conservatives; from Alberta you would get Social Crediters; from New Brunswick you would get Liberals, and from Saskatchewan you would get CCFers. I am one of those who believe that the Liberal party is going to remain in power. If the Conservative party were to get into office the problem would be solved.

Hon. Mr. Euler: Is it not true that the effect of your suggestion is to pass on to the provinces the selection of men of their own parties?

Hon. Mr. Kinley: You are right to a degree. It would not necessitate changing our constitution because the members of the panel would only be nominated by the provinces, and the federal government would make the final selection. I think this would be a simple matter.

Honourable senators, some people entertain the idea that because the Senate is not always busy it is not doing its duty. The Senate is like a judge. You cannot say that a man is a poor judge because few people appear before him. I think, however, we should realize that inactivity breeds stagnation, and will destroy the best organization in the world. It seems to me that we should endeavour, as far as possible, to keep busy on matters which are of benefit to Canada. I think we could institute inquiries into matters of public interest. Royal commissions are expensive, and I think the Senate could sometimes take their place.

Most of the work done by the Senate takes place in committee, and the general public does not hear much about it. Let me refer, for instance, to our Divorce Committee. Last year it heard over 300 cases, and so far this year it has heard 150. This committee sits every morning and does a tremendous job. The task is not a pleasant one, but the work of the committee benefits all of Canada. The people of Quebec do not want a divorce court set up in their province. We respect their wishes, and it is their right to come before parliament with their petitions for divorce. I think our Divorce Committee is equal in dignity and knowledge to any court in the land, and I am sure that the lawyers who preside at its hearings would grace the bench of any court in Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Kinley: Last year the parliamentary fees paid by petitioners to the Senate Divorce Committee amounted to $50,000, and this money went into the public treasury. This sum would pay the indemnities of the senators serving on that committee. Further, one should consider what it would cost to maintain a divorce court in Quebec. I would suggest, however, that divorce proceedings be made final in the Senate and that it should not be necessary to refer divorce bills to the House of Commons, where they may be subjected to the by-play of those who seek to block them.

I should also like to point out that Senate committees have handled very technical legislation such as the Bankruptcy Act, the Canada Shipping Act, and the National Defence Act. Members of the Senate spent hours and days reviewing this legislation, but you did not read much about it in the press. It seems to me that we should advertise more, and tell the people of this country what we are doing.

Hon. Mr. Euler: How?

Hon. Mr. Kinley: If we did so, it would create a relationship which would prove advantageous to Canada as well as to ourselves.

In conclusion I want to say that in my opinion this resolution is not so bad as some seem to think. I would not defeat a resolution of this kind if it came before me as a member of a board of directors. It would seem that there is a feeling that this resolution implies that we are not doing our duty. I do not think it does. The resolution reads:

> That a Special Committee of the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

If honourable senators want such a committee I am all for it. I think the debate on this

resolution has aroused honourable senators, and various viewpoints have been expressed. If it comes to a vote, I shall vote for the resolution because I like inquiries; and while it is out of the ordinary, we must remember that we live in times when we should not be too concerned about precedent.

Honourable senators, I thank you for having listened to these few remarks. I am specially pleased to have been able to follow those who have so far spoken in this debate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: I move the adjournment of the debate.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 28, 1951

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Transport and Communications on Bill E, an Act respecting British Columbia Telephone Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 12, 1951, examined the said bill, and now beg leave to report the same without amendment.

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

Hon. Mr. Hugessen: Tomorrow.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Transport and Communications on Bill M-1, an Act to incorporate Trans Mountain Oil Pipe Line Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 20, 1951, examined the said bill, and now beg to report the same without amendment.

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

Hon. Mr. Hugessen: Tomorrow.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Transport and Communications on Bill N-1, an Act to incorporate Border Pipeline Corporation.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 20, 1951, examined the said bill, and now beg to report the same without amendment.

Hon. Mr. Haig: Honourable members, Mr. Speaker, I think the motion to adopt the report should be put, because some of us want to speak on the motion.

Hon. Mr. Hugessen: Would the honourable senator not speak on the motion for third reading, which I was expecting to be placed on the Order Paper for tomorrow?

Hon. Mr. Haig: All right.

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

Hon. Mr. Hugessen: Tomorrow.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Transport and Communications of Bill L-1, an Act to incorporate Canadian-Montana Pipeline Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 19, 1951, examined the said bill, and now beg leave to report the same without amendment.

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

Hon. Mr. Haig: I want to raise a question of order. I do this, Mr. Speaker, with great deference. I think the motion to adopt the report must be put. Otherwise we are prohibited from dealing with the report. I would humbly suggest that the rules require His Honour the Speaker to put the motion for the adoption of the report, so that we may discuss it if we choose. I am willing that this report be adopted, but if I do not record an objection, I am afraid that some time in the future that fact will be used against me. I think, therefore, that the motion for the adoption of the report should be put to the house, to be followed by the motion for third reading.

The Hon. the Speaker: Honourable senators, my understanding of the rules is that when a bill is reported without amendment, the next step is to call for the third reading of the bill.

Hon. Mr. Haig: I submit, on a point of order, that the rules provide that if a bill is with amendment, consideration of the report would have to stand over for another day. Unless I am mistaken, there is no way in which we can send a report back to committee.

Hon. Mr. Beaubien: You can on third reading.

Hon. Mr. Haig: You can send the bill back on third reading, but not the report. I think the rules provide that a report can be considered on the day it is presented, provided there is no amendment to the bill. If, on the other hand, there is an amendment to the bill, the report cannot be considered if anybody objects to it.

The Hon. the Speaker: I should like the honourable leader of the opposition (Hon. Mr. Haig) to indicate the rule upon which he is now basing his remarks. My understanding of the rules is that when a bill comes back from committee without amendment, it is usually read the third time and passed forthwith. I wish the honourable leader would point out the rule to which he is referring.

Hon. Mr. Haig: I would suggest that this motion stand until tomorrow, so that I may have a chance to study the matter.

Hon. Mr. Hugessen: Would the objection of my honourable friend opposite be sufficiently met, if His Honour the Speaker were to defer a ruling on the point my friend has raised? The ruling could be made tomorrow. I do not think it is necessary to hold up the bill now.

Hon. Mr. Haig: That is all right.

The Hon. the Speaker: Third reading, tomorrow.

DIVORCE BILLS

FIRST READINGS

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

Bill G-4, an Act for the relief of Antonio Romeo.

Bill H-4, an Act for the relief of James Edward Thomas.

Bill I-4, an Act for the relief of Mary Louise Webster Hunt.

Bill J-4, an Act for the relief of Marie Blanche Amilda Lessard Duplessis.

Bill K-4, an Act for the relief of Anne Fineman Segal.

Bill L-4, an Act for the relief of Ida Weinstein Yaphe.

Bill M-4, an Act for the relief of Shirley Titleman Rodin.

Bill N-4, an Act for the relief of Yvette Ernestine Gagnon Lyons.

Bill O-4, an Act for the relief of Rose Pakidailo Greenberg.

Bill P-4, an Act for the relief of Marie Jeanne Dragon Bigaouette.

Bill Q-4, an Act for the relief of Olive Marguerite Cann Nichol.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill T-3, on Act for the relief of Eileen McDermott McRandall.

Bill U-3, an Act for the relief of Laurice Mary Michel Shatilla.

Bill V-3, an Act for the relief of Mihaly Kovacs.

Bill W-3, an Act for the relief of Rebecca Glicofsky Brown.

Bill X-3, on Act for the relief of Selma Rokowsky Kirzner.

Bill Y-3, on Act for the relief of Ferdinand Langlois.

Bill Z-3, an Act for the relief of Violet Edith Macdonald Harris.

Bill A-4, an Act for the relief of Francoise Brunet Crassowski.

Bill B-4, an Act for the relief of Emily Rita Rowlands Simpson.

Bill C-4, an Act for the relief of Ivy Lucas Levitt.

Bill D-4, an Act for the relief of Marguerite Marie Rita Fournier Cook.

Bill E-4, an Act for the relief of Paul Emile Piuze.

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

THIRD READINGS

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

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

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

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Thomas Reid: Honourable senators, most of the speeches in this debate so far, if not all, have been made by honourable members of fairly long standing in the Senate, and in the light of the request by the honourable leader of the government (Hon. Mr. Robertson) that as many senators as possible express their views on the matter, I thought it would not be amiss for me, one of—shall I

say?—the newcomers to this house, to state my opinions on the resolution itself and on matters which have been mentioned by the various speakers. May I say first of all that I think the speeches in general have been instructive and educational, and the debate has been conducted on a very high plane.

Most of those who have spoken so far, it seems to me, have largely ignored the resolution and been at considerable pains to speak as though the life and usefulness of the Senate were under attack and criticism. In fact, if one can judge by the hearty applause which we have heard at times, it would appear that many honourable senators held that same view. Now, while I cannot agree with all that has been said, I wish to compliment those who have taken part in the debate, for I repeat that by and large the speeches have been excellent.

The leader of the government should have anticipated just such a debate as we have had, and in my opinion he should have confined himself strictly to the purpose of the resolution. Since I have been a member of this chamber I have not always seen eye to eye with the leader, and I do not expect that I shall always see eye to eye with him in the future. However, I believe that his intentions in bringing in this resolution were honest and very good indeed; and for reasons which I shall state before concluding, I am going to support the resolution.

I want first to discuss the question of the Senate as a second chamber, and to say that I heartily agree with all that has been said about that question in this debate. I believe that our parliamentary system, with an elective chamber on one side and an appointed chamber on the other, is outstanding amongst systems of government in the free democratic countries today. Without belittling our good and powerful neighbour to the south, I think that because of its system of government, plus too many radio commentators, it is somewhat difficult for an outsider to judge which of the two groups of legislators speaks officially for that country. All of which tends to confusion.

I am of the opinion that there is greater need today for the Senate than there was at the time of confederation and for some years following. I shall enumerate three reasons why I think this is so. First, I would point out that the power of the government today is growing, I find that I am not alone in believing this, for there are other thinking men throughout Canada who share my view. As evidence of this fact, I draw the attention of the house to a speech made last evening by Professor Corry to a Liberal convention at the Chateau Laurier. I do not intend to quote from his remarks at length, but I should like to read one or two statements in support of my contention that the power of government is growing and to show that the Senate has a duty to watch it, in the interests of the people.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Reid: A newspaper article about Professor Corry's speech, reads in part as follows:

> He said the discretionary powers exercised "by our government nowadays in time of peace are wide enough to cause concern." The practical certainty of cold war, if not actual shooting war, meant an increase in those powers. This gave rise to a need for vigilance because—

And I wish honourable senators to pay particular attention to this statement.

> —"the wider the powers of government are over a long period, the more government attracts men who like to exercise that range of power."
>
> "While we may feel quite secure in the hands of our rulers today, we can have no such assurance for the future. So, it is vitally important to look to the safeguards of individual freedom."
>
> He suggested the country must give some thought and expenditure to new and better ways of ensuring the responsibility of government to parliament—

That means the Senate and the House of Commons.

> —and to the people.
>
> If the country was to have a considerable measure of "order-in-council government" again, it should be considering seriously the establishment of one or more committees of parliament to examine, not the substance and policy of orders in council but the effect that the powers and procedures contained in them will have on individual rights and freedoms.
>
> "We should also be studying how to maintain the influence of parliament over policy and administration," said Dr. Corry.

Honourable senators, I think I need not elaborate that point further, because Professor Corry expresses very fully and very well the thoughts I had in mind.

As a second reason why a second chamber is necessary in our democracy, I would point to the over-growing numbers and powers of boards and officials, some of whom have, in my opinion, dictatorial mentality. I think the honourable senator from Ottawa (Hon. Mr. Lambert) referred to them as bureaucratic government

My third reason, and an important one, is that there is a constant reduction in the independence of members of parliament on the government side. Some may disagree with me about that, but I can cite many instances to support what I say.

I have a suggestion to make which, though it has to do with the House of Commons, has some bearing on this body. I should like to see the rules of the House of Commons changed to prevent the calling of an election because of the defeat of the government

on some minor matter or on the Speaker's ruling. I know from experience that many members have felt obliged to vote in favour of the Speaker's ruling, when they sincerely believed the ruling was wrong. Such an amendment as I suggest would allow greater freedom on the part of the people's elected representatives. At the same time, it should not be forgotten that the Senate is the only body which can defeat a government measure without defeating the government.

I may say to honourable senators that many years ago in the British Columbia Legislature there was what was known as "rule by caucus". I think the honourable senator from Cariboo (Hon. Mr. Turgeon) under a Liberal administration had something to do with the making of a change in the rules of the legislature, with the result that the provincial government could be defeated in a vote on a minor measure without, of necessity, having to resort to an election.

Hon. Mr. Roebuck: May I ask the honourable gentleman a question? Is there any law or rule now in effect that a government has to resign following its defeat on a minor measure?

Hon. Mr. Reid: There is no written rule or law to that effect, but experience has proved to me that unwritten rules are sometimes more effective than the laws of the Medes and Persians. Certainly the rule which I mention has been given effect to by all governments since I came to Ottawa.

Hon. Mr. Roebuck: By a government, yes.

Hon. Mr. Duff: A vote of confidence.

Hon. Mr. Reid: Such a vote is regarded as a vote of non-confidence, yes.

On the other hand, no one can foresee what kind of legislation might be introduced by a government, were it not for the Senate. Many times in the past I have heard the Prime Minister of Canada remind members of the Commons that some legislation proposed by them would not be passed by the Senate; and for that reason it was not introduced.

In view of the three points I have just mentioned, and because of the important position the Senate holds today, its need is greater than ever. Nevertheless, persons who have the honour to hold a seat in this chamber will be expected to be on the job and, on behalf of the people of Canada, to consider all legislation from a strictly judicial point of view.

I come now to what has been said in this debate about the press. At a previous session of parliament the leader opposite (Hon. Mr. Haig) made a statement to the effect that senators are the highest-paid old age pensioners there are. This statement—and I say this in a kindly spirit—was rather unfortunate. Recently my honourable friend said that some radio stations should be put off the air because of certain statements they had broadcast about and against the Senate. No doubt such statements do a certain amount of harm to the Senate; but the fact that they are widely publicized shows, I believe, that that is the kind of reading, or listening, the public is interested in, and no apology will ever catch up with the original statement.

On the other hand, I would remind honourable senators of the publicity which has been given to this debate. Almost every newspaper in Canada has had something to say about each speech which is rather unusual for the Senate, and the publicity is all to the good. Although I have often doubted the reason for printing some of the things I read in the newspapers, nevertheless, I realize that editors and reporters, generally speaking, understand better what the public want and what they think than do many of us who are engaged in public life. In so far as obtaining publicity is concerned, the Senate is in no different position than the House of Commons. It is generally known and recognized by all members of parliament that if one wants publicity for publicity's sake, all one has to do is to make some wise-crack or utter some statement out of the ordinary, whether senseless or sensible, and it will receive attention—perhaps headlines—in many of the papers throughout the country.

Speaking personally, I have never objected to press criticism, nor have I complained when statements of mine went unreported. If what I have said in the House of Commons or in the Senate has been held to be unworthy of notice, I have accepted that judgment without question. But to me it is a matter of regret that, though some wise-crack is given prominence in the press, speeches of outstanding merit to which I have listened are dismissed with so little attention that one almost needs a magnifying glass to find any reference to them at all. Were it worth while, I could quote many examples of such one-sided publicity. I well remember that two years ago, having made some statements about Ottawa and its city government, I received more attention in the papers than had been my lot in all my public life. For three or four days consecutively my name appeared on the front pages and at various places throughout the paper. It seems that I stirred up a hornet's nest by my remarks about Ottawa's city council, and it is a pleasure to be able to say now that that publicity had some good effects on and for the city, because some of my

recommendations are now being carried out. For example, I remarked that I thought Ottawa was over-governed, that there were too many members on its council and board of control. I am happy to see that some move has at last been made to reduce the surplus. The service rendered through this publicity did not assist me personally, because it had no effect in my home constituency; and I was rather astonished when the mayor of Ottawa said, "Pay no attention to that wild man; he will never come back." I overlooked one thing: after the election I omitted to send him a telegram suggesting that he would be pleased to know I had been re-elected as the member for New Westminster.

My chief objection to much of the publicity we receive—and I think my view is shared by practically everyone in public life—is, not so much the criticism that is made, but the way in which one's statements are sometimes misreported and misconstrued. If one's exact words were printed we would not have, I think, much ground for criticism; for after all, as I have said, presumably editors and reporters know better than we do what the people want. I must admit that I might make a pretty poor newspaper man, because my policy would be to print only what I thought should be printed, and the resulting product would probably be much less popular than much that is produced nowadays; in other words, the paper would not sell very well.

I come now to the question of whether appointments to this body should be made by provincial governments. Let me say at the outset that I am opposed to this suggestion. On this score I not only disagree with my friend the honourable senator from Vancouver South (Hon. Mr. Farris), but I believe that the suggestion he made is in diametrical opposition to what he said earlier in his speech on the subject. For instance, he said that the Senate is a judicial body. With that statement we all agree. Why, then, adopt a method of appointment which would bring in men whose utterances might be wholly partisan? It may be that the honourable senator would get a lot of fun in the process of disputing with them; as a matter of fact, if such a thing occurred here, I should enjoy getting into the debate. But if we are to preserve the judicial character of this body, it would be well not to encourage speeches of that kind.

In my opinion, honourable senators, there never should have been in this chamber a formal opposition. To this feature, I believe, is due entirely the attention which has been drawn to the fact that the opposition is recognized as a party—one which has now dwindled to some eleven members. As has been pointed out, the time may come when the membership of the Senate will consist entirely of appointees of the Liberal government; and the Canadian people, believing that there must be opposing political parties in the Senate, will not take very kindly to the situation when that time comes.

It is easy to start something, but often very difficult to change or go back to former things. Britain will never revert to the conditions of former days, even if a Conservative government is returned to power at the next election. In the main, change is irreversible, and that is one of the reasons that I am concerned about many of the things which are being done in this country under the cloak of fear of war. Bit by bit the people are losing their freedom and being regimented through state laws and orders.

However, to return to the subject of provincial appointments. In my opinion such a system would provide no guarantee that any better class of individual would be appointed to this chamber.

Hon. Mr. Duff: Quite right.

Hon. Mr. Reid: Nobody can dispute the possibility that provincial premiers and governments would appoint friends, or even rivals whom they wanted to get rid of, without much thought as to the ability or usefulness of their nominees in public life or in the Senate. One can foresee jealousies and even class distinctions; and heaven forbid that we ever have class distinction in the Senate. At present, the criticism that I, as a newcomer, might make of the Senate is that it is too smug, too satisfied with itself, and too inclined to look askance at recently arrived members when they begin to air their views. It may be that after many years, I too may get smug. I hope not. But as one recently arrived here I must admit a suspicion that there is a little family compact here which seems to run affairs. If I were a member of that family compact perhaps I would not mention it; but being on the outside trying to get in, naturally I criticize. As a Liberal I am opposed to vested interests. For this and other reasons I believe that there is not much merit in the suggestion that certain appointments be made or recommended by provincial governments. I wonder who would make the appointments in British Columbia, where we have a Coalition government. The person looking for the job of premier might recommend that the present premier be appointed to the Senate in order to get rid of him. Even he, however, would not be any better than those of us who have already been appointed to this chamber.

I come now to the touchy subject of a retiring age of seventy years for senators. I

think that when the honourable gentleman from Inkerman (Hon. Mr. Hugessen) made this suggestion, many honourable senators regarded it from their own present age position and not from the point of view of future appointments to the Senate. No one has even suggested that such a rule should apply to those already here, because every honourable member here accepted his appointment knowing and believing that it would be for life. Some of those who have spoken during this debate have pointed out many great and illustrious men who were mentally and physically sound long after they had passed the age of seventy-five. Let me say that they were the exception rather than the rule. Generally speaking a person's faculties begin to decline at seventy-five. This is true in the very nature of things, and I do not think there is a doctor among us who would disagree with that statement. May I remind the good Presbyterians and others here that it was laid down in the Holy Writ that the allotted span of life is "threescore years and ten", some being granted extra strength to carry on a for a time longer. I, too, could refer to great men of old age. I recall that in the city of New Westminster there was a Mr. Furness, who was one of the few men to live to be over one hundred and to have a birth certificate to prove it. That is something rare. I remember that in his ninety-ninth year he climbed a ladder and pulled apples off one of his trees, and when he came down he said "I think I am getting too old to pick apples. I'll have to stop growing them." If one had been in New Westminster they could have visited Mr. Furness, who celebrated his one-hundredth birthday before passing on. Honourable senators, I believe that such a retiring rule as has been suggested for the future would bring in younger men with more vigor, and would remove some of the accusations which have been made about appointees being old-age pensioners or appointment being a sinecure for life.

The honourable senator from Inkerman (Hon. Mr. Hugessen) referred to the retirement of civil servants at the age of sixty-five. I would remind honourable senators that sixty-five is just five years short of the allotted span of life.

Hon. Mr. Euler: May I ask the honourable senator a question? He approved of not having men of seventy-five or over in the Senate because their powers had begun to fail; but he said no suggestion had been made that those now in the Senate should retire upon attaining the age of seventy-five years. I should like to ask him how he can reconcile those two statements. Why should those who were appointed before the age of seventy-five not retire when they reach that age? Perhaps their powers also fail.

Hon. Mr. Reid: It is all a matter of personal viewpoint. If you hold the view that you ought to retire at seventy-five, you may very well not feel like staying after you reach that age. On the other hand, having accepted appointment for life, I might take a different view.

I have something more to say about this proposed retiring age of seventy-five. I am not through with the question and if I may be permitted to do so, I want to mention some safeguards.

Hon. Mr. Quinn: Was not the retiring age of sixty-five for civil servants stipulated by the Civil Service Association itself?

Hon. Mr. Roebuck: By the young men, yes.

Hon. Mr. Reid: That may be. I have my own views about the powers of the Civil Service Association. The make-up of the Senate, from what I have seen since coming here, is no different from that of the House of Commons or, in fact, from that of any other body elected to carry out public business or affairs. I would point out that the attendance in the House of Commons is not nearly as good as that of the Senate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: When I was in the other house I said that if I had my way each member of the House of Commons would have an attendance card, and I advocated such a plan.

Hon. Mr. McKeen: The same as in the Senate.

Hon. Mr. Reid: Yes. It is well known that the government is often afraid to take a vote because there are not enough members present. I remember one occasion when only thirteen members of the House of Commons were present. The late R. B. Bennett pointed this fact out, and it was my good fortune to have been one of the small group there. There was no quorum, so we had to adjourn; but nothing was said about it in the press. In my opinion the duties of senators and members of the House of Commons are largely those of conscience combined with those of physical ability or condition. As I have said, for long years I advocated keeping an attendance record in the Commons so that the attendance in that house would be better, especially on Fridays and Mondays.

Honourable senators, I think you will agree with me that thousands of those who entered the public service have not always been dealt with fairly upon retirement. If a provision requiring retirement at the age of seventy-five were put into effect, I would

start with the members of the House of Commons, and recommend that their indemnity be raised to $10,000 per annum. I would also eliminate the income tax exemption. I would establish a voluntary contributory retiring scheme, so that if a member retired in five year's time, or was defeated, he would not be left without anything. He would at least get his money back. After he had served ten years he would be entitled to receive an annuity, in the same way that civil servants do under their superannuation scheme. But so long as he remained a member of the house he could continue making his payments, and if he were, shall I say, elevated to the Senate, he could keep on paying into the fund until he retired.

As we all know, many men have given the best years of their lives to representing their constituencies in the House of Commons and elsewhere. During that time they have contributed not only their services but their substance, and you cannot blame them if in their declining years they request appointment to this honourable chamber for the remainder of their lives. I say we should look at the matter broadly and squarely and see to it that some provision is made for taking care of these people who have done so much in the public life of Canada.

I remember very well the cry that went up in certain parts of the country when the indemnity payable to members of the Senate and House of Commons was increased from $4,000 to $6,000 a year. I attended a meeting of some 350 old age pensioners who were asking for higher pensions, and a meeting of some 300 members of the Canadian Legion who also were seeking larger pensions, and on each occasion someone from the audience threw at me the question why the sessional indemnity for members of parliament had been increased. I stepped to the front of the platform and expressed thanks for the question, because it gave me an opportunity to say things which otherwise I might have hesitated to mention. I pointed out that a member of parliament is obliged to leave his home and business for about six months of the year; that he maintains an additional home in Ottawa during this period and incurs all the other expenditures that one has to meet while in public life; that during the session he has to work from twelve to fourteen hours a day, and sometimes gets very little appreciation from the people whom he serves—indeed, he often gets abuse. I asked how many of those present would be willing to undertake that kind of job for the indemnity, and there was no answer. At first glance $6,000 may seem like a lot of money to some people, but they change their minds when they realize the service rendered in return for it. I do not know of any man who has made money out of representing his constituency in parliament.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: If a pension plan were inaugurated, I think there should be a proviso whereby a man after he had served for a certain number of years in the Senate—I would hesitate to specify any number of years—and had reached a certain age, could, if he desired, retire on, say, 50 per cent of the sessional indemnity. I believe quite a few would gladly accept a chance to remain at home under those conditions rather than be obliged to come here and live in a rented room in order to keep up their attendance and make sure of getting the indemnity. We all know that sometimes an honourable member may be dependent on what is provided for him by the State, and I think we should have a better way of rewarding faithful service to the public than we have had up until now.

I believe I have covered, perhaps briefly, most of the points raised by previous speakers, and I now wish to make a few suggestions. When I read the resolution, the first question I asked myself was this: Is the Senate making its maximum contribution to the welfare of the Canadian people? In effect, the resolution asks whether we are doing everything which we could or should do in the interest of the people. My answer to that question—and I realize some honourable senators may disagree with me—is that there are many things which we could do in the interest of the people that we are not doing, and I believe that further consideration should be given to some of the things that we are doing.

First I wish to refer to the work of the Divorce Committee. I asked the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) if the Senate's duty to deal with divorce had existed ever since confederation, and his answer was that it had. But it seems to me that the Fathers of Confederation could never have contemplated that the Senate would receive hundreds of petitions for divorce and that two committees would have to sit five or six days a week for a period of several weeks each session in order to get through them. I have every respect for the men who serve on those committees. They are doing a very fine work, and I think we are fortunate in having members who will undertake a duty of that kind.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: But the growing number of petitions is causing such an increase in the work that it will soon become more difficult

to find honourable senators willing to undertake it. And may I say to honourable members of the two committees that, laudable though your work is, the general public are not in sympathy with what you are doing. There is no use in telling the general public in my province that the Senate has a large number of divorce bills to handle. The people, and especially those who do not believe in divorce, will retort, "Why is the Senate wasting its time on bills of that nature?" And after all, honourable senators, it is not in the best interest of Canada that the Senate should continue handling divorce cases. I join with members of the House of Commons who have suggested that parliament require the Exchequer Court or some other court to handle divorce cases from provinces whose courts have not divorce jurisdiction.

If the Senate could be relieved of the handling of divorce cases it could carry on with more important work. That was made clear the other day when the report of the Committee on Immigration and Labour was presented. The leader of the opposition (Hon. Mr. Haig) then pointed out, and rightly so, that an understanding had been reached with the leader of the government (Hon. Mr. Robertson) that no other committee whose proceedings were to be reported should meet before Easter, in order that the work of the Divorce Committee might be concentrated upon and cleaned up. Were it not for the divorce cases, we could be dealing with matters of more important public interest right now.

I will mention some matters to which we could well pay some attention. I am not suggesting that we should go into them all at once, of course. In my opinion the Senate would be well advised to look into the Canadian Broadcasting Corporation, not merely in a cursory way, as we do when considering the estimates. We should also make inquiry into the National Film Board, which has never been investigated by any group of parliamentarians from either house. I do not say there is anything wrong with the board. But just look at the money it is spending! Nowadays all the ministers are so busy that they have no time to look into what some of the boards under their administration are doing.

I think that we also should inquire into the Dominion Bureau of Statistics. It is off on its own, not subject to any control at all. The other day I had a letter from a neighbour of mine who said that she had been visited three times by a man who asked her numerous questions, some of which appeared to her to be very foolish. She asked him by whom he was employed, and he replied that he was hired by the Bureau of Statistics. He asked her such questions as these: "How long have you lived here? Where does your husband work? Has he a steady job? How many jobs has he had in the past ten years?" He had a little card on which he punched the answers, which is a much simpler way than writing them down. After the first interview with this lady he said that he would be back. My information is that he has paid her three visits, and asked practically the same questions on each occasion.

Hon. Mr. Duff: He did not ask her age, did he?

Hon. Mr. Reid: Well, I did not like to mention that, but as a matter of fact I believe he did.

I offer that as an illustration of what is being done today. Every honourable senator receives such a volume of material that he cannot begin to read it all.

I would go further and suggest that in the public interest an investigation should be made of Crown Companies, and that senators be appointed directors of these companies. After all, they are doing public business. The Central Mortgage and Housing Corporation is one body which I think should be investigated; and the Canadian Commercial Corporation could also be looked into. Just a few days ago an answer brought down to an inquiry I made in this house revealed that so far some 42,000 contracts had been let by this corporation. I am not saying that there is anything wrong with its activities, but I point to the unlimited power and the unlimited public funds which are given to those who operate such organizations.

Some honourable senators are asking: What can we do in the public interest? Some have expressed the view that we are doing all we can. With this view I am in strong disagreement. Personally, I should like to associate myself with such investigations as I have suggested, for I believe a useful purpose could be served. Even if nothing improper was found, the heads of these bureaus and boards would realize that they must be more careful, because they are liable to be called before a Senate committee and asked pertinent questions which might be difficult or embarrassing to answer.

I come now to the question of the defence estimates, amounting to $5½ billion. That is a lot of money. I know how the heads of the armed services feel about these matters. They want fine houses and big cars, with no controls exercised over them. In the interest of the people, I think these large expenditures could very well be reviewed in detail by a

committee of this house. It need only pick out one or two departments a year, and deal with them effectively.

Honourable senators will recall that a few years ago the National Film Board had in its employ a man by the name of Grierson, who later left the country. I have read that he had elaborate establishments in various countries of the world, supposedly in connection with the National Film Board, but for which no satisfactory explanation or justification could be given.

I come now to my last point. I should like to know about the expenditure of money in the United Nations Organization. I know that that body is paying high salaries, and that the money comes out of the United Nations. When we pay certain persons high salaries which are free of income tax, we are building up a class. As a Liberal I am against class distinction. It was with that view that I advocated that members of the House of Commons be given an increased indemnity, subject to income tax, the same as everybody else.

In conclusion, I appeal to honourable senators who have already committed themselves to oppose the resolution now before us. It may be that such a resolution as this should not have been introduced. Be that as it may, this debate has focused the eyes of the people of Canada on the Senate, and perhaps some good will ensue. Some able speeches have been made, and a considerable amount of important information has come out of the discussion. As I pointed out earlier, however, very little has been said regarding the actual work of the Senate; most of the remarks appear to me to have been arguments as to why the Senate was set up and the purpose of it, with no suggestions as to ways in which we could, on behalf of the Canadian people, improve the work and duties of the Senate. I now fear that if this resolution goes to a vote and is voted down, our action may well be interpreted throughout the country as meaning that the Senate is not prepared even to consider the matter. So I appeal to all honourable senators to consider the impact of such action on the public mind in the light of the wording of the resolution. As servants of the people of Canada we cannot afford to have such an accusation stand before us.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Forgetting for the moment the question of an age limit, do the suggestions made by the honourable senator from New Westminster require no amendment to the constitution? If we have the will to do so, we can implement them now?

Hon. Mr. Reid: Yes. That is the reason I suggested that a committee should be set up.

Hon. Mr. Lambert: I have one question to ask the honourable senator in relation to his closing comments. If I understood him correctly, he suggested that this resolution should not be opposed because of the undesirable publicity which the Senate would get as a result of doing so. Am I right in that interpretation?

Hon. Mr. Reid: Yes.

Hon. Mr. Roebuck: I wonder if the honourable gentleman has considered what undesirable publicity we might get if it were voted down?

Hon. R. W. Gladstone: I can assure honourable senators there has been no exchange of ideas between the honourable senator from New Westminster and myself.

Hon. Mr. McKeen: No collusion.

Hon. Mr. Gladstone: I say this because honourable senators will note some similarity of presentation on one particular point with which I shall deal.

There is no governing body, all Canadian, that is as free as the Senate to exercise independent judgment in matters related to the welfare of the Canadian people. It is almost inevitable that politics will enter at some stage into the deliberations of the federal government, the provincial legislatures and municipal councils. I mean politics in the sense of political intrigue, as contrasted with politics defined as the science of government. It shows up even with the public in its demands for preferments. Sometimes one feels there is more politics outside of parliament than in it.

The honourable leader of the opposition in the Senate (Hon. Mr. Haig) has on numerous occasions proved himself a statesman by his independent consideration of matters of great moment. The same tribute can justly be paid to the honourable leader of the government (Hon. Mr. Robertson). Both these gentlemen last year supported a proposal for the non-political consideration of the estimates, with a view to reducing the cost of government. I shall refer later to this effort.

We have before us now the resolution of the honourable leader of the government to study means of finding new avenues of usefulness for the Senate. Unfortunately some controversial issues have befogged the real purpose of his resolution. I would think he may not be altogether blameless for this happening. His reference to age retirements and the method of appointing senators has stirred up a hornet's nest. The politics of self-preservation has distracted attention

from the primary purpose of his resolution. In my opinion the difficulty is not insoluble. I shall endeavour later to propose a remedy to be accomplished without amendment of the constitution.

Not being a lawyer, I am not competent to enter into legal arguments; my approach can be only from the business angle. My consideration of the resolution will fall under three headings:

(1) Has the Senate carried out its responsibilities as intended by the B.N.A. Act 1867?

(2) Can and should the Senate enlarge the scope of its work in a way beneficial to Canada?

(3) What is the remedy for any inefficiency in the Senate due to appointments for life, and what better method can be devised to give representation to the various shades of political opinion?

The first of these headings—"Has the Senate carried out its responsibilities as intended by the B.N.A. Act 1867?"—has been the theme for discussion by a number of senators who are members of the legal profession, and others. They have established that the Senate has functioned at all times in its duty of amending faulty legislation and of vetoing hastily considered and ill-timed legislation. Various examples have been given. I might cite a revision forced by the Senate since I have had the honour of sitting in this Chamber. The charter of the Red Cross Society permitted investment in property to the value of $100,000. In 1949 a private bill came from the House of Commons whereby this limit was to be eliminated. Debate there eulogized quite properly the work of the Red Cross Society, but seemingly overlooked the vital section as to property investment. The Senate refused to pass the bill. A new bill was passed by the Commons in 1950 fixing property investment at a maximum of $200,000. This bill was acceptable to the Senate and is now law. The point is that the executive of the Red Cross Society is not empowered to invest more than $200,000 of the voluntary contributions of the people in property, and thereby the tendency to build up costly organizations is frustrated. A gentleman commented to me recently, saying: "You don't have an emergency brake on a motor car to use all the time, but you don't want to take it off". Lifeguards at bathing beaches are not every day saving people from drowning. The usefulness of the Senate of Canada has been demonstrated periodically to effect very considerable savings for the Canadian people.

My second heading for discussion is: "Can and should the Senate enlarge the scope of its work in a way beneficial to Canada? It is sheer nonsense to think that we can justify the continued existence of the Senate if it goes along as provided by the Fathers of Confederation 83 years ago. If, as a governing body, we stand still, nothing is more certain than that in time, the Senate will be eliminated as an arm of our government. Progress is about us everywhere. Our forefathers drove ox-teams along the trails. Now we speed the highways powered by gasoline from Alberta or Texas. We can breakfast at home and dine in London. Inflammatory trouble in the abdomen generally meant death in bygone days, in spite of hot applications and castor oil. Today appendicitis is conquered by the surgeon's knife and penicillin. Pneumonia is no longer dreaded since the discoveries of sulfa drugs, penicillin, chloromycetin and what have you. One could go on and on giving examples of progress through invention, engineering and science. The Senate cannot restrict its work to "the second look at legislation" status in this era of progress.

The honourable senator for Toronto Trinity (Hon. Mr. Roebuck) criticized various alleged aspects of the resolution and advised its withdrawal, to the extent that the *Globe and Mail*, in reporting his speech used the heading "Roebuck opposes Senate Reform". That heading was unfair, for I find a saving argument in the Senator's speech. I quote:

> Work to do! Why, honourable senators, there is an abundance of it. It is merely a matter of our taking hold with courage and industry, seeing the things required to be done and doing them. For heaven's sake let us cease this plaintive bleat to the House of Commons to give us work to do. We should find our own work.

I am in agreement one hundred per cent with the Honourable Senator in this statement. But I am amazed at the length to which he goes in the very next paragraph in his effort to defeat the resolution. He said:

> . . . it expresses the thought—perhaps not too plainly, but by implication—that the Senate is not now performing its maximum service to the people of Canada. That is implicit in the resolution, and I think that to the extent that it is there the resolution is unjustified by the facts.

Not being a lawyer I am unable to comprehend this finer point of argument in the debate. But my humble sense of discernment tells me there is weakness somewhere in a situation where there is an abundance of work for the Senate and the Senate is now performing its maximum service to the people of Canada. The remedy surely must be more senators or better senators; or it might be more constant attendance by senators, especially those of us who come from Ontario and Quebec.

Hon. Mr. Horner: Hear, hear!

Hon. Mr. Gladstone: And so I would deduce that the Senate should look about for places where it may enlarge the scope of its work. That, I take it, is the primary purpose of the resolution proposed by the leader of the government.

This effort should not be the lone-handed work of any one senator. It is quite possible that each and every senator has in mind something that could be advanced as a resolution to make it a matter for study by a special committee. Only a certain number of resolutions could be undertaken each session. First things should come first. A suggested resolution should be submitted to a resolutions committee and framed in the broadest and best terms before appearing on the order paper in the name of the proposer. I have in mind matters that might very well be debated, but I would welcome the advance consideration and suggestions of a resolutions committee.

Particularizing, I would say that the proposal of the Leader of the Government in 1950 to have quite a number of committees of the Senate study the estimates of the various departments of government was timely, but the operation was not well planned. In some committees it resolved itself into a mere duplication of the consideration of the estimates as carried on in the House of Commons. That is not enough. In the other house a motion to reduce the estimate for one item of expenditure in one department would constitute want of confidence in the government. In the Senate a recommendation that a certain section of any department is no longer needed, or that it might be amalgamated with some other section, would be heeded by the government in its further administrations. In the Senate a recommendation that the test-tube rooms in various departments might better be centralized in one test-tube department, would receive consideration by the government in its further administrations. Too often busy ministers are the prey of civil servants for continuation of excessive or needless expenditure.

Some good work was done in 1950 by our Committees on Estimates. But who knows about it?—only the six or ten senators who attended the meetings of the committee. The other senators do not know what transpired, and the minister of the department does not know beyond what may have been related to him by members of his staff. The members of the House of Commons do not know. Whatever value might have accrued from the study is largely lost. To be of value records should be made and distributed. I understand that in the British Parliament it is the practice to consider the estimates of about two departments each year, going through, these as it were, with a fine-tooth comb. I would recommend that before committees are set up this year to study estimates, consideration as to procedure should be given, and that the evidence taken by committees be printed.

As an illustration of something untouched, which might lead to legislation in some form, may I suggest that a special committee might give consideration to the trend in our national life whereby the commercialization of entertainment is becoming a factor in juvenile delinquency. It is becoming more and more difficult for home influences to combat the allurements provided by those who are out to make money for themselves, regardless of the effect on the youth of Canada. I am sure that everyone in authority in federal, provincial or municipal affairs, and in Christian organizations, would welcome any study by the Senate which had as an objective the elimination of some of the undermining influences in our national life. And here may I say it is to be deplored that a minor mis-step by a youth, which earns for him even fifteen days imprisonment, brands him on the court records as a criminal for all the future years of his life. His record follows him when he seeks a passport and when he applies for a position with large corporations, banks, railways or the government itself. Surely after a youth goes straight for a period of, say, ten years, he might be forgiven for trivial misdemeanors!

I come now to the third heading of my remarks, namely: "What is the remedy for any inefficiency in the Senate due to appointments for life, and what better method can be devised to give representation to the various shades of political opinion?" A solution of these points, I submit, would require adjustments affecting both branches of parliament. Broadly speaking, these involve a contributory retirement fund for the benefit of both the members of the House of Commons and of the Senate, and increased remuneration for members of the House of Commons. I wish here to make plain that I have no thought of building up a case for additional remuneration to Senators. One can think of many members in the House of Commons whose earnings in private business or professional life would be double, treble or quadruple the amount paid them for their services to Canada. Just for the record I may say they receive $4,000 as a salary and $2,000, non-taxable, for expenses. Expenses of persons in business are exempt from tax when they are away from home on business. The expense allowance of senators is taxable.

Hon. Mr. Horner: Why is that? Are you in favour of that?

Hon. Mr. Gladstone: Yes, I am in favour of it. I think the indemnity of the members of the House of Commons should be increased, but that their whole income, including expense allowance, should be taxed. In the United States, senators and members of the House of Representatives receive $12,500 annually and $2,500, non-taxable, for expenses. In addition other provisions work out in many cases to give them substantial extras.

I do not hesitate to say, after fifteen years as a member of the House of Commons, that the members are greatly underpaid when one considers the election risk, the sacrifices made and the service rendered. A member must give up his home life for six months in the year. During the remaining six months his first duty is to his constituents. His business, if he has one, will suffer and, quite probably, evaporate unless the electors rescue him through failure to re-elect him. If any continuity of service of able men in parliament is desirable—and this is admitted—they must be better paid. I can think of a number of former members who dropped out of politics for these reasons, and whose absence from parliament is a distinct loss to Canada.

All of this has some bearing on the Senate situation, hence I take time to speak of one further angle which is extremely painful. There is quite a list of ex-members and their wives or widows, and even former cabinet ministers, who today are in destitute circumstances. Some senators in advanced years, with health appallingly broken, are keeping up their connection here because they are without other means of livelihood. Many came up through long service in the House of Commons. It would not be proper to mention names, but most honourable senators know them. If there were a contributory retirement fund many would retire voluntarily. Who knows! There might be a dozen or even twenty retirements immediately, making room for as many younger men.

Let me say just a word as to the basis of the retirement fund. I would suggest that the maximum payment might be based on twenty-years service in parliament. Fifteen years service would give entitlement to fifteen-twentieths of maximum pension. There would be a certain portion payable to a surviving dependent. It is my thought that the much-criticized situation as to the age of senators would cure itself. Those who were conscious of their inability to give worthwhile service and those who, in failing health, felt greater enjoyment with the home folk, would retire voluntarily. No compulsory age limit for retirement would be required, and no amendment to the constitution would be needed. Earlier in my speech I commented that the Senate was the one independent legislative body in the entire range of government in Canada, whether federal, provincial or municipal. Even so, I can see real merit in the suggestion for a more certain representation of all parties in the Senate. A system of retirements would make vacancies more frequent. Provision for a retirement fund for members of the House of Commons would minimize the number of applications for Senate appointments. An unwritten law, to be followed by the government of the day, could provide that one in three or one in four of new appointments should go to an outstanding person holding political views opposed to those of the government.

The honourable senator for Inkerman (Hon. Mr. Hugessen) suggested that the present resolution of the honourable leader of the government should be replaced by three separate resolutions. I can go along with him in his first two suggested resolutions, which are:

(1) That the system of nomination of senators, rather than that of direct election, should be continued as the best system in the interests of the Canadian people;

(2) That it is highly desirable that some system be devised for a more fair and balanced representation in the Senate of the various currents of political opinion in the country.

To these I would suggest the addition of a third resolution, reading:—

That a joint committee of the Senate and the House of Commons be named to study methods of establishing a contributory pension fund for all members.

Honourable Senators, these suggested resolutions are within the ambit of the resolution that is before this chamber. I cannot see why they should not be considered by the proposed special committee. All that is asked for is a study of the possible methods whereby the Senate can make its maximum contribution to the welfare of the Canadian people. I suggest that the honourable senators who have indicated opposition to the resolution should again consider it just as it reads. Its rejection would be interpreted by the Canadian public as a refusal of the Senate to try to keep pace with the progress that Canada has made over all the years since 1867.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 1, 1951

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

Prayers and routine proceedings.

EXPORT AND IMPORT PERMITS BILL

REPORT OF COMMITTEE

Hon. Mr. Euler presented the report of the Standing Committee on Banking and Commerce on Bill W-2, an Act to amend The Export and Import Permits Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 22, 1951, examined the said bill, and now beg leave to report the same with the following amendment:

1. Page 3, line 5: Delete "fifty-six" and substitute "fifty-four".

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

Hon. Mr. Hugessen: Next sitting.

COMMITTEE REPORTS

QUESTION OF PROCEDURE—RULING

The Hon. the Speaker: Honourable senators, before the Orders of the Day are called I wish to advert to an objection which was raised yesterday by the honourable the leader of the opposition (Hon. Mr. Haig) to the procedure on a report of the Committee on Transportation and Communication, returning a bill to the house without amendment. Following some discussion of the matter, it was suggested by the acting government leader (Hon. Mr. Hugessen) that a formal decision be rendered today.

Honourable senators will recall that when the report was presented and the question was put "when shall the bill be read a third time?", the leader of the opposition (Hon. Mr. Haig) objected, saying that there should be a motion for the adoption of the report. I ruled that when a bill is reported without amendment there is no need for a motion to adopt the report.

I find on referring to the *Forms of Proceedings* of the Senate, pages 24 and 35, that there may be some room for confusion. Paragraph 39 states:

> The Speaker calls "Reports of Committees." All Reports are presented by the chairman of committees, who also sign the same, and all marginal notes there may be. A chairman having said he is ready to present his report, the Speaker says: "Is it your pleasure, Honourable Senators, to receive the report?" "Bring in the Report." After the report has been received and read by the Clerk, the chairman moves, either that the report be now adopted, or that it be taken into consideration on a future day.

On the other hand, paragraph 41 reads as follows:

> If the report contains a bill without amendment, it stands adopted without any motion, and the Senator in charge of the bill moves, that it be read the third time on a future day.

In confirmation of this I would refer to Bourinot, page 477, where I find the following:

> It is the practice to move concurrence in the reports, of committees in certain cases. For instance, the reports of printing are invariably agreed to, as they contain recommendations for the printing and distribution of documents, which must be duly authorized by the house. Also reports containing certain opinions or resolutions are frequently concurred in on motion. But when the report does not contain any resolution, recommendation or other propositions for consideration of the house, it does not appear that any further proceedings with reference to it as a report are necessary.

And further, at pages 478-479:

> The reports of the committees relative to private bills are not concurred in, as they are regulated by special standing orders. Sometimes, however, when one of these committees has made a special recommendation requiring the authority of the house to give it effect, the concurrence of the house will be formally asked and given.

Honourable senators, in the case in question the report contained no recommendation, but was merely a carrying vehicle to bring the bill back into the house. There was nothing in the report to be concurred in, and the bill was ordered to be placed on the Order Paper for third reading today. On the motion for third reading of the bill, debate can take place, or it can be moved "That the bill be not now read a third time" but that it be amended, or that the bill be referred back to the committee for further consideration.

So, honourable senators, I confirm my ruling of yesterday.

Hon. Mr. Haig: I accept that ruling, but I suggest that from a reading of paragraph 39 of the *Forms of Proceeding* it would seem clear that what I said yesterday was correct. When you read paragraph 41, however, it would appear that it contradicts paragraph 39; and when you read the paragraph governing reports of the Committee of the Whole, you find it follows paragraph 41. I would suggest that this house, in its anxiety to get something to do, might appoint a committee to go over the rules and forms of procedure, so that we may avoid the confusion which results when they contradict each other, as paragraphs 39 and 41 certainly do.

I thank you, Mr. Speaker, and I thank your assistant for giving me all these references. I understood the matter, and after considering it I came to the firm conclusion that we

really should revise our rules. That is all the more necessary because some of them are different from rules of the House of Commons and of legislatures, with which many honourable senators are familiar. For instance, I had a good knowledge of the rules which applied in the Manitoba legislature when I was there. I think it would be well to suggest to the leader of the government, probably at the beginning of next session, that we appoint a committee to study our rules, and if necessary to redraft them—certainly to redraft any that are mutually conflicting.

I agree, Mr. Speaker, that your ruling is correct, on the authority of Bourinot, which I had the pleasure of reading.

PRIVATE BILL

THIRD READING

Hon. Mr. McKeen moved the third reading of Bill M-1, an Act to incorporate Trans Mountain Oil Pipe Line Company.

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

PRIVATE BILL

THIRD READING

Hon. Mr. King moved third reading of Bill E, an Act respecting the British Columbia Telephone Company.

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

PRIVATE BILL

THIRD READING

Hon. Mr. McDonald, for Hon. Mr. Fogo, moved the third reading of Bill L-1, an Act to incorporate Canadian-Montana Pipe Line Company.

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

PRIVATE BILL

THIRD READING

Hon. Mr. Crerar moved the third reading of Bill N-1, an Act to incorporate Border Pipeline Corporation.

Hon. Thomas Reid: Honourable senators, when this bill was before the Standing Committee on Transport and Communications some little controversy arose as to the right of committee members to ask questions which were being asked. It was contended that a company which parliament incorporates by passing a bill of this kind comes under the control of the Board of Transport Commissioners, and that questions as to the route of the pipe-line and so on are settled by decision of that board and not by parliament. If that be so, I claim that we are wasting our time in bothering to discuss these bills at all. But I disagree with that. I take the stand that each house of parliament has the right and duty to consider every one of these bills as thoroughly as it may wish. For one thing, so many pipe-line companies are being incorporated that it is a moral certainty that some of them will not be able to get the steel necessary for the building of their lines.

It is proposed that this pipe-line be routed to Seattle, and thence northerly to the city of Vancouver. I point out that this manoeuvre is just a little bait to make us believe that this is a bill for the benefit of Canada, as well as of the United States.

It is said by some that we in Senate should not pay too much attention to bills seeking the incorporation of a company such as this, because the company must later go before the Board of Transport Commissioners. I would point out when representatives of such a company appear before the Board of Transport Commissioners, they invariably call the attention of the board to the fact that parliament has granted them a franchise. I am strongly of the view, therefore, that parliament should consider seriously these private measures before passing them.

As to whether Vancouver will get any of the oil carried by this pipe-line there is some doubt. It should be said that the states of Washington and Oregon will use something like 225,000 barrels of oil per day, and that Vancouver's requirements will be about 44,000 barrels per day. My information is that this pipe-line has a daily capacity of about 75,000 barrels. It is obvious, then, that the oil brought in by this line will not even meet the needs in the United States. Further, if oil is to be transported from Seattle to Vancouver, it could be carried more cheaply by tanker than by pipe-line.

Perhaps I should not have walked out of the committee, as I did, when this bill was being considered, but it seemed to me that we were wasting our time. It was said that we did not need to object to this bill, that the Board of Transport Commissioners would be considering the matter later. But I repeat, that the practice of representatives of companies appearing before the board has been to point out that they come there with the sanction of parliament, and the board is left with the impression that the measures have received careful examination.

I do not object to our shipping oil to the United States; I know that for many years we have been dependent on that country for our

oil supply. But I am a little suspicious of this measure, and for that reason I have expressed certain objections to it.

Hon. Mr. Horner: Honourable senators, I too object, but for somewhat different reasons from those of the honourable senator from New Westminster (Hon. Mr. Reid). I am in agreement with him to the extent that I do not find that the Board of Transport Commissioners or the provincial conservation board, does anything to lighten the responsibility which rests upon me as a member of this body in dealing with bills of this character. It is not that I object to the supplying of oil to the United States or any other place, but our main concern, it seems to me, must be not to deprive this country unduly of its natural resources. The oil is in no danger where it is, and it is an extremely valuable asset. What I find alarming is the great number of projected pipe-lines. It is proposed to increase the capacity of Trans Mountain to enable its lines to carry 200,000 barrels a day to Vancouver. This line, which has no more than half the mileage of its potential competitor, is, it is true, all-Canadian.

It seems that I am expected to put my faith wholly in the Board of Transport Commissioners. Why should I do that? What great thing have they ever done for Canada? What happened in the case of the various trans-Canada bus lines? With the consent of the Board of Railway Commissioners and the Transport Board, the promoters got their charters. How closely have they co-operated with the railways in the interests of the people of Canada? Those of us who were looking forward to competition, as a relief from increased freight rates which threatened ruin to the economy of the West, have been disappointed. We find that these bus routes parallel the railways and are permitted to cross our borders in every direction. I think one evidence of slackness on the part of the board is the way that this oil line was built through Manitoba. The project involves a huge expense, approximating $50 an acre, and it will be necessary to use airplanes, horses and rigs, and in some places saddle-horses to inspect the line for leakages. Surely the Board of Railway Commissioners must have been asleep, or they would have provided that the pipe-lines should parallel as far as possible the railway right-of-way, where inspection would be easy.

Hon. Mr. Haig: Or be built by the railways.

Hon. Mr. Horner: Or be built by the railways, thus providing a natural source of revenue. But no.

I repeat, why should I be asked to trust a board which has allowed things to develop in this way? I register my protest, and I intend to vote against this motion. No evidence has come before me that these huge amounts of oil can safely be exported. The greatest oil fields of the world are being rapidly depleted.

Another thought which interests me is the probability that there will be a great development of industry in the province where this oil is found, and in the neighbouring province of Saskatchewan, where supplies have not been located to any great extent. In any event the consumption of oil in these western provinces is enormous. In short, looking at the matter from a common-sense point of view, I believe we ought to go a little slowly. We have seen what has happened to our forests. A syndicate from Minnesota got control of one of the greatest spruce forests in the world, located near Prince Albert, Saskatchewan, and companies from south of the line slashed all the timber down and took it away in train-loads. But these lands may be retimbered after many years, whereas oil can never be replaced. I think, honourable senators, that I can not do otherwise than oppose this bill. Having registered my protest, I shall vote against it.

Hon. A. K. Hugessen: Honourable senators, I think perhaps the duty devolves upon me, as Chairman of the Committee on Transportation, to explain to honourable senators who are not members of that committee the position which exists in regard to these fairly numerous pipe-line bills which have been before us during the last two sessions. I do not want any honourable senators to think that the standing committee is functioning as a sort of rubber stamp with regard to these bills.

The actual position is this. Two years ago we passed a general statute applying to all interprovincial pipe-lines, and setting out the conditions under which pipe-lines would be allowed to operate in this country. We stipulated that questions of route, where the lines were to go, the methods the company were to adopt, and the sort of equipment they were to use—everything of that kind—should be dealt with by the Board of Transport Commissioners. All we did was to say that if any body of men wished to obtain the right to apply to the Board of Transport Commissioners to build a line, they should first get a charter from parliament; and the only reason why these applicants require a bill from parliament, rather than incorporating under the general Companies Act, is that if they get the right to build a line it is necessary for them to have the power of expropriation, which only we can grant. Now all that we do when we pass a bill incorporating Mr. A and Mr. B

such-and-such a pipe-line company is to give them the corporate right to apply to the Board of Transport Commissioners for permission to build a line, and to the necessary authorities in the province of Alberta for permission to export the gas or the oil which they desire to export. We do nothing more than that.

In the past year or two we have incorporated a number of these companies, and we are in the process of granting charters to several more. If we pick out one company or one set of applicants, and say—as we have done in a number of cases—"We will give you this right," and pick out another set of applicants and say "We won't give you this right," on what basis are we proceeding?

As to the question of route, I think the basic objection of my honourable friend from New Westminster (Hon. Mr. Reid) to the particular bill we are now discussing is that it proposes to build a line partly through the United States. Well, if honourable senators will look at the bill they will see that it does not contain a single word about route; and the same remark applies to every one of these bills that we have passed. The matter of route is one which, by the general Act, we have left entirely to the Board of Transport Commissioners. It seems to me that, having adopted the principle of agreeing to allow certain people to organize themselves for the purpose of applying to the board and to the Alberta authorities, we should not now take the attitude that we will not allow certain other individuals to do it. On that basis are we discriminating between the people we have already incorporated and those now applying for incorporation?

Hon. Mr. Reid: My point is that once you give a charter to a company it is a financial asset.

Hon. Mr. Hugessen: I think my honourable friend from New Westminster is misapprehending the very clear distinction between this kind of incorporation and the kind which used to be granted to the railway companies. Then parliament gave the railways the power to build a line from, say, Calgary to Edmonton, or from one place to another. On the other hand, if honourable senators will read this bill closely they will see that all it does is to give the company power to build such lines within the Dominion of Canada as the Board of Transport Commissioners will allow. There are no special rights to build special routes anywhere.

Hon. Mr. Haig: On what ground do you think that the Board of Transport Commissioners could refuse an application?

Hon. Mr. Hugessen: I would remind my honourable friend that probably half a dozen companies already incorporated are anxious to build lines in the same direction, and I think it is generally accepted that between Alberta and the Pacific coast there is only room for one line. The Board of Transport Commissioners, and the Alberta authorities, will have to have before them all these applications, and they will have to choose the one which they think is most satisfactory. I believe I am correct in saying that last year the Alberta government expressed the view that, in so far as applications are concerned, the more the merrier because they would then be better able to choose among them.

Hon. Mr. Haig: Why could we not incorporate in our pipe-line bills a provision that every company incorporated by charter or otherwise would have to go before the Board of Transport Commissioners?

Hon. Mr. Hugessen: As I tried to explain, that is in the general Act.

Hon. Mr. Haig: Why make these people come here?

Hon. Mr. Hugessen: As I endeavoured to say a few minutes ago, the only reason for them getting federal incorporation from us is that that is the only way in which they can get the right of expropriation.

Hon. Mr. Haig: Could that not be done under the general Act?

Hon. Mr. Hugessen: Yes, that could be done.

Hon. Mr. Haig: As one who does not know very much about business, the question I ask myself is: How can these companies hope to get from the Board of Transport Commissioners a charter to build a pipe-line to the coast? My honourable friend has quite properly said that only one company can get such a charter.

I agree with the remarks of the honourable senator from New Westminster (Hon. Mr. Reid). I cannot for the life of me imagine a company bothering to build a line to Vancouver after running it through the United States to Seattle. I certainly would not do it if I could sell all my oil in Washington. There is nothing in this Act compelling the company to build the line to Vancouver, and in my judgment nobody would build a line from Alberta to Vancouver unless there was the possibility of sending oil to Seattle. If I were from Vancouver, I would fight to the finish any bill which would result in pipelines being built to Seattle before going to Vancouver. As far as the city of Winnipeg is

concerned, the pipe-line will have to go through there because of the contour of the land.

Hon. Mr. Paterson: But the pipe-line will not go to Winnipeg first?

Hon. Mr. Haig: Oh, yes, it will.

Hon. Mr. Paterson: It will be a branch line running through Winnipeg.

Hon. Mr. Haig: I understand that $9 million is being spent on a plant in my city.

Hon. Mr. Paterson: Yes, but the pipe-line will be a branch line.

Hon. Mr. Haig: My point is that there is no intervening community which will prevent the line from coming to Winnipeg. On the other hand, if the line were to run to Minneapolis first, it would never come to Winnipeg. I was quite in favour of the bill once I knew that the line was going to come from Edmonton, through Regina, and then east, because I knew it would have to pass through Winnipeg either directly or indirectly. I can see no reason why the Board of Transport Commissioners would refuse a licence, because it does not have to decide whether the line should be built through Canada or through the United States. That is a political question.

Hon. Mr. Lambert: Oh, no. If my honourable friend will permit me, there is one factor which he is entirely overlooking. The Board of Transport Commissioners is duty bound to consider the ultimate cost of these projects to the consumer public. That is a big factor.

Hon. Mr. Haig: That is not the point I am trying to make. I am told that the line probably could be built cheaper if it were to run through Seattle. That may not be true, but I want to make sure that our Canadian cities will be served by this line, and I am persuaded that if it passes through the United States it will never be built to Vancouver.

Hon. Mr. Hugessen: Is it not true that the Government of Alberta has announced, as a public policy, that Canada will be served before the United States?

Hon. Mr. Haig: I shall come to that. Don't get excited.

Hon. Mr. Hugessen: I am not excited.

Hon. Mr. Haig: Just keep your seat. If you want to ask me questions, I shall answer them later. Don't worry about that.

There are three ways to protect the Canadian public. One way is for the Senate not to pass this bill or others like it. I have always been opposed to giving charters to Americans. Now we have a concrete case. My honourable friend opposite (Hon. Mr. Hugessen) claims that the Government of Alberta and the Board of Transport Commissioners will protect the interests of the people of Canada, but I think the Senate, if it is to do anything at all, should do some protecting.

Hon. Mr. Lambert: May I ask my honourable friend just one question?

Hon. Mr. Haig: I would prefer to finish my argument.

Hon. Mr. Lambert: I think what I have to say would help my friend's argument.

Hon. Mr. Haig: All right, go ahead.

Hon. Mr. Lambert: Was my honourable friend ever opposed to grain interests from the United States getting charters to operate elevators in Canada?

Hon. Mr. Haig: I never knew of any such charters. I do not know anything about that.

Hon. Mr. Lambert: My friend knows that scores of American companies were interested in Winnipeg.

Hon. Mr. Haig: Yes, but they did not operate through the United States.

Hon. Mr. Lambert: Oh, yes they did.

Hon. Mr. Haig: Oh, no.

Hon. Mr. Lambert: They operated through Duluth and Minneapolis.

Hon. Mr. Haig: No, they only sent to Minneapolis the grain they needed.

Hon. Mr. Horner: They can grow a crop of grain every year, the same is not true of oil.

Hon. Mr. Haig: It is our duty to protect the people of Canada, and I agree entirely with what has been said by the honourable senator from New Westminster. He is thinking of his own province, and he knows, as we all do, that if this company is selected by the Board of Transport Commissioners, it will never build a pipe-line beyond Seattle. Tankers and other ships will be used to take the oil to Vancouver. The Board of Transport Commissioners could refuse this charter; but will it not be impressed by the fact that the Senate has seen fit to grant it? If I were a company lawyer appearing before the Board of Transport Commissioners I would ring the changes on that to no end.

I gather from what has been said that the best protection for the people of Canada will be given by the Government of Alberta. Apparently that government is determined that Canadian users will benefit first from this oil. I think the honourable senator from Blaine Lake (Hon. Mr. Horner) was on sound grounds when he suggested that oil cannot be

reproduced; that once an oil well runs dry it is through. That does not apply so much to forestry products or to grain. Every year they keep on growing a crop. In some years it is better than in others, but there is always a crop.

Hon. Mr. Lambert: What about soil fertility in Saskatchewan, down on the dust plains, for instance?

Hon. Mr. Haig: I visited Saskatchewan before my honourable friend ever did, and that province has land which is just as fertile now as it was forty or fifty years ago. Fifty years ago I saw grain growing down in the fertile Red River belt, which my honourable friend from St. Jean Baptiste (Hon. Mr. Beaubien) knows so well. Provided there is a reasonable rainfall in the proper season, land that is properly cultivated will yield just as many bushels to the acre now as it ever did. That is true of all three Prairie provinces. Down near Lethbridge, for example, when they get moisture at the proper season they can produce just as good a crop as they used to in the good old days.

Personally, I have no objection to the incorporating of this particular company. What I am objecting to is the principle in the bill. My only regret is that more of us did not take this stand when these pipe-line bills first came here. I had no objection to the bill sponsored by the junior senator from Vancouver (Hon. Mr. McKeen), because the company which it incorporates will run its line through Canadian territory. That is the kind of thing I like, for I am eager to see the development of our own resources in our own country.

As I said once before, I do not criticize the House of Commons one bit for objecting to bills like this one. If some of them are not passed, the only result will be failure of some proposed companies to get a charter. I think it is time that we called a halt to this merry-go-round. I am persuaded that people in Vancouver must ask themselves why it is that the House of Commons has put up such a fight against these bills and the Senate has made no stand against them at all. So far as I know, the honourable gentleman from New Westminster (Hon. Mr. Reid) is the first member of this house from his part of the country to oppose these measures, and I agree with him.

Hon. Mr. Euler: Will the leader of the opposition (Hon. Mr. Haig) permit a question?

Hon. Mr. Haig: Certainly.

Hon. Mr. Euler: This bill does not say anything about the route of the pipe-line; and is it not so that if the promoters of the bill had not been frank enough to say in our committee the other day that they intended to build to Seattle, this argument would never have arisen?

Hon. Mr. Haig: I will answer my honourable friend. We asked them that question. My honourable friend seems to think that the committee would have reported in favour of the bill without having that information. My opinion of the committee is not as low as that, and I believe that if we had not been given that information we would have thrown the bill out.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Haig: Yes, and I believe that the senator from Waterloo (Hon. Mr. Euler) would have been one of the leaders in objecting to approval of the bill in the absence of that information.

Hon. T. A. Crerar: Honourable senators, if no one else wishes to speak, I should perhaps close the debate. The opposition to the third reading of this bill is twofold in character. My honourable friend from Blaine Lake (Hon. Mr. Horner) argues that he has no confidence in the Board of Transport Commissioners. Well, if that is so, why did he not say so when we were considering the general Pipe Lines Act, which made that board the final authority for the approval of the plans of pipe-line companies? Not only did he not object to that measure, but this is the first time that anyone has suggested that the board is not a suitable body to consider applications from these companies.

Hon. Mr. Horner: I thought that possibly the pipe-lines would run along railway rights of way.

Hon. Mr. Crerar: The other objection that has been raised is of course understandable; but before I take it up may I deal with the point of view of my honourable and good friend from New Westminster (Hon. Mr. Reid)? He says that if the company is given a charter it will construct a line to Seattle and not go on to Vancouver at all, and therefore we should reject the bill. Now, is that a valid reason for rejecting this bill?

Hon. Mr. Aseltine: It sounds all right.

Hon. Mr. Crerar: Well, I can understand that some people would think it sounds all right, but is it valid? What evidence has my honourable friend from New Westminster got to support his view that the applicants for this bill are not speaking in good faith when they say that they propose to build to Vancouver?

Hon. Mr. Reid: Actual circumstances indicate that to me.

Hon. Mr. Crerar: I prefer to take the statement of the applicants for the bill, that they intend to build to Vancouver. It may be that they would be in a competitive position in supplying oil to Vancouver, possibly in a more favourable position than the applicants for the bill which was given third reading a few minutes ago.

The next reason set up against this bill is that we should keep the oil in Canada. That was the curious argument advanced by the leader of the opposition (Hon. Mr. Haig). He says that this oil is a natural resource, which in time will be exhausted, and therefore we should not permit its export but should conserve it for the Canadian people. Is my friend willing to extend that argument to the products of the very important base metal mines, nickel mines, copper mines and zinc mines that we have in Canada? Where is the greater part of the product of the International Nickel Company marketed? In the United States. Would my honourable friend argue that we should cease exporting nickel to the United States, so that this resource might be conserved for future generations of Canadians? Would he make the same argument with respect to copper? A big percentage of the surplus copper produced in Canada is marketed in the United States. That is true of zinc also.

Hon. Mr. Euler: And lead.

Hon. Mr. Crerar: If my honourable friend's argument were logically extended and applied, it would cause the closing of most of the base metal mines in this country.

Hon. Mr. Haig: Those products are not the same as oil at all.

Hon. Mr. Crerar: A few moments ago he was arguing that if you take oil out of the ground you cannot put it back. Does he contend that copper ore which is taken out of the ground can, in some mysterious way, be replaced?

Hon. Mr. Haig: There is copper ore all over Canada.

Hon. Mr. Crerar: My honourable friend's argument is not sound. Besides, are we going to have some reciprocity in these matters?

Hon. Mr. Duff: "Atta boy"! Now you are saying something.

Some Hon. Senators: Hear, hear.

Hon. Mr. Duff: Go ahead now on that line.

Hon. Mr. Crerar: Canada gets a great deal of its oil from the United States.

Hon. Mr. Hugessen: Coal too.

Hon. Mr. Crerar: Before these discoveries of oil were made in the province of Alberta, the central Prairie provinces got practically all their oil from the United States.

Hon. Mr. Aseltine: They do not need our oil.

Hon. Mr. Crerar: That is not the question. It may be to our advantage to ship oil to Seattle in competition with American suppliers. Why in the name of common sense should we refuse to export oil to the United States when Eastern Canada is dependent upon that country for a large part of its supply? What would my honourable friends think if the United States Congress were to say: "We must conserve our supply of oil" —

Hon. Mr. Euler: And coal.

Hon. Mr. Crerar: —"for the use of the inhabitants of the United States", and for that reason were to refuse to export it to Canada?

Hon. Mr. Duff: An iron curtain.

Hon. Mr. Crerar: It is apparent that the argument against this bill is not well founded. It is not a valid argument, though it may possibly appeal to some people who are nervous about our future supply of oil. From all available information, Western Canada's oil supply is sufficient to meet our needs for a very long time.

I submit that it is good business to ship oil from Alberta to a city like Seattle in return for the oil that Eastern Canada is now getting from points in the United States, and I hope that the house will see fit to give the bill third reading.

The Hon. the Speaker: Honourable senators, the question is on the motion of Honourable Senator Crerar for third reading of this bill. Is it your pleasure to concur in the motion?

Some Hon. Senators: Carried.

Hon. Mr. Aseltine: No.

Hon. Mr. Haig: No.

Hon. Mr. Horner: On division.

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

PRIVATE BILL

SECOND READING

Hon. A. L. Beaubien, for Hon. Mr. Fogo, moved the second reading of Bill F-4, an Act respecting a certain patent application of George R. Hanks.

He said: Honourable senators, the purpose of this bill is to validate a patent application filed by Hanks in the Canadian Patent Office on July 16, 1947. In 1947 parliament enacted

some amendments to the Patent Act, including section 28A. The purpose of this section was to permit the filing of patent applicants in Canada by nationals of countries which accord reciprocal privileges, and when the nominal time within which such application should have been filed had expired during the war years. The section stipulated two conditions to the receiving of such patent applications, namely: (a) that such applications had to be filed not later than November 15, 1947; and (b) that the applicant for a patent must request the Commissioner of Patents to extend the time.

There is, honourable senators, a precedent for a bill of this nature. In the session of 1949 a private bill on behalf of one Beyer was obtained under almost identical circumstances. In the Beyer case, however, after the Commissioner of Patents ruled that the absence of a request for extension of time precluded the granting of a patent, his decision was appealed to the Exchequer Court of Canada, and it was held by Mr. Justice Cameron that an application under section 28A must be accompanied by a request for the extension of time. This judgment is reported in 1949 Ex.C.R.115. The private bill obtained on behalf of Beyer appears in the Statutes of Canada, 1949, First Session, as Chapter 26.

When the bill now before us has received second reading, it is my intention to move that it be referred to the Standing Committee on Miscellaneous Private Bills, where full information about it can be provided.

Hon. Mr. Aseltine: What is the nature of the patent?

Hon. Mr. Beaubien: I am not prepared to answer that question.

Hon. Mr. Haig: What does it deal with?

Hon. Mr. Beaubien: The honourable senator from Carleton (Hon. Mr. Fogo), who had to leave for Toronto, asked me to move second reading of the bill. Such information as my honourable friends require will be supplied to them when the bill is considered in committee.

Hon. Mr. Haig: I am going to insist that we follow the rules closely. When I make my objections known in committee, I do not want to be told that I agreed to the principle of the bill on second reading. I can understand that my honourable friend from Provencher (Hon. Mr. Beaubien) may not have all the facts before him, but—

Hon. Mr. Beaubien: I now have the information my honourable friend asked for, as to the nature of the patent. It is described as a "chain dredge bucket and method of forming". That is not the old oaken bucket.

Hon. Mr. McKeen: You cannot patent that.

Hon. Mr. Aseltine: What kind of bucket is it?

Hon. Mr. Beaubien: A dredge bucket.

Hon. Mr. Lambert: For digging ditches.

Hon. Mr. Haig: If I agree to second reading of this bill I trust my friend will not hold it against me in committee.

Hon. Mr. Bouffard: I would not do that.

Hon. Mr. Hugessen: I think the rule is quite clear that in giving second reading to a private bill we are not agreeing to it in principle in the same way as we would be in the case of a public bill.

Hon. Mr. Haig: This bill involves a principle. Parliament has passed a general law as to the procedure which should be followed with respect to patents, and we are now asked by this bill to override the general law. For that reason we should consider the measure most carefully.

Hon. Mr. Hugessen: I fully agree with the observation the leader opposite has made, but I believe I am right in saying that the passage of a motion for second reading of a private bill does not commit honourable senators to the principle of the bill.

Hon. Mr. Beaubien: My honourable friend will recall that by reason of the war some patents were allowed to lapse. We should make a study of this bill, and if the applicant is entitled to have his patent reinstated, there is surely no reason why we should not pass the measure.

Hon. Mr. Reid: Would the deputy leader (Hon. Mr. Hugessen) be good enough to have the rule regarding private bills looked up? My understanding in the other house was that when a bill had been given second reading its principle was adopted, with the exception that a member could reserve his right to object on the motion for third reading.

Hon. Mr. Hugessen: I shall be very glad to look up the rule. My understanding has always been as I have stated it; but the point raised is an important one, and I shall be prepared to answer it next week.

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

REFERRED TO COMMITTEE

Hon. Mr. Beaubien moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

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

Bill G-4, an Act for the relief of Antonio Romeo.

Bill H-4, an Act for the relief of James Edward Thomas.

Bill I-4, an Act for the relief of Mary Louise Webster Hunt.

Bill J-4, an Act for the relief of Marie Blanche Amilda Lessard Duplessis.

Bill K-4, an Act for the relief of Anne Fineman Segal.

Bill L-4, an Act for the relief of Ida Weinstein Yaphe.

Bill M-4, an Act for the relief of Shirley Titleman Rodin.

Bill N-4, an Act for the relief of Yvette Ernestine Gagnon Lyons.

Bill O-4, an Act for the relief of Rose Pakidailo Greenberg.

Bill P-4, an Act for the relief of Marie Jeanne Dragon Bigaouette.

Bill Q-4, an Act for the relief of Olive Marguerite Cann Nichol.

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

THIRD READINGS

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

Hon. Mr. Aseltine: For the reason I gave a day or so ago with regard to other bills of a similar nature, namely that until such time as they receive third reading the printing cannot be proceeded with, with leave of the Senate, I move third reading now.

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

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Paul H. Bouffard: Honourable senators, I am not sure that we are following the proper course to reform the Senate. After hearing the discussion this afternoon, it seems to me that a daily application of oil would be the proper remedy!

May I confess that my first impression when reading this motion was that it contained, at least implicitly, certain criticisms of this house and its members; and, from what I heard, this was also the general impression created by it. Furthermore, its introduction by our leader (Hon. Mr. Robertson) would seem to imply the government's approval and support. The leader made it clear, however, that his motion expressed his personal views.

Under such condition, it merely invites a frank and earnest discussion of our problems, and of the ways and means of solving them in the best interest of the Canadian people. The thought given to the matter and the number of speeches delivered in the course of the last three weeks indicate the willingness of our members to examine the situation carefully.

There may be differences of opinion as to the wisdom and opportuneness of certain reforms which have been suggested. Some may feel that the Senate is adequately and efficiently fulfilling its functions, as determined by the Canadian constitution; others would favour the alteration of our internal procedure in order to broaden the scope of our work; and, finally, others most sincerely believe that some constitutional changes would be appropriate. All this indicates the wide interest aroused by the motion.

Canada is in full evolution. Her resources are being tremendously developed; industrial and commercial enterprises are currently undergoing considerable changes. What legislative, administrative, judicial or other public body should not, at this time, review its own organization and adapt itself to the present situation? As a matter of fact, the House of Commons has increased its membership, created new departments and appointed many parliamentary assistants. Provincial governments have done likewise. Municipal and school administrations have been considerably enlarged.

If one compares the period of fifty years that immediately followed confederation with the last thirty years, he fully realizes that the first period was nothing but a mere preparation for the great part Canada would be called upon to play in the mid-century expansion. From a budget of a few million dollars, Canada has passed to yearly expenditures of $3 billion. We are indeed very far from the end of the 19th century, when the Flynn Administration was overthrown in the Province of Quebec because its budget had reached the fabulous sum of $3 million, and when Sir Wilfrid Laurier upbraided the then Conservative government for federal estimates bordering on $30 million. Since that time our population has increased threefold. Canada has become one of the leading exporting nations of the world. Her industrial and

commercial expansion places her among the outstanding countries of our time. Participation in international activities has imposed new responsibilities upon us. In view of such development, would not this house be justified in re-appraising its organization and studying its situation to find out any possible way of contributing more directly to the welfare of the country?

It gives me great pleasure to pay tribute to those who have already taken part in this most interesting debate. I have listened with deep interest to the suggestions put forward by the leader of the government, the leader of the opposition, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), the honourable senator from Vancouver South (Hon. Mr. Farris) and others. They have all dealt with the matter in a way that deserves our warmest congratulations. Their study was enlightening and complete. It would therefore seem useless to add anything to their statement of the principles that have inspired the creation of the Canadian Senate. May I, however, repeat that in accordance with these principles, the Senate is a semi-judicial body whose functions do not include any active participation in the administration of the country. Among our principal duties, I would like to mention the following: Careful study of the various aspects of new legislation, its revision, amendment, improvement, etc.; protection of the freedom of institutions; maintenance of minority rights; prevention or delay of any arbitrary legislation, sometimes hurriedly drafted, unless and until it becomes evident that such legislation corresponds to the will of the majority of the Canadian people.

The Senate constantly renders great services to the nation. Previous speakers have already pointed out numerous cases where laws were changed, amended, improved, delayed or rejected for the sole purpose of serving the interests of the Canadian people. The leader of the opposition has reminded us of the millions of dollars of the people's money that have been saved through the intervention of this house. Only recently the Senate held up a piece of legislation, thus giving time to the Supreme Court to decide on its constitutionality; and to at least one province—that to which I have the honour to belong—to amend its own legislation in order to safeguard the interests of its population.

These are some of the reasons why leftist parties, in all countries, tend to change and restrict the powers of upper houses. Such independent branches of governments may impede their arbitrary legislation and give the people time to ponder the true meaning and consequences of such measures. If England is today going through a critical period of her history, and if her present government passes extravagant laws, is it not because the House of Lords has become powerless?

The Canadian Senate does not aim to oppose the clearly indicated will of the people. I would even go further, and say that certain measures, which we might consider as arbitrary and contrary to the best interests of the people, would be passed by the Senate if the majority of Canadians indicated their approval of such measures.

In certain cases, the duty of the Senate will consist of delaying its acceptance of such legislation so as to allow Canadians to form and express an opinion. No other governmental institution can serve the interests of the country in a more flexible and democratic way.

I need not remind you of the great principles outlined by the Fathers of Confederation—Sir John Macdonald, Cartier, Brown, Campbell, Taché and the others whose names appear among Canada's most prominent and honoured figures. Their views cannot be ignored. They convey the lessons of the past and must remain the guiding principles of our future. Some of those great Canadians were out-and-out federalists, while others were die-hard provincialists. Nevertheless they came to an agreement, and it resulted in the Canadian charter, which proved to be sufficiently flexible to permit the tremendous expansion of the country. In less than a century, Canada has become a leading nation of the world.

Does this mean that Canadian institutions should be static? By all means, no. In fact, our constitution has already been substantially amended. Should the provisions of the charter relating to the Senate be modified? Before any steps are taken in this direction, the matter must be carefully studied. The Canadian Senate—if one of its members may be permitted to say so—represents one of the best cross-sections of the country. Its membership is composed of professional men, merchants, industrialists, farmers, and so on. Some members are highly versed in economics and can readily analyse the possible consequences of proposed legislation upon the national economy; others are very close to the masses and can voice their needs and describe their hardships. All walks of life are represented in this chamber, and each one of us brings into the debates the knowledge and experience he has acquired in his own field of endeavour.

Too many Canadians are unaware of the work performed by this house. The Senate could, of course, make a more vivid impression

on our population by exceeding its constitutional limitations, or by being more concerned with publicity in the conduct of its debates; but thank God! such are not the aims of the Senate. Senators will continue to work quietly, in this house and in its various committee rooms.

The opinion has been expressed that the Senate should take over additional responsibilities and assume a bigger share of the new activities of the government, thus relieving the House of Commons of part of its heavy load of work. This is undoubtedly a matter that requires serious consideration. May I state here that the Senate and its members are prepared to assume whatever additional responsibilities that may devolve upon them, and they are willing to make any sacrifices that may be required from them. It is not for us, however, to decide whether the responsibilities of the Senate are to be broadened, and, if so, what should be the extent of its new functions.

In view of its ever-growing responsibilities, the government has found it necessary to increase the number of its ministers and to create new departments. Whilst the Fathers of Confederation deemed it expedient to entrust prominent members of this house with portfolios, this has not been the practice for many years. If such policy was not contrary to the principles of responsible government in the past, I do not see why it could not be followed at the present time. By resuming this practice, the government would allow this house to take a greater share in the administration of the country. Again, I say, it is not for the Senate alone to formulate such policy. The additional responsibilities facing the government have already added considerably to the duties of the cabinet ministers, and have resulted in the appointment of parliamentary assistants. They take an active part in the administration of the various departments, and participate in the drafting of their legislation. Why could not such a burden be shared by members of the Senate?

For more than fifteen years Canada has enjoyed full extra-territorial jurisdiction. It has the exclusive control of its external affairs. Ambassadors have been appointed to many countries, and trade commissioners represent Canada all over the world. As a member of the United Nations Organization, Canada has taken a leading position in world affairs. Her representatives enjoy the reputation of outstanding statesmanship. Our Prime Minister, the Right Honourable Louis S. St. Laurent, has become the symbol of the perfect democratic leader.

Some Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: His sound judgment, his experience, his knowledge, and the sincerity with which he is contributing to the establishment of lasting peace in the world, make him one of the most prominent international figures.

Some members of this house have already been delegates to international councils and have fulfilled their task with honour and dignity. I should like to take the opportunity to congratulate the honourable senator for Cariboo (Hon. Mr. Turgeon) on the splendid part he played at the last meeting of the United Nations. Could not members of the Senate participate to a greater extent in the many duties brought about by our international relations? Here again it is not for us to decide, but it may serve a good purpose to express our willingness to serve and thus to help carry the heavy load of governmental responsibility.

Let us now examine the question of reforms. Some of us would favour compulsory retirement at the age of 75, while others would keep it voluntary. In both cases, retirement would be encouraged by a contributory pension fund. I would not hesitate to support such a reform if I were to see any advantage to it. Since I first came here nearly five years ago it has been from the senior members of this house that I have received the most valuable and reasonable advice and counsel. I have great respect for senior senators, and I consider their wisdom and experience to be great assets to this house.

Some Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: We have been compared to civil servants whose retiring age for superannuation we established at 65. It must not be forgotten that we were only enforcing an agreement. We have been compared also to the few industrial workers who are pensioned at the age of 65 or 70. There again, in most cases the pensions are the result of agreements. Such comparisons, therefore, do not seem very fair. Our chamber is an important part of the nation's council. Why should it be the only part of such council whose members would be compelled to retire at a specific age? The work of the members of the House of Commons and of the cabinet requires more physical resistance than ours. Who would suggest that they should leave at the age of 65? Have not the Macdonalds, the Lauriers, the Bordens, the Kings, the St. Laurents led the country to its present prosperity when they had passed the statutory retirement age for civil servants? In all such cases, the country would have lost the benefit of most valuable leadership had it applied the civil service retirement policy. In fact,

the most important qualifications required for statesmanship are experience and sound judgment, which normally belong to maturity.

Moreover, on looking into the business world one finds that the boards of directors of most enterprises are composed of seasoned executives. How much more important it is to have them in the greater councils of the nation! In other words, to use the language of a member who spoke before me, they should not be considered as "excess baggage" here, but rather as important and necessary advisers at the helm of the ship. We must admit that age sometimes limits the ability of faithful servants to fulfil their duties. I trust, however, that ways and means will be found to permit those here to retire gracefully and honourably.

Honourable senators, our leader expressed the opinon that the Senate might elect its own leader. The unanimous opinion of all those who have spoken before me is clearly against this proposal. It is most objectionable from more than one point of view. I do not intend to discuss the matter any further. Besides, the Senate has, at the present time, full power to carry out such a proposal if it were considered advantageous. May I repeat what was said before by the honourable senator from Vancouver South (Hon. Mr. Farris) that we respect our leader; we know that he works to give our chamber prestige and reputation; and the sooner he becomes convinced of the confidence we have in him, the better it will be.

Let us now turn our attention to the appointment of senators. Three methods seem practicable. First, appointment by the Governor General in Council which has been the method followed since Confederation. It may be for life or for a definite period of time. Second, nomination by the provinces or other important public bodies, such as universities. This system has been in effect in some foreign countries. Third, direct election by electors at large, or by a limited number of voters whose qualifications would be established by law.

Discussing immediately the third method, I say say that I do not believe that an elective Senate would meet with the approval of any important part of the Canadian people, and it would be contrary to the agreed and basic principles upon which the Canadian constitution has been founded. We have no need for two chambers having identical powers and whose members would be essentially dependent upon the electorate.

Hon. Mr. Duff: Quite right.

Hon. Mr. Bouffard: What public body would then have the freedom of action necessary to protect the rights of minorities? I know that my own province would strongly oppose such a policy. No confederation would have been possible, no agreement would have been reached, without the Senate as constituted, with its freedom from active politics and its power to oppose any serious threat facing the nation or its unity. Quebec, as one of the ten provinces of the confederation, is a minority. Its language, its faith and its laws are the language, the faith and the laws of a minority. The representatives of Quebec, in 1867, agreed upon a form of government which was more likely to safeguard the rights to which they were—as we are today—so profoundly attached.

Moreover, the Fathers of Confederation were almost unanimous upon the basic principle of an appointed senate. That decision was not arrived at without the benefit of experience. Macdonald, Cartier and Brown had the experience of an elective upper house. May I be permitted to remind honourable senators that in 1841 the union government was composed of an elected assembly and a council whose members were appointed. By 1846 the policy was changed and the members of the upper house were to be subsequently elected. That was found so unsatisfactory that when confederation was established nobody hesitated in coming back to the principle of an appointed upper house.

If we examine and study the constitutions of other countries we find many upper houses indirectly elected. Their members are often appointed either by the provinces, the townships, the universities or other important public bodies. We find very few directly elected by the voters of the country. I feel gratified that no member of this house, up to now, has expressed the opinion that an elected Senate should replace the nominated one. I believe that the majority of our population shares the same viewpoint.

What about our present method of appointment? It is not perfect. It sometimes results in too large a representation of one political party. It means that important political groups are not represented. The situation would seem undesirable, but of course it can be corrected without any constitutional amendments.

Hon. Mr. Duff: Change the government.

Hon. Mr. Bouffard: The Governor General in Council is at liberty to appoint whomever he finds suitably qualified, regardless of political affiliations. If such a possibility is recognized by the constitution, it does not seem practicable of application.

I listened with a great deal of interest to the speech of my honourable friend from Van-

couver South (Hon. Mr. Farris). He suggested that one-third of our members be appointed by the provinces.

Hon. Mr. Duff: He is wrong there.

Hon. Mr. Bouffard: This does not meet with the approval of the majority of our members. It is, however, worthy of the greatest consideration. Taking Canada as a whole, each province is in itself a minority. Would it be so bad if each of those minorities were able to designate a certain percentage of the membership of this house? These men would bring to our deliberations a different point of view. They could serve as excellent liaison officers between the provinces and the Government of Canada. This would also mean that all important political parties would be represented in the Senate. Furthermore, if the government of a country is to be truly democratic, its decisions and policies must be open to public discussion as well as to constructive criticism, and the members of its parliament, in both houses, should reflect the views most widely spread in the country. Should the provinces be given the opportunity of designating representatives in the Senate, our chamber would offer a more accurate picture of public opinion throughout Canada. I cannot think of a more constructive method of appointing the members of our house. If such a policy were adopted the federal government would retain the right to appoint the majority of our members and at the same time the provinces would enjoy the privilege of designating a number of representatives who would be in close association with them and their local problems. It could have a stimulating effect upon our debates. Legislation approved by those representatives would carry the approval of such important public bodies as the provincial governments, and in case of non-approval, they would at least have had the opportunity of expressing their viewpoint here.

What percentage of the house should be designated by the provinces? Should it be one-third, or one-quarter? One-third has been suggested, but I would like to remind my colleagues that one-third is the equivalent of 34 members out of 102, and that such a proportion could often control our decisions.

Hon. Mr. Duff: We would have a dog-fight all the time, if we had thirty-four Tories here.

Hon. Mr. Bouffard: It might be good for us if we had a dog-fight more often. We had a little cat-fight this afternoon, and it was not bad.

Hon. Mr. Reid: But some do not like it.

Hon. Mr. Bouffard: I am in favour of a little more action.

This important aspect of the suggested reform should receive our utmost consideration. In our desire to improve our constitution, we must not forget that the Senate is part of the Canadian Parliament and that it should retain its federal character.

For the reasons already submitted, may I suggest also that the mandate of provincially-designated senators be temporary, and not exceed the life of the legislature that designates them.

I should like to summarize my remarks on this subject as follows:

First, the provincial cabinet would, by order-in-council, suggest three persons, of whom one would be selected and appointed by the Governor General-in-Council; and second, such appointments would be made on a temporary basis, not to exceed the life of the provincial legislature at the suggestion of which they are made.

Another improvement could consist of planning in advance of each session the work to be presented to the members. For that purpose a steering committee could be set up which would meet a few weeks before the session. The cabinet serves as steering committee for the House of Commons. I believe that we also should have a similar organization which, under the direction of our leader, would receive suggestions and compile them so as to be in a position to submit at the beginning of the session a detailed program of our activities. No organization, be it governmental, municipal, industrial or commercial, can work properly unless its activities are carefully planned and co-ordinated. I believe this is even more essential in our chamber. In fact, our members are scattered all over this vast country and they have little oportunity to get together between sessions. Under our present procedure we attend sessions of parliament, lasting about six months, without any planning being done beforehand. The result is that for the first five or six weeks of the session we consider details of no major importance. I believe that if we had a planning committee we could get down to work right at the beginning.

I wish to say, Honourable Senators, how happy I am that this motion has come before this house. It has provided an opportunity for a most interesting discussion. May I suggest, however, that once the debate is over and every member has had the opportunity of expressing his views, there would be little use in taking the matter up before a committee. Since a question of principle is involved, it should be discussed publicly. Should any of the proposed changes be

decided upon, a committee could then be set up to work out the details. For the time being, however, I take the liberty of suggesting that the honourable leader withdraw his motion.

Some Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: In conclusion, may I say that I am very proud of having been called to this house. If, without violating the basic principles under which it has been established, some changes would permit us to make a greater contribution to the welfare of Canada, I am sure everyone would approve of them.

I thank honourable members for listening to me for so long, and I hope that some day this debate will bear fruit.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lacasse: May I ask whether my honourable friend mentioned the exact proportion which, in his opinion, nominees of provincial governments should bear to the total membership of the Senate? I was expecting to hear a definite figure. Perhaps I missed it.

Hon. Mr. Bouffard: No. I did not set any proportion. I merely remarked that in my opinion thirty-four in a house of a hundred and two was a little too large. I did not go into such a detail, because I think that if a reform of this kind is to be made the question of the proportion of provincial to federal nominees should be a matter of study. It may be that one-fourth would be enough; it may be that each province should appoint a definite number of senators. I think that matter should be left to a committee to decide when the time comes. It is not a detail that I wish to go into in discussing this resolution.

Hon. Mr. Reid: The question I wish to put is one in which I am much interested. What does the honourable senator suggest should happen if, an appointment having been made by a provincial government, three months later the legislature was dissolved? The honourable senator suggested that the nominee or the appointee would sit in the Senate as long as the government that selected him remained in office.

Hon. Mr. Bouffard: He would lose his seat as soon as the government which had designated him was defeated. If that government were again returned to power, he could be renominated; but if at any time the government were defeated, or another government established, the new government would designate those who for the time being would represent the province.

Hon. Mr. Haig: That would not do.

Hon. Alexander B. Baird: Honourable Senators, I shall endeavour to confine what I have to say in this debate to as few words as possible. My real reason for rising at this time is to say a word from the viewpoint of my province of Newfoundland, which this year, for the first time, has its full representation in this chamber.

I have been wondering about the beginnings of this body, eighty-four years ago. It was set up as part of the parliamentary machinery of this country as the result of the patriotic deliberations of a group of men, known to us now as the Fathers of Confederation. Its first membership was entirely non-partisan in character, having been selected largely from both sides of the executive councils of that day. Our present representation from Newfoundland was likewise selected without regard to previous party affiliations.

You from the other provinces have the advantage over us of having had eighty-four years of experience in this Chamber; but it has occurred to me during the course of this debate that we, in starting from scratch in 1951, may possibly have some advantages over you.

I have been wondering what would have been the reaction upon the minds and feelings of the pioneer members of the Senate, if at their first session here they had been confronted by a resolution similar to the one which has been discussed here for the past ten days. Would they have had misgivings about their future? Would they have thought that somebody had made a mistake somewhere?

The men who laid the parliamentary foundations of Canada in those days, I have always understood, were animated and inspired by the great idea of rearing a nation of Canadians in the vast heritage known as the Dominion. We have always had that idea in Newfoundland, and even before we became the tenth province in this federation, many of our sons and daughters had migrated here to make their marks and assist in the building of a nation on these shores. We have been proud to join with you in the great task of making confederation a success.

There is little doubt in my mind about Canada's great future. For that reason I cannot attach any great measure of importance to the resolution which has been receiving so much recent attention. I say that in all deference to those who have contributed many excellent speeches on this subject.

The resolution expresses the desire for a maximum of efficiency in the efforts of the Senate. Just what is involved in the phrase "maximum efficiency"? I do not know. The Senate, I suppose, may be regarded as a piece of parliamentary machinery. A machine in order to be efficient must not become obsolete. Possibly the idea of obsolescence was implied when someone emphasized that an age limit of 75 be applied to all its member parts. But I recall that Mr. G. K. Chesterton once said that efficiency consisted of knowing all about a machine except what it was for. Is it not reasonable to ask whether or not those who would repair and patch up the senatorial machinery have any new purposes or functions for it to perform after the proposed overhauling has been done? Will it go on doing the same kind of work that it has been doing? My friend from Vancouver South (Hon. Mr. Farris) said that the Senate did not get enough work to do. Will it do any more, if a limited term of membership is fixed, and Senators are "turfed out" at 75? That word "turfed" may seem somewhat foreign to some honourable members: to us in Newfoundland it is quite commonplace.

If Newfoundland, when it decided to enter the Canadian federation, had taken another road which was open at the time, and which some people were inclined to take, and had joined the federal union of the United States, we would have been represented by as many senators as New York or any other state, in a body that has a voice in determining foreign policies, in appointing embassadors, court judges, and the deputy administrative heads of government departments.

What is meant by maximum efficiency? After reform, what?

Now, do not mistake me, I am quite satisfied with the course that was followed by my province; and I am certainly not trying to amend the B.N.A. Act on the floor of this chamber. I am just trying to point out that the supporters of this resolution will have to deal with a great deal more than the personnel of the Senate if any real meaning is to be given to the words "maximum efficiency".

As I have said already, I am confident of the future success of Canada; and I should like to suggest that honourable senators proceed to do as well as they can, the work that is at hand.

In conclusion, may I also suggest that the distinguished Prime Minister of this country and the premiers of the provinces be supported with understanding and sympathy in their efforts to arrange the constitution in such a way as to serve the interests of unity in Canada. These men, at this time, are our Fathers of re-Confederation. Let us go forward with them. I, for one, have no fear of the Senate rising as a barrier between me and the people of Newfoundland. My desire and theirs, I am sure, is to go along with you towards those broad new horizons pictured for us by our founders over 80 years ago.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: I move the adjournment of the debate.

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

The Senate adjourned until Tuesday, March 6, at 8 p.m.

THE SENATE

Tuesday, March 6, 1951

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

Prayers and routine proceedings.

SPEECH FROM THE THRONE

ADDRESS IN REPLY—MESSAGE OF THANKS FROM HIS EXCELLENCY

The Hon. the Speaker informed the Senate that he had received a message from His Excellency the Governor General, reading as follows:

The Honourable The Members of the Senate:

I have received with great pleasure the Address that you have voted in reply to my Speech at the opening of parliament. I thank you sincerely for this Address.

Alexander of Tunis

FARM IMPROVEMENT LOANS BILL

FIRST READING

A message was received from the House of Commons with Bill 78, an Act to amend the Farm Improvement Loans Act, 1944.

The bill was read the first time.

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

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

DIVORCE BILLS

FIRST READINGS

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

Bill R-4, an Act for the relief of Abraham Tarontchik, otherwise known as Abraham Turner.

Bill S-4, an Act for the relief of Mabel Caroline Lay Redburn McCormick.

Bill T-4, an Act for the relief of Jack Harold Frederick Grater.

Bill U-4, an Act for the relief of Kathleen Merle McCullough McCallum.

Bill V-4, an Act for the relief of Mary Margaret Urquhart Cuthbert Gilman.

Bill W-4, an Act for the relief of Margaret Isabel Ward Green.

Bill X-4, an Act for the relief of Rejeanne Laliberte Tinker.

Bill Y-4, an Act for the relief of Frederick John Pratt.

Bill Z-4, an Act for the relief of Arthur Frederick Albin Turner.

Bill A-5, an Act for the relief of Maria Silvaggio Mazzalongo.

Bill B-5, an Act for the relief of Jacqueline Yvonne Suzanne Stucker Grant.

Bill C-5, an Act for the relief of Ethelbert Deniston Joseph Bartholomew.

Bill D-5, an Act for the relief of Ivy Elizabeth Whitehead Simpson.

Bill E-5, an Act for the relief of Evelyn Elizabeth Hulbig Wilks.

Bill F-5, an Act for the relief of Margaret Cameron Williams.

The bills were read the first time.

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

Hon. Mr. Aseltine: With leave, next sitting.

PRIVATE BILL

FIRST READING

Hon. Mr. Hugessen presented Bill G-5, an Act respecting the Canadian Legion of the British Empire Service League.

The bill was read the first time.

EXPORT AND IMPORT PERMITS BILL

COMMITTEE AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the Standing Committee on Banking and Commerce to Bill W-2, an Act to amend the Export and Import Permits Act.

Hon. Mr. Hugessen: Honourable senators, in the absence of the senator from Waterloo (Hon. Mr. Euler), I move concurrence in the amendment.

The motion was agreed to.

THIRD READING

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

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

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

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from Thursday, March 1, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Mr. Quinn: Honourable members, I am requested to announce that the honourable senator for Peterborough (Hon. Mrs.

Fallis), in whose name the debate was adjourned, is ill and unable to speak tonight.

Hon. J. Wesley Stambaugh: Honourable senators, I should like first to congratulate the leader of the government (Hon. Mr. Robertson) on the courage, foresight and initiative which he showed in moving this resolution. I wonder if when he moved it he had any idea of the beating he was going to take. I should also like to congratulate the deputy leader (Hon. Mr. Hugessen) for his part in the debate. I enjoyed his speech very much, especially the latter part, when under the needling of members of this chamber he really got worked up and said exactly what he thought. In describing the resolution he used the word "innocuous". I was not familiar with the word, and upon looking it up in the dictionary I found that it has several meanings. I am a little curious to know which meaning the honourable senator would have us apply to the word.

All who spoke against the resolution commenced their remarks by congratulating the leader and expressing admiration for and confidence in him, and then proceeded to point out what a mistake he had made in moving the resolution. Now, there are no reservations behind my congratulations on his actions in this regard. The moving of the resolution has proved to me that the honourable gentleman is abreast of the times and is in tune with the thinking public. I do not, however, agree with some of the suggestions he incorporated in his remarks supporting the resolution. Indeed, I doubt if he is prepared to support them. I think he deliberately used a scattergun which threw his ideas in every direction, and each of us was hit by one or more of these ideas. But I do agree with the principle of the resolution.

It might be well to remind ourselves what the resolution proposes:

> That a Special Committee of the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

Without doubt the Fathers of Confederation were wise and builded well when they designed our present form of government. I have given considerable thought and study to various forms of government and I am convinced that, in its present form, ours is the best. It is both representative and responsible. I have listened to speaker after speaker tell of the importance of this honourable body and, of the able men who composed it in the past. I personally know some of the extremely capable men who are members at the present time. Previous speakers have told how the Senate was set up more than eighty years ago, and have pointed out how well it has functioned. With this I agree. But when they say it is perfect, and cannot be improved, I must disagree. One honourable senator has given as his reason for opposing this resolution that he does not understand the meaning of "maximum efficiency." Surely he must have been fooling.

I can see no reason for opposing this resolution. Why should we not consider ways and means of increasing our efficiency so that we may, in the words of the resolution, make our "maximum contribution"? Cast your minds back to conditions at the time of confederation and compare them with those of the present day. Think what changes and improvements have been made in our various institutions—in education, in agriculture, in industry, in banking, in transportation, in communications. Reflect on the advances which have been made in medicine. Compare the old general store with the modern department store. Consider our status in the world then and now. At the time of Confederation Canada was almost unknown. Today, in every respect except, perhaps, population, Canada is one of the foremost nations of the world. Is anyone so artless, so innocent, so naïve as to believe that the Fathers of Confederation were inspired to the degree that they could form an institution so perfect that no improvement could be made in later years? I cannot believe it. No one was ever that good. Even the twelve apostles in their own generation found it necessary to improve their methods.

What are we afraid of? Have we something to cover up?

I know that the public at large are not fully informed about the work we do. Even in the short time I have been here many important pieces of legislation have been passed. I will mention just two,—the Bankruptcy Act and the National Defence Act. Both those acts were initiated in this honourable body. Weeks were spent in committee studying the bills, clause by clause. Law officers of the Crown and top-notch officials of the departments responsible for the administration of these measures were called in and consulted. In the result, when this legislation went to the House of Commons it was well-nigh perfect: it needed very little consideration in the other place.

I have mentioned some of our good points. Now I am going to point out some of our defects and indicate ways in which they could be remedied.

I believe the greatest single improvement that should be made is a compulsory retirement age. I have been astonished to hear several speakers state their belief that in

the Senate the older you get the better you become. One honourable senator thinks we should live to be 150. Any person who claims to believe that nonsense is not facing the facts of life. The very idea that men are more competent when they are old is ridiculous. There is in the lives of men, as elsewhere, a law of diminishing returns; a time when we begin to slow down and become less effective. This is true in the mental sense as well as the physical. We cannot clearly define that age, for it is not the same in all people. We can, however, fairly well define the age when at least the majority begin to weaken physically. We can also define to a somewhat less close degree the age when the majority begin to weaken mentally. Scientists are fairly well agreed that this is between the age of sixty-five and seventy-five years. In the various professions, in industry, and in every occupation, it is a recognized fact that there is a time in our lives when because of advancing age we are no longer fully capable of performing our regular duties. There are various exceptions to this rule, and as instances the names of Winston Churchill, Thomas A. Edison and Connie Mack have been mentioned. But in the present debate if you find it necessary to mention exceptions you weaken your case, because we must legislate for the majority, or for the average, not for the exception.

However, let us look at one of these exceptional men and see how he stands up. Take, for instance, Connie Mack, the manager of the Philadelphia Athletics baseball team. When he was in his prime, some twenty-five or thirty years ago, the Athletics often finished in the top division of their league, and some years they were even pennant winners. As Connie Mack grew older the standing of the Athletics fell lower and lower, until finally we find Connie Mack an old man and the Athletics at the bottom of the league. Connie Mack's position has been comparable to that of the members of this Senate, in that he could not be fired—not because he had a life appointment, but because he owned a majority of the stock in the Athletics baseball club.

I very definitely advocate the principle of a retirement age for senators. The federal parliament and provincial legislatures endorsed this principle when, by granting old age pensions, they helped to make it possible for people to retire at the age of seventy. The majority of people have passed their zenith at that age. Parliament again endorsed this principle when it set the retirement age for federal Supreme Court judges at seventy-five. I do not remember that any senator protested against this stipulation when that particular question was before this house. Many of the speakers opposing this resolution have stated that the Senate serves as a judicial body. Well, if no protest was made here against a retirement age for Supreme Court judges, why should there be a protest against application of the same principle to senators?

Long before I was appointed to the Senate I thought it a good idea to have a retirement age for senators, and since I have been here I have seen nothing to change my opinion. One of the surest signs of age is given when a group of old fellows get together and tell each other how good they are. They talk of the wondrous deeds that they and their associates have performed in the past. The aged look backward, others look forward. Old men are satisfied with things as they are, or they sometimes suggest that things were much better in the past. Younger men are anxious for change. They demand improvements; they believe things can be made better. Our leader (Hon. Mr. Robertson) has shown himself to be one of these younger men. Just a few days ago I read in one of our dailies that a former Bank of Montreal employee had died at the age of ninety-five, after enjoying retirement for thirty years. What is the matter with these bankers? Has no one ever told them that the older men get the more efficient they become? In industry, in financial institutions, in the teaching profession and amongst federal and provincial government employees, it is a well-known fact that in order to carry on efficiently it is necessary to have a compulsory retirement age. The only place I have ever heard this principle opposed is in this Senate.

I well remember that when the Right Honourable W. L. Mackenzie King decided to retire he gave as his main reason "advancing age." He gave other reasons, but age was the chief one. He mentioned that he tired more easily than in former years. I feel his remarks could be summed up in a single sentence. He felt that no one should attempt to hold public office after he is no longer capable of fully performing his duties. I was shocked at the very thought of Mr. King retiring. It seemed hardly possible that we could have a Liberal party without Mr. King as leader. I wanted him to carry on. I was certain we could never get another leader as good as Mr. King, but we did. Time has shown how much wiser Mr. King was than I. If we all had the wisdom of Mackenzie King there would be no need for a compulsory retiring age.

It has been suggested that the Senate would lose some capable men if all senators were to retire at the age of seventy-five. I realize this is true, but one must remember that there are many men in Canada just as able as we are, and there exist the same good

reasons for appointing them as there were for appointing us. I doubt if the Prime Minister would have any difficulty in finding people willing and able to take our places.

A compulsory retirement age would do much to overcome, though it would not entirely eliminate, another serious drawback in our set-up. I have in mind those senators who are more conspicuous by their absence than by their presence. Some senators attend here only one or two days a session. They are not making any contribution to the work of parliament at all—on the contrary, they are keeping out those who could and would make a valuable contribution. One senator, whose desk is close to mine, I rarely see, and it is not old age which keeps him away. A few senators are regular in attendance, but that is about all you can say for them. I am not suggesting that in order to make a maximum contribution it is necessary to be on your feet as often as is the honourable member from New Westminister (Hon. Mr. Reid). I know that some members who have little to say in the Senate chamber are active in committee. The senators whom I criticize are not active either in this chamber or in committee. You will find that year after year the membership of committees includes the names of some senators who have never attended a single meeting of those committees. The very fact that two of our most important committees, the Finance Committee and the Banking and Commerce Committee, have memberships of forty-nine or fifty and a quorum of only nine, shows that we do not even expect all senators to do their duty. I realize that I am referring to a small minority, but such conduct as I have mentioned is an insult to those honourable members who are here day after day, faithfully performing their duties. I am happy and proud to be associated with those members, but I am embarrassed to the same extent by those who are clearly shirking their duty.

I suggest that a senator who for other than reasons of health does not attend at least half of the sittings in any session, should resign. I speak of "reasons of health" as being valid reasons for non-attendance. However, if the illness of a senator is of a permanent nature, so that he is not likely to recover sufficiently to carry out his regular duties, then he also should resign. I suggest that a senator who is named on a committee and does not attend a majority of the committee's meetings held during the session should be struck off the list and not again placed on that committee.

No doubt some honourable senators will think my suggestion is too drastic. I do not think it is. What are we here for—for fun? How about the taxpayers who pay our indemnity, those people whom we are supposed to represent? Are they not entitled to some consideration? One honourable senator thinks the Angel of Death works fast enough to eliminate the ills I have mentioned. I do not think so; I think he is too slow.

Some Hon. Senators: Oh, oh.

Hon. Mr. Stambaugh: I like to be on the side of the Angel, and I am prepared to help him out a little.

Hon. Mr. Grant: Would you like him to drop around and see you?

Hon. Mr. Stambaugh: Well, no doubt he will, some time.

Hon. Mr. Fraser: You are asking for trouble.

Hon. Mr. Stambaugh: I am prepared to meet it.

Hon. Mr. Fraser: I have a potent question that I should like to put to you, but I shall leave it for a future time.

Hon. Mr. Stambaugh: I shall be glad to try to answer it.

Another senator thinks we should not even discuss this subject of Senate reform, that we should leave this matter to be decided at the Federal-Provincial Conference and should give our opinion only if asked. This looks to me like "passing the buck".

Honourable senators, I have covered only three points, where I am certain improvement can be made, and I have suggested how we may do this. I do not see how anyone can reasonably oppose these suggestions. If we decide to put them into effect it will greatly improve our efficiency and will, I am sure, be welcomed by the Canadian people.

I realize, honourable senators, that there is a wide difference of opinion as to the usefulness of the Senate. I have letters from people who go so far as to say that the Senate should be abolished. I have received others suggesting various ways in which it could be improved. Still others express a very high opinion of the Senate and the contribution it makes to Canadian life. These many letters, with their various expressions of opinion on the Senate, have been sent to me presumably because of a statement I made last summer advocating a retirement age for senators, a statement which was quoted in the Press pretty well across Canada. One letter, received only today, is from a gentleman who follows closely the doings of both houses of parliament, and I should like to read what he says the Senate means to him.

Hon. Mr. Aseltine: Are you going to give his name?

Hon. Mr. Stambaugh: The letter is signed and you may see it, if you wish. It is from Robert L. Kertson. I will read only this brief portion:

> The Senate represents the opinion of statesmen who have lived and grown up with Canada and Canadians; the Senate contains men of superior knowledge and judgment; the Senate is the debating forum of a reasoned and sound body of opinion; the Senate represents an ideal won by a hard struggle for a free parliament that had its beginning in King John's time; the Senate stands for unity of purpose, it expresses opinion from all regions of Canada; its members are above reproach; indeed in many respects it is the better of the two legislative branches of government. In all, the Senate is the embodiment of a faith that our forefathers fostered in creating this great nation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Stambaugh: I was almost afraid that there would be no applause following the reading of that expression of opinion. Seriously, it is a fine compliment; it is well written and I agree with it. Notwithstanding anything the writer of that letter said, I believe that improvements can be made. I am sorry to say that all the letters were not as complimentary as that one. However, the great majority of the people who wrote to me and those whom I consulted on this subject agree with the reforms I have proposed.

It has been suggested by several members of this house that when the debate is concluded the leader should withdraw his motion. With this I do not agree. I think we should have a recorded vote on the resolution, because the people of Canada will want to know how each senator voted on it. If we defeat the motion it will indicate that we are determined to maintain our *status quo*, that we are satisfied with the policy of *laissez-faire* and that we intend to resist any improvement. But the adoption of the resolution would show that we intend to inquire further into the various proposals that have been put forth in this debate. Surely some of these proposals have merit, and we should not bury them.

I trust that the resolution will carry, and that we shall have a further opportunity of discussing the proposals in committee. I intend to vote for the resolution; I would be most ashamed of myself if I did otherwise.

Some Hon. Senators: Hear, hear.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 7, 1951

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

Prayers and routine proceedings.

EMERGENCY POWERS BILL

FIRST READING

A message was received from the House of Commons with Bill 24, an Act to confer certain emergency powers upon the Governor in Council.

The bill was read the first time.

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

Hon. Mr. Robertson: Tuesday next.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Beaubien presented the report of the Standing Committee on Miscellaneous Private Bills on Bill F-4, an Act respecting a certain patent application of George R. Hanks.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill F-4, an Act respecting a certain patent application of George R. Hanks, have in obedience to the order of reference of March 1, 1951, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Fogo: With leave of the Senate, I move third reading now.

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

PRIVATE BILLS

QUESTION OF PROCEDURE

On the orders of the day.

Hon. A. K. Hugessen: Honourable senators, before the orders of the day are called I should like to refer to a discussion which took place in this house on Thursday last on a private bill, when the leader opposite (Hon. Mr. Haig) and the senator from New Westminster (Hon. Mr. Reid) raised a question as to the extent to which the Senate binds itself to the principle of a private bill on giving second reading to the measure. As I was leading the house at that time, I undertook to obtain information and to reply to the question.

I consulted the Law Clerk and Parliamentary Counsel, and the information which I shall now give the house results from what he told me.

In the first place, I should like to refer to Senate Rule 64, which is under the heading "Public Bills":

The principle of a bill is usually debated at its second reading.

That rule relates to public bills. As to private bills, our rules contain no similar provision. The only helpful provision on the second reading of private bills is found in Rule 117:

Every private bill, after its second reading, is referred to one of the standing committees on private bills; and all petitions before the Senate, for or against such bill, are considered as referred to such committee.

That in itself would seem to negative the idea that the Senate approves the principle of a private bill on second reading, since it refers material against the bill to the committee which is charged with consideration of the measure.

The Law Clerk directed my attention to May's *Parliamentary Practice,* 14th edition, page 962, where it is stated:

The second reading of a private bill is in most cases formal, and does not, as in the case of public bills, affirm the principle of the bill, which may therefore be called in question before a committee.

Under the Senate rules, if a bill has been read a second time it must be committed to a standing committee. The same rule is in effect in the House of Lords and in the House of Commons in England. On this subject *Bourinot,* 4th edition, page 599, states as follows:

The second reading corresponds with the same stage in other bills, and in agreeing to it, the house affirms the general principle, or expediency of the measure. There is, however, a distinction between the second reading of a public, and of a private bill, which should not be overlooked. A public bill being founded on reasons of state policy, the house in agreeing to its second reading accepts and confirms those reasons; but the expediency of a private bill being mainly founded upon allegations of fact, which have not yet been proved, the house, in agreeing to its second reading, affirms the principle of the bill, conditionally, and subject to the proof of such allegations before the committee.

Then, in *Beauchesne, Parliamentary Rules and Forms,* 3rd edition, page 295, there is the following statement:

"The house does not profess to decide upon the second reading as to the truth or otherwise of the allegations of fact upon which a proposed bill is based, and in conceding a second reading to a private bill, the house is regarded as merely giving its sanction to its general principle on the hypothesis

that the committee to which it is afterwards referred finds those allegations proved. It is usual, therefore, to allow a second reading, except where the bill enunciates some principle which the house is not prepared to affirm."

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Committee on Divorce, moved the second reading of the following bills:

Bill R-4, an Act for the relief of Abraham Tarontchik, otherwise known as Abraham Turner.

Bill S-4, an Act for the relief of Mabel Caroline Lay Redburn McCormick.

Bill T-4, an Act for the relief of Jack Harold Frederick Grater.

Bill U-4, an Act for the relief of Kathleen Merle McCullough McCallum.

Bill V-4, an Act for the relief of Mary Margaret Urquhart Cuthbert Gilman.

Bill W-4, an Act for the relief of Margaret Isabel Ward Green.

Bill X-4, an Act for the relief of Rejeanne Laliberte Tinker.

Bill Y-4, an Act for the relief of Frederick John Pratt.

Bill Z-4, an Act for the relief of Arthur Frederick Albin Turner.

Bill A-5, an Act for the relief of Maria Silvaggio Mazzalongo.

Bill B-5, an Act for the relief of Jacqueline Yvonne Suzanne Stucker Grant.

Bill C-5, an Act for the relief of Ethelbert Deniston Joseph Bartholomew.

Bill D-5, an Act for the relief of Ivy Elizabeth Whitehead Simpson.

Bill E-5, an Act for the relief of Evelyn Elizabeth Hulbig Wilks.

Bill F-5, an Act for the relief of Margaret Cameron Williams.

The bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: When shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move the third readings now.

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

FARM IMPROVEMENT LOANS BILL

SECOND READING

Hon. J. A. McDonald moved the second reading of Bill 78, an Act to amend the Farm Improvement Loans Act, 1944.

He said: Honourable senators, the purpose of this bill is to extend for another three-year period the provisions of the Farm Improvement Loans Act, 1944, with some changes which have been made since that time. A farm improvement loan, according to the interpretation section of the act, is:

—a loan made by a bank to a farmer for the purpose of financing: (i) the purchase of agricultural implements; (ii) the purchase of live stock; (iii) the purchase or installation of agricultural equipment or a farm electric system; (iv) the alteration or improvement of a farm electric system; (v) the erection or construction of fencing or works for drainage on a farm; (vi) the construction, repair or alteration of, or making of additions to, any building or structure on a farm; or (vii) any work for the improvement or development of a farm designated in the regulations.

Honourable senators will recall that during the debate on the Address in reply to the Speech from the Throne, I referred to fruit growers as being a class of agriculturists who have suffered more than any other group of farmers in the country. I said that this was because of the war and the loss of their markets, and also because of currency difficulties. Last June the regulations under this Farm Improvement Loans Act were amended so that trees can be purchased and orchards set out under whatever help the Act can give. I should also mention that since we debated this matter an agreement has been reached—I do not take the least bit of credit for it—between the federal and provincial governments whereby an amount of $400,000 is to be paid to those who have old and unprofitable apple trees in the Cornwallis and Annapolis Valley and will remove them this year. It is true that when I spoke of this matter I was hopeful that either the federal or provincial government would find some way of providing money at a lower rate than the farmers can get it even under this Act, which is 5 per cent, and possibly for a longer term of years. Under the Act the longest term for repayment is seven years.

The primary purpose of the original Act was to fill a gap in the credit system which has been developed in Canada to meet the needs of agriculture. Provision was made for intermediate credit and certain types of short-term credit to farmers, for the purpose of improving and developing their farms and raising the general living standards thereon. The legislation was intended especially for those average farmers who had found difficulty in securing bank loans for these purposes, and it aimed to provide credit in a form and under terms and conditions which are convenient and suited to the needs and conditions of the particular farm borrower.

During the first three-year period two changes were made. The original Act permitted loans on only livestock and fur-bearing animals, and in 1947 the loaning provisions

were extended to include poultry farming. In 1948 land security was authorized in certain instances, and this change also enlarged the scope of the loaning provisions.

The original Act provided that guaranteed farm improvement loans could be made by any of the chartered banks of Canada directly to farmers. The government is made the guarantor of such loans to the extent of 10 per cent of the total amount of the loans made by any one of those banks. In the first three-year term of this Act, from March 1, 1945, to February 28, 1948, the liability of the government was limited to 10 per cent of the losses on the total loans, which were not to exceed $250 million. However, the total loans made in that period amounted to only $35 million, the total liability of the government in the next three years was with respect to $250 million, less the $35 million, or $215 million. In the second three-year period, a further $135 million was loaned, so the total loans as at December 31, 1950, were roughly $170 million. The government's current contingent liability under its guarantee for the first three-year term of the act is $1,022,079 in loans still outstanding, and for the second three-year term, up to December, 1950, the amount is $72,351,104, or less than 43 per cent of the total loaned in that period.

The history of the Act is one of constantly growing and increasing usefulness. In the first full year of operation, the calendar year of 1946, there were 13,030 loans, amounting to almost $10 million, and in the year just ended the number of loans had risen to 58,970, for a total of $63,417,310. Of these loans, roughly 85 per cent were for the purchase of agricultural implements; the remaining 15 per cent were divided mainly between the construction and reconditioning of farm buildings and certain other miscellaneous improvements. The Prairie Provinces accounted for 81 per cent of the total of 173,562 loans which were made up to the end of 1950, and Ontario and Quebec accounted for another 14 per cent.

As far as repayment of the loans is concerned, the record is very good. Up to the end of 1950, out of a total of more than $170 million lent, $96,681,000 had been repaid, leaving the total of loans outstanding today at $73,373,000. In the first four years of operation of the Act there were no claims by the banks against the government guarantee. In 1949 there were thirteen claims, amounting to $10,264. In 1950, twenty-two claims were made, totalling $9,396. On these claims the government has subsequently recovered $506, so that the net claims on the government in the entire period of the Act have been $19,154.58.

It is, perhaps, worth while to mention briefly that a policy of restricted credit has recently been implemented in this field, in keeping with the steps the government has taken, as an anti-inflationary measure, to curtail all types of credit. For example, the time for repayment of loans for the purchase of a motor truck has been set at a maximum of three years. Previously such loans, depending on the amount, could go over the whole period of ten years. The amount of loans for the purchase, installation, alteration and improvement of agricultural equipment and farm electrical systems has been reduced from 75 per cent to 66 2/3 per cent; or in other words, it is now a case of one-third in cash instead of one-quarter. There has also been a reduction in the period for which loans of various amounts should be given. As far as interest is concerned, 5 per cent simple interest is the total rate charged. Additional charges, such as were incurred when private financing of farm implements was done by commercial firms, are eliminated.

May I say, in conclusion, that the usefulness of this Act has had ample testimony in the response of the farmers of Canada. At the present time 300 farmers a day, on the average, are making application for loans. Their confidence in the Act is strong, and the farmers' associations across the country, as well as the banks, have offered the best co-operation in every way.

Hon. Mr. Gouin: Will the honourable senator allow me to ask a question? I understood him to say that some $14 million had been advanced to the provinces of Quebec and Ontario. Has he the breakdown of the figures by provinces?

Hon. Mr. McDonald: I have before me the number of loans and the amounts loaned in each province over the period in which the Act has been in effect. The loans, classified by provinces, are as follows:

Province	Number	Amount
Saskatchewan	59,153	$59,999,221 02
Alberta	57,153	54,979,018 05
Manitoba	25,544	24,492,002 34
Ontario	18,586	18,303,114 96
Quebec	5,579	5,391,403 02
British Columbia	4,865	4,670,664 65
Prince Edward Island	1,035	879,274 52
New Brunswick	725	733,977 20
Nova Scotia	762	605,060 92
Newfoundland	2	966 66
Total	173,562	$170,054,703 34

Hon. Mr. Gouin: Thank you.

Hon. Mr. Aseltine: Do I understand that claims amounting to about $19,000 have been paid and that the government is now attempting to recover that amount? What has been the total loss?

Hon. Mr. McDonald: The total loss has been $19,154.58.

Hon. Mr. Aseltine: Has that amount been written off?

Hon. Mr. McDonald: Only $506 was collected by the banks, after they had taken over the deposits.

Hon. W. M. Aseltine: Honourable senators, I should like to say a few words regarding this bill.

From the information we have just received it will be noted that Saskatchewan has received more in loans under this Act than has any other province. In this regard I would point out that although the price of wheat during the past few years has been fairly good, the cost of farm equipment has, in some cases, gone up 300 per cent. In an area of mechanized farming, such as the famous Rosetown wheat belt, where I come from—

Hon. Mr. Beaubien: Where is that?

Hon. Mr. Aseltine: —it costs a farmer about $20,000 to buy the necessary machinery to farm efficiently.

Hon. Mr. Beaubien: On how much land?

Hon. Mr. Aseltine: For instance, he has to buy a tractor, a combine, a truck and other pieces of expensive machinery, which have recently increased in cost by a high percentage. So the farmer who wishes to operate an economic unit of, say, a section or a section and a half of land, must expend about $20,000 for machinery. If he can go to the bank and, under the provisions of this Act, borrow part of the money he requires, he is enabled to commence operations which otherwise he would not be able to undertake.

For the reasons I have given, the people of the province of Saskatchewan are very much in favour of the Act. I am pleased to hear that the losses on loans have not been very large; in fact, I was prepared to hear that they had exceeded by far the amount of $19,000.

Some Hon. Senators: Hear, hear.

Hon. Mr. Gershaw: Honourable senators, I realize that this Act has operated very successfully. It would appear, however, that there are large areas in which the inhabitants are excluded from the benefits of the Act. I should like to ask the sponsor of the bill if that policy is still being followed.

Hon. Mr. McDonald: I am sorry, but I did not get my friend's question.

Hon. Mr. Gershaw: I understand the board takes the stand that no loans shall be made to the people in certain farming areas of the West. This policy seems to be unjust to a lot of farmers, and I should like to know if it is being continued.

Hon. Mr. McDonald: Honourable senators, I have read a good deal about the workings of this Act, but the suggestion by the honourable senator from Medicine Hat that some farmers are excluded comes as a surprise to me. This is a federal statute and, as I understand it, is supposed to apply to all Canadian farmers. It is likely that this bill will be referred to the appropriate committee, and I would suggest that my honourable friend put his question there. It could be considered there along with the fruit growers' problem, which I mentioned earlier.

Hon. Mr. Reid: Do I understand that, under the provisions of the amendment, farmers will be able to obtain loans for the taking out of old fruit trees?

Hon. Mr. McDonald: No. Honourable senators, I said that amendments made to the regulations last June provided for the purchase of apple trees or other fruit trees and for the expenses of setting out an orchard; but so far as the taking out of old apple trees is concerned—and this probably applies more particularly to the Cornwallis-Annapolis Valley—that is being done under an agreement between the federal and provincial governments. Each government, I understand, is contributing $200,000, so the total will be $400,000, and it is expected that another 400,000 trees will be removed this year pursuant to this agreement. But that has nothing to do with this bill.

Hon. Mr. Horner: Do the loans provided for under this bill extend to the expenses of erecting a new house or barn on a farm, or are they restricted to repairs of buildings already in existence?

Hon. Mr. McDonald: My information, honourable senators, is that the provision relates only to repairs, though it may be extended to include an addition to an already existing building. That, perhaps, is another detail which could be definitely settled if the bill goes to committee.

Hon. Mr. Aseltine: Will the bill be referred to committee for further study?

Hon. Mr. McDonald: That is our hope, yes.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: Honourable senators, I move that this bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Gray Turgeon: Honourable senators, it is my intention to take up your time for a while this afternoon for the purpose of putting upon the record my deep sense of approval of the work of this upper chamber of parliament since the British North America Act was passed, in 1867. I have listened with attention to the fine addresses which have marked this discussion. Many of them, aside from whether one agrees with all that has been said, have been excellent. I might feel a little more at ease in rising today were it my intention to make some attack upon the constitution of this chamber rather than to approve of what it has done; for I have, of course, passed the age of thirty, which is a necessary condition of membership of this body, I have been appointed by the Crown through the federal authorities, and my appointment is not for a brief period, but for life.

I not only admit—I assert and I warn—that throughout Canada there is a feeling of distrust towards the Senate. Probably in large measure this sentiment arises from the fact that appointments are for life and are made by the Crown through the federal authority. I intend a little later to try to show, what I firmly believe, that in a very large measure the critical attitude of so many people towards this chamber is simply part of an attitude critical of parliament as a whole, which one naturally finds in a democratic country. It is not only the Senate which often is held in disfavour and sometimes evokes distrust: similar feelings are expressed against the House of Commons and provincial legislative assemblies. To that point I intend to return, but for the moment I shall confine myself to the criticism of this chamber which is based on the appointment of senators for life, and having in mind the fact that some of us are older than, perhaps, we should like to be. The day before yesterday I happened to look up in Webster's dictionary the word "Senate," and I find the word defined as

> Literally, an assembly of old men; hence an assembly with the highest deliberative and legislative functions.

Some Hon. Senators: Hear, hear.

Hon. Mr. Turgeon: Everyone who has read the deliberations at the conferences held at Quebec and elsewhere before the formation of the Canadian constitution remembers that the words "deliberative and legislative" were applied positively and directly to the chamber which the delegates had in mind, a chamber of the kind which generally speaking had been known as a legislative council in each of the various provinces or colonies that the delegates represented; and this body they called the Senate. So the whole purpose in the creation of a second chamber was to have, as part of the Canadian constitution and of the Canadian parliament, a deliberative and legislative assembly prepared to do the work that would come to it on behalf of the Canadian people.

It may be that at some future time an age limit should be imposed; but, as I hope to show a little later, in the conditions which are confronting us today, amidst the great events which are rolling along and which we cannot stop, we have something better to do than to indulge in critcisms of our own parliamentary system.

Some Hon. Senators: Hear, hear.

Hon. Mr. Turgeon: I am opposed to the suggestion that the Senate should be elected. I say this without regard to the fact that I happen to be a senator, and hence may be supposed to be personally interested. I would sooner see the second chamber of the Canadian parliament abolished at once—and that is a step which would affect all of us who are now here—than have it changed into an elected body. Those who suggest that it be elected are apt to forget the fundamental problem with which the framers of the Canadian constitution had to deal. Our Canadian union is not legislative, but federal. I took the liberty of mentioning that fact the other day in a speech about the United Nations Assembly, when I mentioned some of our troubles, because many of the delegates there have no understanding of the questions which confront a confederation like ours, and of our need of federal reservations. Canada is a nation made up of various provinces, at this moment ten in number, which possess their own legislative bodies. It was because that type of organization was created that the Canadian parliament was composed of two chambers rather than one, the second chamber to be deliberative and legislative, and appointed by the Crown through the federal authority instead of being elected.

Nor do I agree that part of the membership of the Senate should be appointed by the provinces. I admit that up to a few years ago I felt strongly that this system of appointment would be a good one, but since then I have come to believe that it would be a sad mistake to adopt it. Many speakers in this debate have pointed out that one of the

fundamental attributes of the Senate is its responsibility for provincial rights. The ten provinces have their rights, and ever since confederation the responsibility for protecting these provincial rights has rested entirely upon the whole Senate. But if the provinces were to start appointing a portion of the senators, either directly or indirectly, the people of Canada would soon find that the full membership of the Senate would no longer have the responsibility for protecting the provinces. That responsibility would fall upon the shoulders of the provincial appointees to the Senate. If this were to happen the provinces would be the losers, because only part of the Senate would be dedicated to the preservation of provincial constitutional rights, and also within a very few years the Senate would be engaged in what might be called family quarrels.

In 1867 some glaring differences and antagonisms certainly existed amongst the provinces then assembled to form confederation. The people of one province had a fear of the people of another. After serious deliberation it was decided that senators should be appointed by the Crown, through the federal authority, rather than by the provinces. The question as to whether senators should be elected or appointed was decided in favour of the appointive system, and it was also decided that the appointments should be for life.

Honourable senators, in listening to this debate I was struck by the fact that the deputy leader of the government (Hon. Mr. Hugessen), an ardent Liberal, proclaimed that the membership of this chamber was overwhelmingly Liberal and that there were not a sufficient number of Conservatives here. Then the leader of the opposition (Hon. Mr. Haig)—as ardent a Conservative as the deputy leader is a Liberal—informed the house that there is just about the same percentage of Conservatives in the Senate, placed there by appointment, as there is in the lower chamber, placed there by the electors of Canada. That was an encouraging manifestation of the fairness and sincerity of the members of this body in discussing public questions.

The deputy leader set out reasons why in his opinion there should be a retiring age, and a retiring allowance. I am afraid that some expressions such as have been used here in debate are responsible for part of the ill-will—perhaps that is not the proper term—that so many Canadians feel against the Senate. Many members of this chamber say carelessly, "Senators and Members of Parliament", and one will find this lack of precision of statement all across the country. It would seem that some people regard the Senate as an institution separate from parliament. They forget that this house is part and parcel of our parliament, which has been based on the British parliamentary system, for whose salvation we have from time to time been forced to ask our young men to go into battle and if necessary give up their lives. We of the Senate are just as much a part of the parliament of Canada as are the members of the House of Commons.

It has been pointed out that we have established a retiring age for judges and civil servants. This is quite correct. Now, I am not saying that a senator or a member of the House of Commons is better than a judge or a civil servant or anybody else, but I do say that the responsibilities and functions of senators and members of the House of Commons—that is, of members of parliament—are different from those of a judge or a civil servant. For instance, on any court there are only a relatively small number of judges. If one or two judges were to become incapacitated through old age, that would have a disastrous effect upon the functions of a court. But conditions are different in the Senate, which has a membership of approximately one hundred.

Furthermore, a judge, though he be of the highest standing, has a limited responsibility. He does not create legislation; rather, he interprets legislation laid down by federal and provincial parliaments, and applies it to the particular cases that come before him. His function is entirely different from that of members of the parliament of Canada.

The Fathers of Confederation, in the pre-confederation conferences, determined that the members of the Senate should be appointed for life, so that they would be absolutely and positively independent when considering legislative measures and any other public matters. I fear that if senators were appointed for a certain period, say ten years, and were eligible for re-appointment, the high degree of independence enjoyed by this body would deteriorate.

Hon. Mr. Quinn: Hear, hear.

Hon. Mr. Turgeon: My feeling in the matter is that if it were decided to appoint senators for a limited period, they should not be eligible for re-appointment; that is, their services to the upper chamber should be terminated upon the completion of their term of office.

I took the liberty a while ago, honourable senators, of stating that throughout Canada and in other countries there is a feeling that politics is something bad. Possibly the worst thing that one may be called at a community gathering is a politician. I happen to have suffered that "stigma". I was first elected

in 1913 to the Legislature of Alberta. In 1921 I swore off politics, but later came to Ottawa as a member of the House of Commons, representing a district in the province of British Columbia, and today I am a member of the Senate. All of those who have had a political life realize that there is a feeling that the man in politics—perhaps not the woman, for there are not many of them in politics as yet—has some characteristic that is just not what it ought to be. We in the Senate have not escaped the effect of that feeling which has been engendered in the minds and in the bosoms of the people of Canada. Now, what are the reasons for that feeling and what can be done to avoid it?

First, I should say that to a very large extent the criticism that attaches itself to the Senate is related to the general criticism of politics and politicians to which I have referred. As to the criticism which newspapermen and radio commentators have directed against this body for a period of years, I harbour no resentment. Our parliamentary system gives them the freedom and the right to criticize us, when criticism is justified; and every member of this body has an equal right to criticize newspapers and radio stations. Therefore, I do not think it wise for us to resent such criticism as we have received; rather, I think we should welcome it, as long as we are doing the best we can and the criticism is founded on earnest convictions of the people directing it.

A few days ago the honourable senator from New Westminster (Hon. Mr. Reid) referred to the marvellous speech delivered by Professor Corry at the Liberal Federation meeting held in Ottawa last week. Professor Corry spoke of the pending cabinet decisions, but not in the sense that a determination of them must be reached immediately; rather, he dealt with the growing trend which necessitates certain decisive actions by members of the cabinet. He pointed out that some action must be taken to ensure that ministers of the Crown—those who are clothed with authority—do not allow themselves to be carried away by the flow of power which is not in keeping with the principles of our parliamentary system. I was tickled, so to speak, to hear the senator from New Westminster mention my connection with the action taken in 1932 by a Liberal convention in British Columbia to make sure that the growing strength of the cabinet in that province did not become harmful to the parliamentary system. I have in my hand that convention's resolution, headed "Freedom of Members"—referring to the members of the legislative assembly. The motion was presented to the convention by me, and was seconded by another Liberal, from Vancouver Island.

If honourable senators will permit me to refer further to matters of personal interest, I should like to deal briefly with another item. I have before me a copy of the May, 1946, issue of the *Canadian Journal of Economics and Political Science,* which was sent to me a couple of years ago. It contains an article dealing with the trend from 1912 to 1921, which will be recalled by a number of senators with the same feeling that I have, for some of them were at that time also playing a prominent part in public life. The trend was entirely against political parties and an elected legislative assembly; it was towards formation of a group government which would take away the powers inherent in the elected representatives of the people and give them to those persons commonly referred to as cabinet ministers. That trend was being developed in Alberta. As a matter of fact, I do not mind saying that it killed the Liberal party in that province, at least in so far as to prevent its return to power in 1921. I sincerely hope that the party strength in that province is widely increasing, and I know that the honourable senator from Bruce (Hon. Mr. Stambaugh) is playing a real part in its restoration.

Hon. Mr. Stambaugh: We have made a good start on it.

Hon. Mr. Turgeon: I recall that in 1912, before my election to it, the Alberta Legislative Assembly, passed a law providing for initiative and referendum. By that law any group of people who got others to sign a petition—and I do not have to define the term "petition"—could bring about a referendum which, if carried, would become law, regardless of the wishes of the elected members of the legislature. After trying to help others to defeat this tendency, I presented to the Legislature of Alberta, in February 1920, the following motion:

> That whereas under the generally accepted interpretation of the working of the British parliamentary system it is assumed that the defeat of a bill or measure presented to the legislative assembly by a minister of the crown officially on behalf of the government is in itself a defeat of the government; and
>
> Whereas the members of this legislative assembly feel that the time has come when members ought to be free to vote either for or against any bill or measure before the house without thereby expressing lack of confidence in the government;
>
> Therefore be it resolved that the house express its desire that the premier ought not to consider the defeat of any government measure a sufficient reason for tendering the resignation of his government, unless such defeat be followed by a vote of non-confidence in the government.

The Speaker of the legislature declared this motion out of order, on the ground that it sought to interfere with the powers of the Lieutenant-Governor of the province. Incidentally, a little later, in dealing with this particular resolution, the late Dr. O. D. Skelton approved of it and said that the time might come when it would be necessary to adopt this principle. It is similar to the resolution which was mentioned the other day by the honourable senator from New Westminster (Hon. Mr. Reid). I have here, though I will not read it, a remarkable letter from the then leader of the Liberal party in British Columbia, the Honourable Duff Pattullo, in which he expresses himself as wholeheartedly approving of the motion to which the honourable senator has referred, and which was adopted by the convention.

However, I was comparatively late. I proposed my resolution in 1920, but the Fathers of Confederation had adopted the same principle as far back as 1867. When they created a parliamentary system for Canada they provided for a second chamber whose members could take any action which appeared to them to be proper and just without expressing a lack of confidence in the government and thereby bringing about its defeat. That is why this body can reject any legislation that is presented to it by the government itself, or which comes to it from the House of Commons, without creating or declaring any distrust or lack of confidence in the government of the day, and without bringing about a dissolution unless the government deems the matter so serious, and feels so certain of the support of the people for some legislation which has been rejected by the Senate, that it determines to dissolve the Commons and test the question by an appeal to the public. As was pointed out the other day by the leader of the opposition (Hon. Mr. Haig), action of that kind has never been taken since Confederation.

The leader of the opposition alluded to the rejection by the Senate, I believe in 1919, of that part of a Commons enactment which dealt with the Crowsnest Valley freight rates. He pointed out that this action was of direct benefit, in particular, to the three prairie provinces. Those provinces, with a membership they had at that time, could not of themselves have forced Senate action on their behalf. It was taken by the Senate at large, at a time when none of the prairie provinces had a membership of more than six. It is incidents of this kind which I have in mind when I speak of the responsibility and the duty of the Senate to make sure, first of all, that the constitutional rights of the provinces shall never be transgressed, and second, that the ordinary human rights of the people in all parts of Canada are respected and preserved.

Before I conclude I wish to refer to a suggestion which was made in this debate, while the honourable senator from Winnipeg (Hon. Mr. Haig) was speaking, by the honourable senator from Mount Stewart (Hon. Mr. McIntyre). He reminded us of the action taken by the Senate in the session of 1912-13 in rejecting the Naval Aid Bill which,—at the instigation, of course, of the government of the day—had passed the House of Commons. I am going to make a statement with which perhaps everyone will not agree, though I believe it to be absolutely correct, that that action of the Senate laid the foundation of the British Commonwealth of today, of which we are so proud, a Commonwealth respected by all other nations and regarded with fear and wonder by those who have designs against the peace of the world. We know that the Statute of Westminster evolved more or less directly from the Balfour Declaration, which was drafted and adopted at a meeting of Prime Ministers of the Commonwealth. We know that much of the credit for the formulation of that Declaration belongs to the late lamented Prime Minister of Canada, William Lyon Mackenzie King. Reverting to an earlier day, we remember that at the end of the first world war, when representatives of the victorious nations met at Versailles to make a treaty of peace with Germany and her Allies, the then Prime Minister of Canada, the Right Honourable Sir Robert Borden, insisted that Canada through one of its own accredited envoys should discuss the terms of the peace treaty, and stated that to have it signed by someone appointed at Westminster would not satisfy Canadians. Could Sir Robert Borden have taken this attitude at Versailles if the Senate had not rejected in 1913 the Naval Aid Bill when it came to this body from the House of Commons? The thing would have been impossible. It will be remembered that in 1909 a resolution for the provision of a naval force was approved unanimously by the House of Commons; but in terms which clearly stated that aid by means of periodical contributions to the British Navy would be entirely out of keeping with the Canadian constitution and with the spirit of the times. In 1910 the Canadian parliament passed a Naval Act which declared that in times of emergency the proposed Canadian navy could, by Act of the Canadian parliament, be placed entirely under the direction of His Majesty the King. Incidentally, the term "emergency" used at that time was described as "war, invasion, riot or insurrection, real or apprehended."

That is exactly word for word the same definition of emergency which is to be found in the Defence of Canada Act passed by this parliament last year.

Then came the election of 1911, which, as honourable senators know, was fought largely on the question of the reciprocity agreement with the United States. This was a more serious matter in some parts of Canada than in others. Another election issue was the action of the Canadian government in proposing to build a navy and place it under the direction of His Majesty the King. That idea was strongly denounced, and the election of 1911 settled the matter for that time. Then, in the session of 1912-13 came the Naval Aid bill, which was mentioned the other day by the honourable senator from Mount Stewart (Hon. Mr. McIntyre). The concrete objective of that bill was aid to the Imperial navy by a cash contribution. One of the arguments of the sponsors of the bill was that if we passed it the British government would permit a Canadian minister to spend a great part of his time in London in consultation with British ministers on naval and foreign policy, and many other supporters of the measure thought the time would eventually come when Canada would elect members to the British House of Commons. The bill was passed by the House of Commons but rejected in the Senate, and all of Canada accepted its rejection. No election was called to ascertain whether or not it was satisfactory to Canadians generally. And as a result of the Senate's rejection of that bill, Sir Robert Borden, the great leader of the Conservative party, made the first important step in the assertion of the rights of Canada, when he insisted on having a Canadian, appointed by the government of Canada rather than an appointee of the British government, sign the peace treaty at Versailles on behalf of our country. That step led to the Commonwealth conference, the Balfour Declaration, and the Statute of Westminster. These events, based on the Senate's rejection of the Naval Aid bill, helped to make the British Commonwealth what it is today—a communion of friendly nations working together towards peace in the world.

Honourable senators, these are some of the reasons why I am strongly in favour of retaining the Senate as it is at present constituted, and I hope that no positive action of any nature will be taken to change it until world conditions, in which Canada is so vitally concerned, have been cleared up.

Some Hon. Senators: Hear, hear.

Hon. Charles G. Hawkins: Honourable senators, in rising to speak—

Hon. Mr. Robertson: May I suggest to the honourable gentleman that he come down to the centre of the house so that the rest of us may hear him better?

Some Hon. Senators: Hear, hear.

Hon. Mr. Turgeon: Take the vacant seat of the leader of the opposition (Hon. Mr. Haig).

Hon. Mr. Hawkins: Very well. Now, where are my supporters?

Some Hon. Senators: Right here.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hawkins: Honourable senators, on rising to speak to the resolution before the house, I wish first to congratulate the honourable leader (Hon. Mr. Robertson) for having given us an opportunity to discuss and debate this question. I also wish to pay tribute to the honourable gentlemen who have taken part in the debate for their exhaustive analysis of the problem. A great deal of what has been said has had to do with achievements of the Senate, and very little has been said to indicate any possibility for improvement or change to meet changing conditions. Also, thorough as the arguments have been in support of the record of the past, there has been little said which in my opinion constitutes an effective reply to the many criticisms which have been levelled at this body during past years. It has been noted that Senate reform was an election issue more than thirty years ago, and that since that time it has been kept quite constantly before the people of this country. The continuity and diversity of the criticisms through the years would tend to disprove the accusations that they have been malicious in their intent or the result of misguided thought. Therefore, I say, that it was quite proper that the honourable leader should have proposed this question for our consideration.

It is not my purpose to criticize this honourable body, for I am fully conscious of the great contribution it has made to the life and progress of Canada; and it would be presumptuous of me, a newcomer to this chamber to propose changes in the discharge of the responsibilities placed upon it. As I see it, however, one of the first duties of an organization seeking to serve the public is its public relations. I think that this body cannot ignore public reaction to its activities. I think also that every organization should from time to time make a self-assessment of the services it is rendering, and explore every possibility of making further contributions to the welfare of those it seeks to serve.

Great stress has been laid on the wisdom of the founders of our institutions, but we live

in a world of changing conditions and we cannot be unmindful of changing public opinion and demand.

The members of the Senate, drawn as they are from industry, the professions, legislative bodies and almost every walk of life, and coming as they do from all parts of Canada, should constitute the best possible medium for assessing and exploring opportunities for rendering greater service to this country. I suggest that the Senate, through its own inquiry and deliberations, can institute activities which will commend itself to the great majority of Canadians.

It has been suggested that this resolution be withdrawn, but I contend that this would not satisfy the great majority of the people, and it might well intensify the present criticism of the Senate. Instructive as the discussions have been, I do not think they have provided a satisfactory answer to the charges levelled against us.

The honourable senator from Inkerman (Hon. Mr. Hugessen) made a suggestion which I think has merit. He said that this question of reform is the responsibility of the whole Senate and not of any committee, and he suggested that there should be three resolutions, each dealing with one aspect of reform. This is certainly a decision for the Senate itself to make, and I feel very definitely that any constitutional changes should be made as the result of a recommendation from this body. I endorse the purpose stated in the resolution, namely, to enable the Senate to make its maximum contribution to the Canadian people, and I feel that this should be the guiding principle in any discussion or deliberation we may have here. I think it would be unwise for this chamber to disregard the principles embodied in the resolution. I believe that every member should sincerely give his or her best efforts to seeking ways and means of rendering greater service to our country, that with this approach we can enable the Senate to render to the citizens of Canada an even greater service than it has rendered in the past, and that in so doing we shall have the great satisfaction that accrues from having done our best.

Some Hon. Senators: Hear, hear.

Hon. Mr. Duff: The best speech made yet.

Hon. Mr. Stambaugh: I should like to correct a statement made by the honourable senator from Cariboo (Hon. Mr. Turgeon), that the Liberal party in Alberta is dead.

Hon. Mr. King: That is another debate.

Hon. Mr. Stambaugh: At the last election 111,000 Liberal votes were cast, and five members of that party were elected. I think that is a pretty good showing.

Some Hon. Senators: Hear, hear.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 8, 1951

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

Prayers and routine proceedings.

FARM IMPROVEMENT LOANS BILL

REPORT OF COMMITTEE

Hon. Mr. McDonald presented the report of the Standing Committee on Natural Resources on Bill 78, an Act to amend the Farm Improvement Loans Act, 1944.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Natural Resources, to whom was referred Bill 78, an Act to amend the Farm Improvement Loans Act, 1944, have in obedience to the order of reference of March 7, 1951, examined the said Bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. McDonald: With leave of the Senate, I move third reading now.

Hon. Mr. Reid: I wonder if the honourable gentleman from King's (Hon. Mr. McDonald) can answer a question which I wish to ask? Clause 1 of the bill says "the Minister shall not be liable under this Act to pay to a bank . . . a total amount in excess of ten per centum of the aggregate principal amount of the guaranteed farm improvement loans made by the bank". On the other hand, clause 2 states the limitation of the liability specifically at $200 million. Can the honourable gentleman explain why the limitation is expressed in these different forms in the two clauses?

Hon. Mr. McDonald: Honourable senators, in the original Act the limitation of the government's liability to any bank was set at 10 per cent of the bank's loss on loans made under this legislation, and it was provided that the liability to all banks was not to exceed 10 per cent of $250 million. If, for instance, the Royal Bank of Canada made loans under the Act, the government would, if losses occurred, be responsible to that bank for 10 per cent of the bank's loans. The limitation of $250 million was for a period of three years, and in this period the total amount of loans made was $35 million. In 1948 the Act was extended for another three years, and the limitation was then fixed at $215 million, that is $250 million, less the $35 million which was loaned in the first three years. Then at the end of the second three-year period—that is, on February 28 last—it was decided to limit the government's liability to 10 per cent of approximately $272 million, which amount is made up of $200 million plus about $72 million, this second figure being the total of the loans outstanding at that time.

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

DIVORCE BILLS

FIRST READINGS

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

Bill H-5, an Act for the relief of Rose Pap Bernstein.

Bill I-5, an Act for the relief of Albert William Stone.

Bill J-5, an Act for the relief of Yvette Barnaby Shang.

Bill K-5, an Act for the relief of Minnie Engle Fitleberg.

Bill L-5, an Act for the relief of Carol Elizabeth Chute Levesque.

Bill M-5, an Act for the relief of Lillian Cohen Turner.

Bill N-5, an Act for the relief of Georgina Catherine Christie Savage.

Bill O-5, an Act for the relief of Irene Bourgeau Morin.

Bill P-5, an Act for the relief of Anne Cohen Bialer.

Bill Q-5, an Act for the relief of Josephine Gibson Clark Mayou.

Bill R-5, an Act for the relief of Henry John Lawrence.

Bill S-5, an Act for the relief of Grace Shirley Kraminsky Levy.

Bill T-5, an Act for the relief of Bella Rashkin Deutsch.

Bill U-5, an Act for the relief of Gladys Eliza Cartwright Jones.

Bill V-5, an Act for the relief of Grace Helen Potts Worall.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

PRIVATE BILL

FIRST READING

Hon. Mr. Beaubien presented Bill W-5, an Act respecting the Ruthenian Greek Catholic Episcopal Corporation of Canada.

The bill was read the first time.

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

Hon. Mr. Beaubien: Wednesday next.

PRIVATE BILL

FIRST READING

Hon. Mr. Blais presented Bill X-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Western Canada.

The bill was read the first time.

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

Hon. Mr. Blais: Wednesday next.

PRIVATE BILL

FIRST READING

Hon. Mr. Taylor, for Hon. Mr. McGuire, presented Bill Y-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Eastern Canada.

The bill was read the first time.

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

Hon. Mr. Taylor: Wednesday next.

HONOURABLE ARTHUR MARCOTTE

BIRTHDAY FELICITATIONS

On the orders of the day:

Hon. William Duff: Honourable senators, before the orders of the day are called and with the permission of the house, I should like to draw attention to the fact that this is the 8th day of March, and that if we who take an interest in public affairs in Canada will look back over the record we shall find that on this date in the year 1873 there was born to two citizens in the little Quebec town of Sault au Recollet, a male child. That male child was properly taken by his father to the church, was baptized, brought up in the religion of his forefathers and became a worthy citizen of the province of Quebec.

After being given a good education and obtaining the degree of Bachelor of Arts, he took the advice of Horace Greeley and went west, to settle in Saskatchewan. He began his career in that province, and from shortly after the time he arrived there until the present day his name has been well and favourably known, not only in the West, but all over Canada.

Honourable senators, some people are born great; some have greatness thrust upon them; some achieve greatness. The gentleman whom I shall mention in a few moments was not, perhaps, born great, though doubtless his mother and father thought more of him than of anybody else. However that may be, it is my opinion that this young man, who went West and made a name for himself in the history of the new province of Saskatchewan, and who has today reached the age of seventy-eight years, is entitled to the commendation of his associates in this chamber and of the people of Canada as a whole, and in particular of the province of which he has been so eminent a citizen for so many years. This gentleman, young in looks, sound of phyique, who I notice is eleventh on the list of senators, is still able to do and is doing a great work for the people of Canada; and as a humble member of this Senate I have much pleasure in saying to him that he deserves well of the people of this country, just as he and others like him, in spite of anything that may be said by anybody, deserve well of the Canadian people. I refer, honourable members to the senator from Ponteix (Hon. Mr. Marcotte).

Some Hon. Senators: Hear, hear.

Hon. Arthur Marcotte: Honourable senators, I do not know what I can say in thanking the honourable gentleman from Lunenburg (Hon. Mr. Duff) for what he has said about that poor little fellow who was born seventy-eight years ago. We hear a good deal these days about people who, having passed the age of seventy-five, have become so feeble mentally and physically that they do not amount to very much. But one of these people, whether or not he has become at all mentally infirm, is still sufficiently sound of mind to appreciate what has been said about him and to thank the honourable senator from Lunenburg for his kind remarks.

I thank you.

Some Hon. Senators: Hear, hear.

PRIVATE BILL

SECOND READING

Hon. Mr. Hugessen moved the second reading of Bill G-5, an Act respecting the Canadian Legion of the British Empire Service League.

He said: Honourable senators, this is quite a simple bill and it will, I think, appeal to the members of the house. It is presented on behalf of the Canadian Legion of the British Empire Service League, which, as honourable members know, is a very important organization of war veterans, and which obtained a charter from this parliament in the year 1948. It asks for three changes in that charter. The first is in relation to the manner in which the Legion can amend its bylaws and regulations. At the present time these bylaws and regulations can be amended by the Dominion Executive Council at such times as the Dominion Convention, comprising the whole membership, is not sitting. This amendment seeks to deprive the Dominion Executive Council of this power and to place it solely in the Dominion Convention.

The second amendment is to provide that provincial conventions may enact bylaws and rules for the governing of their own command, provided that any bylaws and rules so enacted are not inconsistent with or contrary to any passed by the national body.

The third amendment is designed to protect the badges, insignia and regalia of the Legion against use by any person other than those authorized by the Legion. The general public is protected by the requirement that that insignia, regalia, emblems, badges, decorations, and so on, must be approved by the Secretary of State under the Unfair Competition Act, 1932.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Cyrille Vaillancourt (Translation): When our leader submitted his resolution "for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people", I thought it was merely a question of finding means to increase the efficiency of our work. No doubt the working methods employed by us in the past were quite different from those we use today. Nowadays far greater speed is required. Furthermore, we have got into the habit of teamwork, of co-operation, in order to increase our ideas as well as our efficiency. The speeches I have heard show clearly that it is the reform of the Senate that is involved.

(Text):

Honourable senators, certain principles cannot be altered, because their alteration would disrupt the whole structure of those principles and thereby lead to an end which would be the reverse of the one desired. It will be recalled that scarcely two years ago, when we discussed the problem of margarine, I said that the question of butter was closely bound to that of livestock breeding, and that by permitting the sale of margarine in Canada we would destroy the butter market and prevent cattle raising; and further, that we would make it difficult for western farmers to sell their grain. Now see what has already happened: we have destroyed the foundations of our farming economy, and the poor consumers, whom we tried to protect, are today the first to suffer. Butter production has diminished, cattle raising has been reduced, and now the western farmers are looking for a market for their grain. Yet less than two years ago my colleague from Leeds (Hon. Mr. Hardy) said my arguments were so ridiculous that they were not worth the trouble of answering.

When the Fathers of Confederation met to draft the British North America Act and to organize the then Canadian provinces into a federation, they laid down some hard and fast principles. Had they believed that these principles would some day be changed, would Confederation have taken place? A fundamental principle, and one which we must maintain, was the provision for a non-elective Senate for the protection of the minority. If the Senate became an elected body, what would be the result? No one knows exactly what would happen, but we can foresee that the first demagogue strong enough to sway the masses would be able to do as he pleased, whether his plans made sense or not—and demagogues almost always breed senseless plans. I fear that as a result our country would be thrown into a revolution.

But there is more to be said on this question. It seems to me that the matter of Senate reform is in the first place the responsibility of the government, and that the British North America Act ought not to be changed without the consent of the provinces, agreement by this body and the assent of our gracious sovereign.

However, notwithstanding all the hard and efficient work done by the Senate, especially during the past few years, I think our services can become still more efficient. There are in this chamber specialists in many fields. For instance, many of our colleagues are past masters in financial matters. In the agricultural field, we have our friend from Montarville (Hon. Mr. Godbout) who for many years was Minister of Agriculture in his province. I should also mention my neighbour in this chamber, the senator from King's (Hon. Mr. McDonald) a former Minister of Agriculture for the Province of Nova Scotia. There are many other senators whose careers are a guarantee of the important services they can render. For instance, we have in our midst some eminent members of the legal profession. I shall name no one, for fear of overlooking some. If we are concerned about

insurance questions, we have available here the advice of experts in that field. Some honourable senators are well versed in social matters; others are well informed in economics. And several of our colleagues are physicians of high reputation, eminent in the field of health and hygiene. I could go on at length mentioning the qualifications of senators in special fields.

Why could not members of the Senate be organized into teams for the consideration of specific classes of legislation, and every senator serve on the team where his specialized knowledge could be used to the best advantage. In this way the house could not only analyse a measure, but it could offer constructive suggestions for improvements, and thereby render valuable services to individual citizens and to the nation.

In accordance with our present procedure, honourable senators study a piece of legislation in their own rooms without the benefit of consultation with senators who have special knowledge in the particular field concerned, and then meet in committees to pass or reject the measure. Thus we do not avail ourselves of readily obtainable expert advice as to the way in which legislative measures submitted for our consideration can best be improved.

On this point I would draw the attention of the house to the fact that there is near this chamber a beautiful large room where senators are invited to get together and talk things over quietly. But I have never seen that room open; it is always locked up and no one can use it. Would that not be the proper place for the team work I have proposed? By discussing matters informally in this way, I think we could make ourselves more useful. I may seem to be labouring this subject, but the practice of team work and co-operation has proved so useful in many fields that I cannot refrain from emphasizing its value. By co-operation, problems are solved in the best interests of all concerned.

I entirely agree with the opinion expressed by my friend from Grandville (Hon. Mr. Bouffard), that there ought to be closer co-operation between the cabinet and the Senate, and that if some of the ministers, ministers without portfolio and parliamentary assistants were chosen from among our numbers we would know more about what goes on in the other chamber and be familiar with what the government proposes to do. Moreover, with better informed members, the Senate could do its work more quickly and efficiently.

In closing, I should like to say a few words about what is being said outside this chamber regarding the Senate. A colleague from the other place, whom I met in the halls the other day, asked me. "When are you going to vote in favour of abolition of the Senate"? I replied most amiably: "If we were the only ones concerned it would have been done long ago, but we have to be fair to others. Indeed, we thought that by abolishing the Senate we would be dealing a heavy blow to more than one of our friends, for so many of whom would like to take our places. One has to be considerate."

It is claimed by some people that there are too many old men in the Senate. To a friend of mine who repeated this criticism, I replied: "Can you tell me when a man is old? You, for instance, are 61 years of age, but are you an old man?" "Not at all," he retorted. "Nevertheless," I explained, "the little boy of twelve or thirteen years who sees you going by considers you are old. As you see, everything is relative."

It is sometimes contended that elderly people cannot work fast enough and keep up with the present-day tempo. That may be true, but may we not meet that argument by saying that some people rush around too much and by so doing cause many accidents and sudden deaths? Nevertheless, experience brings wisdom. To my friend who complained about the age of senators, I also said: "You will recall that a few years ago we each had a rather difficult problem to solve. As we could find no solution, you suggested to me 'I shall make an appointment with my father and, if you agree, we will call on him tomorrow.' We went to see your father. He listened to both of us; he gave the matter a great deal of thought, and the next day he advised us on the solution he thought best. That solution was found to be the logical one, the best one, and the only sensible one. And your father was then eighty-four years old. When is a man old?"

I have already stated that I know men in their twenties and in their thirties who are already old—old through scepticism, old through selfishness, old through despair. But I know also men in their seventies and in their eighties and older who are still young in their ideals, young in their hopes, young especially because they have retained common sense and wisdom. Let the younger men show feverish activity if they wish, but let us always look for guidance to the mature judgment of wise men, the best possible guide.

(Translation):

According to the newspapers, the Pope, gloriously ruling, the other day celebrated his seventy-fifth birthday. I saw him a few months ago acting with a manly vigour which many men of twenty or thirty would envy, and I believe that people would be astonished, dumfounded even, if overnight they were told: "The Pope has reached the age limit, let

us replace him by a younger man." In these troubled times, I believe that the wisdom of a 75-year old man, who is far from being old, is worth much more than the bundering methods of those who do not take time to think before they act, and who frequently repent having acted in haste.

(Text):

Hon. W. A. Fraser: Honourable senators, it is with considerable timidity that on this, the third occasion that I have risen in this chamber, I venture to present a few comments. This afternoon I wish to place upon the record, and before my honourable colleagues, some observations with regard to the resolution which is before us. My feeling of hesitancy is not wholly due to the fact of my recent appointment to the Senate; it arises also from my deep apprehensions concerning the condition of world affairs today and the international position of the Dominion of Canada. As a member of the Canadian Senate I have done and am doing my best to study international conditions and to watch the progress of the economics of violence which is rampant in the world today. These conidtions in themselves would create a sense of humility in any Canadian citizen, and not least in the minds of members of this body. I hope my honourable friends will not assume I am injecting any political viewpoint when I make the statement that we Canadians today are extremely fortunate in our government and in the opposition in the other place. I do not believe that any greater tribute has been paid to a Canadian citizen than was accorded to a French Canadian in 1949 by the English-speaking people of Canada when they endorsed the Right Honourable Louis St. Laurent as our Prime Minister. I feel also that we are extremely fortunate in having ministers of the calibre of the Right Honourable C. D. Howe and the Honourable Lester Pearson, and on the opposition side, the present leader and the gentlemen who sit behind him, such as my friend Howard Green and others whom I learned to respect in the years when I sat before the Speaker in that other place. And while I am deviating somewhat from the subject of the resolution, I should like to add that, as a member of the Senate and one in the public service, I regard it as an honour and a privilege to be associated with the Government of Canada in the upper house of the Canadian Parliament.

I should like at this time to make a brief reference to the civil service of Canada. In my opinion we are extremely fortunate in the calibre of the civil servants who serve the country in this crucial period of its history. If a personal reference may be permitted, for the past ten days I have been nursing a dose of the flu, and this has given me the opportunity of reading every speech which has been made in this chamber in connection with this resolution. If the motion before us has served no other purpose, it has served to place on record the thoughts, the conclusions, and in a broad sense the aspirations of members of this august body. I do not think one could read anywhere finer speeche- than have been made by the honourable senator from Vancouver South (Hon. Mr. Farris), the honourable member from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable member from New Westminster (Hon. Mr. Reid). I want to express my humble appreciation of what I have learned from their contributions, the serious utterances of minds trained for many years in investigating, considering and pronouncing upon matters of national importance. I have been prompted to speak today because of what I have observed and read as an ordinary man on the street—as an individual of the horizontal cut of Canadian citizenship—about the unjust criticisms which have been made of the Senate. These criticisms have been far from constructive and have not been conducive to the national interests of Canada. A weekly newspaper published in my part of the country recently referred to senators as "old fogies and worn-out politicians." An article appearing in the Ottawa *Citizen* on March 5 contained these words:

> . . . not for a Senate of the maimed, the halt, and the blind, as it is now.

I object to that type of criticism, because it is destructive and not constructive; it is malicious and unfair. The speakers in this debate have placed on record in explicit and technical detail the constitution and set-up of the Senate. As members of the Senate we are members of the Parliament of Canada. We are part and parcel of the administration of our country. I consider it a signal honour to have been appointed to the Senate, and I am happy to have the opportunity of extending my humble public service to the people of Canada. As my good friend and respected colleague, the late Right Honourable R. B. Bennett, used to say in the old days "and that I will do", to discharge my duties as best I can do to the limit of my capacities as a member of parliament.

Honourable senators, one of the greatest assets I possess as a result of long experience in public life is the fact that I personally know and can call by their first names, almost every departmental head and deputy minister in the government service. If I had no other asset to offer, I think this association

with our senior civil servants would in itself give me an opportunity to continue to serve the people of Canada.

As senators we have the right to stand in this chamber and express our opinions, to give our advice and do our utmost to transmit these things to the government through the leader of the Senate (Hon. Mr. Robertson). We must not forget that our leader is a member of the government, and we should take full advantage of this fact so that we may contribute more to the administration of the public affairs of our nation. The phraseology of the resolution reads in part:

> . . . to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

Now, honourable senators, I understand that in this chamber a speaker is not limited to forty minutes, so I shall deviate along somewhat jovial lines for a minute to tell you about the letter I wrote yesterday to the editor of the weekly paper who referred to us as "old fogies and worn out politicians". I know the editor quite well and I wrote something like this:

> Dear George, it seems to me that not so long ago you trimmed your mizzen flat and jettisoned your political ballast over the lee rail when you tried to luff your political ship of state past the narrow portals of the Red Chamber.

Hon. Mr. Duff: He capsized it.

Hon. Mr. Fraser: Sometimes our friends are not consistent, and we are subject to that kind of criticism.

I should like to return now to a more serious strain, and I want to go on record as saying that it would be impossible for any business organization to have a board of directors made up of more intelligent and experienced persons than are gathered together in this chamber. I do not think you could have a more profound body serving the public interests of Canada than that formed by the senators in this chamber.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: I should like to point out for the record that thirty-nine members of the Senate were former members of the House of Commons, and eight gentlemen who formerly held portfolios in one federal government or another are now sitting in this august chamber. There are among us nineteen ex-members of provincial governments, of whom seven were provincial ex-cabinet ministers. One gentleman, my respected friend and colleague from Montarville (Hon. Mr. Godbout), was once premier of the province of Quebec.

The membership of the Senate also comprises ten doctors, seven farmers, twenty-three lawyers, one mining executive, and four gentlemen who have been prominent in the basic fishing industry of Canada. There are also four gentlemen who have been prominent in Canada's lumbering industry. Unlike myself, who has handled the busy end of a peavey, they have held executive positions in the lumbering industry of Canada.

Hon. Mr. Duff: We all work.

Hon. Mr. Fraser: The membership of this chamber embraces men who have been trained in matters of finance, some five newspapermen, twelve industrialists from a cross-section of Canadian industry, two university professors and three commercial businessmen. It includes also four insurance executives, two engineers and two men who have been most successful in the operation of transportation systems in Canada. There are also in this chamber two apple growers.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: One of them is the honourable senator from Montarville (Hon. Mr. Godbout) and I am the other. Among the members of this house there are representatives of a cross-section of the women of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: I say without contradiction that no woman in Canada has contributed more in a humanitarian way for the cause of womanhood than has the honourable senator from Rockliffe (Hon. Mrs. Wilson). I regret that the honourable senator from Peterborough (Hon. Mrs. Fallis) is not in her place this afternoon, for there is much that I could say about her activities. I know that these two gracious ladies are a tremendous asset to the Senate of Canada and to the country generally.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: The honourable gentleman who just took his seat (Hon. Mr. Vaillancourt) is the leading maple sugar producer in Canada, and my good friend from Victoria-Carleton (Hon. Mr. Pirie), the foremost potato grower in this country.

I turn now to another subject which I think should appear on the records of this house. First I point out that I do not participate in this debate only to argue the resolution before us, but to place upon the record what the Senate of Canada means and what its individual members stand for. In my opinion, the public should appreciate to a greater extent the public servants who compose this branch of the parliament of Canada. There are men sitting in this chamber this afternoon who were responsible for what I believe was the most important event in

the history of Canada in the last generation. I refer to the entry of Newfoundland into Confederation as the tenth province of the Dominion.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: I say most positively that there are in this chamber men whose actions resulted in Newfoundland becoming the tenth province of Canada instead of the forty-ninth state of the United States. Do the people of Canada realize these things? Do they ever look at a map of Labrador and Newfoundland and appreciate the fact that because of the sincerity and tenacity of some honourable senators this great coastal area, which may one day be a line of defence for Canada, became a part of Confederation? I could go on and mention outstanding accomplishments of many other members in this chamber. It would, however, be selfish on my part to take up too much time this afternoon.

Hon. Mr. Duff: Go ahead.

Hon. Mr. Fraser: But I have on my mind some further matters which I wish to place on the record.

Last Tuesday evening I listened to a speech in this chamber by the honourable senator from Bruce (Hon. Mr. Stambaugh). Frankly, his speech annoyed me, as I am sure it did other senators. I was a member of the House of Commons for sixteen years, ten years of which I was government Whip there. I served for a period as chairman of an important committee of that house, in what was perhaps one of its crucial times. I refer to the Public Accounts committee, when the Bren gun inquiry came up.

As I listened to the honourable senator from Bruce the other evening there flashed through my mind the biblical quotation: "Father, forgive them; for they know not what they do." As one who has spent more than thirty years of his life in the service of Canada, I felt that the remarks of the senator from Bruce were absurd. I make this remark without any vindictiveness, for I only brush off flies with a swatter—I don't do it on the floor of the house. I would remind the senator from Bruce that there are in this chamber five honourable gentlemen from the province of Alberta, some of whom have occupied their seats for many years. There is my good friend the senator from Lethbridge (Hon. Mr. Buchanan); my former colleague and ex-minister of the Crown, the senator from Edmonton (Hon. Mr. MacKinnon); the senator from Medicine Hat (Hon. Mr. Gershaw); the senator from St. Albert (Hon. Mr. Blais); and another gentleman for whom I have great respect and admiration, my old friend from Calgary (Hon. Mr. Ross). When the senator from Bruce referred to me the other evening, not by name but by my youth—and I appreciate that—I was reminded of the old days when I was Whip in the House of Commons. This will bring a smile to the lips of the senator from Toronto-Trinity (Hon. Mr. Roebuck), for he will recall that when a caucus was called I would talk to the new members in this way: "Now, my friends, just pipe down, and realize that the less you say around here the less you will have to answer for."

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Fraser: While the senator from Bruce was speaking the other evening there came to my mind another biblical quotation: "Judge not, that ye be not judged." Certainly, each and every one of us has enough to do to look after himself, without criticizing other people. In my experience across Canada I have done everything from mining ore on the west coast of Vancouver Island to building hangars in the new province of Newfoundland, and I know something about this country. Long ago I came to the conclusion that the less I worry about other peoples' business and the more I look after my own, the more successful I shall be and the less criticism I shall accumulate.

There is another thing,—and this I will interject in a humorous strain. Being Scotch, I believe in punching from the front, not from the back. I notice with regret that my honourable colleague is not in his seat this afternoon, or I might say more: however I will put this on record. When he comes back from Windsor tomorrow afternoon, after neglecting his duties here to pick up a motorcar, he can read in *Hansard* what I say. I want to say to him, when he talks about his "he angel," that he will find himself dodging his angel to the limit of his capabilities; and if he is in the Senate long enough to reach the age of seventy-five he will go through mental contortions, even if he should not be capable of physical contortions, to retain his membership here. Of that fact we can rest assured; it is human nature, and it is in accord with human psychology. Let me add that I have come to the conclusion that from now on I shall apply the Chinese proverb, "Hold thine enemy close." While the good Book states, "Judge not, that ye be not judged," it would seem, from what the honourable senator from Bruce said on Tuesday evening, that he lacks experience in administrative bodies such as municipal councils and the House of Commons. This statement is not intended to be derogatory as far as he is concerned. I forgive him on the score of lack of experience.

Apparently he does not realize that the duties, the functions and the responsibilities of a senator are not confined to attendance in this chamber.

May I say that I take second place to no one in my desire to discharge my duties as a public servant. At the present time I happen to be the only senator on the lakefront from Kingston to Toronto; and as a member of parliament—now a member of the Senate, and formerly a member of the other house—I regard myself as a public servant. I was appointed to the Senate of Canada, as I was elected time and time again to the other place, to serve the people, to try to interpret their thoughts and desires, to try to be of service to my fellow citizens, whether returned men, members of county councils, members of benevolent organizations, or whatever their capacities and needs. Throughout my life it has been to me a source of pride that the opportunity has been given me to serve Canada, to be of some help to my fellow citizens. And never in the history of Canada, honourable senators, was the equilibrium of the people more threatened and their thinking more confused than today. Never, I believe, were the people more anxious for leadership. I ask you, my honourable friends, 102-strong, and the elected members of the House of Commons, to whom are they to look for leadership if not to us?

Personally, I felt it a great honour to be appointed to the Senate. I am not speaking from a financial standpoint, because I venture to say that the Treasury of Canada gets back in income tax at least thirty cents of every dollar it pays in sessional indemnities. Don't forget that.

Hon. Mr. Aseltine: More than that.

Hon. Mr. Fraser: My honourable friend says, "more than that".

Hon. Mr. Duff: That is the truth.

Hon. Mr. Fraser: He is a better guesser than I am, and he is probably right. I wanted to be conservative. But the point is that the man who offers himself as a candidate for membership of the House of Commons or for municipal honours is not moved by the prospect of the money he will get; he does so because as a Canadian he is inspired by the wish to serve his fellow citizens. And that sentiment, I say, animates us as members of the Senate. That is why I remarked a minute ago that if anybody thinks the work of a member of this body amounts to no more than sitting behind a desk in this house and listening to the kind of speech I listened to on Tuesday night, he has got "another think coming to him". The members of this body are experienced men. As former members of legislative bodies, they have gained experience in the business of Canada. They know something about the administrative problems of government. They know a good deal about the thoughts, the aspirations, the frailties, the needs of the Canadian people, of whom they are a cross-section. I say to you, my honourable friends, that ours is a whole-time job. I regard myself, as a senator and a member of parliament, as being on duty 365 days of the year, and my latch-key is out and the telephone is open to the people, not only of my town but to anybody else who thinks I can be of assistance to him, either in connection with government affairs, personal or any other matters. That, my friends, is one of the greatest privileges and the greatest obligations of a member of the Senate.

As I said a few minutes ago, it would be extremely presumptuous for a recently appointed member of this body to take up much time this afternoon, and I want to conclude with just one or two thoughts in connection with this resolution. I have said previously that in my opinion the resolution has done a tremendous amount of good. It has been instrumental in placing upon the record, and obtaining wider publicity through the press and otherwise, of the fundamental facts about the Senate which otherwise would have been left unsaid and unknown.

In reading the speeches I have noted two or three very definite suggestions, the only definite suggestions that have been made. The honourable senator from New Westminster (Hon. Mr. Reid) made several constructive suggestions, but the main ones had to do with establishing a retiring age and making provincial appointments. The honourable leader (Hon. Mr. Robertson) referred in his speech to the conversation he had with the late Right Honourable W. L. Mackenzie King about Senate reform. I may say that I read the leader's speech three times, and I asked myself this question: As Mr. King was one of the greatest statesmen and cleverest political strategists this country ever produced, why did he never reform the Senate?

Hon. Mr. Duff: He did, by appointing me.

Hon. Mr. Fraser: Why would he have turned to the honourable senator from Shelburne (Hon. Mr. Robertson) and suggest that he, having just assumed the responsibility of the leader of the Senate, should take the initiative in Senate reform? I think there is a nigger in the woodpile somewhere. Let us be clear on this: if the Senate was to be reformed, nobody was more capable of doing it than the late Right Honourable Mackenzie King.

The next thing I should like to speak about is the suggested compulsory retirement age of seventy-five. Let me say that I for one would never assume to speak or act in any way that would influence the determination of the age at which any colleague of mine should be retired from the Senate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: Do you think for one minute that I would suggest, for instance, that the senator from Churchill (Hon. Mr. Crerar) or the senator from Lethbridge (Hon. Mr. Buchanan) should be retired? And I would stand aghast if anybody were to suggest that within three years the senator from Toronto-Trinity (Hon. Mr. Roebuck), with his energy and quick mind, should be retired. I would oppose that suggestion on every count. Do you think I would suggest that the senator from Bedford-Halifax (Hon. Mr. Quinn) should be retired? I sat in the House of Commons with him, and I am proud to be standing beside him and speaking in this chamber this afternoon. Do you feel that the leader of the opposition (Hon. Mr. Haig), or his deputy, the senator from Rosetown (Hon. Mr. Aseltine), who is doing such a splendid job as Chairman of our Divorce Committee, should be retired? I want to say to my honourable friends that we have got to be careful whose ox is being gored around this place. As far as I am concerned, when I want to retire I shall do so, and I won't ask anybody to reform the Senate for that purpose.

Some Hon. Senators: Oh, oh.

Hon. Mr. Fraser: I have had enough experience in public life to know that neither a system of electing senators nor one of provincial appointments would ever work. I would never endorse any system which would let provincial governments in any way dump their political proteges upon this august body. While the senator from Bruce (Hon. Mr. Stambaugh) did not refer to me by name the other night, his reference to a senator of youthful years, whose desk was close to his, indicated that he had me in mind. I appreciated that reference because I am not as young as I feel, but when I become incapacitated to the extent that I cannot discharge my duties as a public servant I shall resign. They will not have to reform the Senate to get me out of here.

Like many senators I can look far back over the public life of this country, and I find that one of the most respected and loved men in Canada is a member of this chamber, the honourable gentleman from North York (Hon. Sir Allen Aylesworth).

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: Would anyone in this chamber deny that dear, old statesman, who was once a minister in the Laurier cabinet, the privilege of remaining a senator in his declining years? Not I. There is too much of the milk of human kindness in my soul to suggest depriving him of that privilege.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: I wish to conclude, my honourable friends—

Some Hon. Senators: Carry on.

Hon. Mr. Turgeon: There is no retirement hour.

Hon. Mr. Fraser: Well, I hope to have the opportunity of making a return engagement at some time.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: I do not want to abuse my privilege of addressing the house. I wish to sum up my estimation of the Senate in the categories I have already mentioned. I have had a great deal of experience with lawyers, and I know that if my honourable friend from Vancouver South (Hon. Mr. Farris)—or any of my other legal colleagues—were to spend as much time in outside legal work as he does in the Senate for a whole session, his bill for one month would not be as little as $6,000, without expenses.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: If he were working in an advisory legal capacity for me I would be confronted, as I was the other day, with a bill of $12,000. It is fantastical lunacy for anyone to believe that honourable senators are overpaid. Do you think you could hire any of the honourable senators I have mentioned this afternoon for their sessional indemnity? These gentlemen are only here—and I want to repeat this, because it is close to my heart—to do their best to help the people of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fraser: Honourable senators, I do not need to discuss some of the influences now found in our Canadian schools, universities and organizations to remind the house that we are living in a time of crisis, which requires the straight thinking of every Canadian citizen. It is a time which demands the most of every member of the House of Commons and of the Senate.

In conclusion I want to interject a little story—

Hon. Mr. Duff: Is it funny?

Hon. Mr. Fraser: —which I believe is a good illustration of the position of members of the Senate. Some years ago I was building

a paper mill, and had to import from Birmingham, England, two 650-horsepower reciprocating engines. These engines were delivered and installed, but one of them refused to operate properly, and we were stuck. We cabled to Dawson and Company, the manufacturers in Birmingham, requesting that an engineer be sent out to Canada to adjust the engine and to make it run properly. The engineer arrived at the plant, and I stood beside him as he looked over the engine. I saw him take a small hammer from his pocket and tap the governors in, I think, three places. We then turned on the steam and the engine ran perfectly. We thanked the engineer for his services, and the plant went into operation. A short while later Dawson and Company sent us an account for £300, plus the travelling expenses of the engineer. The manager of the plant in question, being Scotch, like myself, could not quite figure out why we should have to pay £300.

Hon. Mr. Quinn: For three taps.

Hon. Mr. McKeen: £100 a tap.

Hon. Mr. Fraser: We wrote a letter to the English firm inquiring about the account, and in due course we received a new invoice which read as follows: "For tapping, £25. For knowing where to tap, £275".

Some Hon. Senators: Oh, oh.

Hon. Mr. Fraser: In conclusion I will say this—and let it get into the press and go across Canada—that the members of the Senate have experience in business, in industry and in legislative matters and they know where to tap; and as far as I am concerned, I make no apologies to anybody.

Some Hon. Senators: Hear, hear.

Hon. Mr. Quinn: Honourable senators, on behalf of the honourable gentleman from Blaine Lake (Hon. Mr. Horner), who is unavoidably absent, I move the adjournment of the debate.

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

The Senate adjourned until Tuesday, March 13, at 8 p.m.

THE SENATE

Tuesday, March 13, 1951

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

Prayers and routine proceedings.

PRIVATE BILL

COMMONS AMENDMENTS

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill C, an Act to amend the United Church of Canada Act, and to acquaint the Senate that they have passed this bill with several amendments, to which they desire the concurrence of the Senate.

When shall the amendments be taken into consideration?

Hon. Mr. Robertson: Tomorrow.

PRIVATE BILL

COMMONS AMENDMENT

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill D, an Act to incorporate The Evangelical Lutheran Church of Canada, and to acquaint the Senate that they have passed this bill with an amendment, to which they desire the concurrence of the Senate.

Honourable senators, when shall the amendment be taken into consideration?

Hon. Mr. Robertson: Tomorrow.

PRIVATE BILL

COMMONS AMENDMENT

The Hon. the Speaker: Honourable senators, a message has been recived from the House of Commons to return Bill F, an Act to incorporate Trans-Canada Pipe Lines Limited, and to acquaint the Senate that they have passed this bill with an amendment, to which they desire the concurrence of the Senate.

Honourable senators, when shall the amendment be taken into consideration?

Hon. Mr. McKeen: Honourable senators, the purpose of this amendment is to make the company construct its main transmission line through Canada. With leave of the Senate, I move that the amendment be concurred in.

Hon. Mr. Reid: I would like to know what all the hurry is about? There are several bills of this type coming along, and I want to know what is going on. I would like to see the amendment.

Hon. Mr. Robertson: Consideration tomorrow.

DEFENCE PRODUCTION BILL

FIRST READING

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons with Bill 77, an Act respecting the Department of Defence Production, to which they desire the concurrence of the Senate.

The bill was read the first time.

SECOND READING

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

Hon. Wishart McL. Robertson: Honourable senators, with leave, I now move the second reading of the bill. There is some urgency about having it considered at the earliest possible moment.

It is well-recognized that discussion prior to second reading concerns the principle of a bill, so I may perhaps state briefly the principle underlying this bill. It provides machinery to enable the government of the day to supply to those who are fighting for us now, or may be fighting in the future, the best weapons of war that science can devise and our productive facilities can furnish; to provide these weapons promptly, so that should occasion arise it will not be a case of "too little" or "too late"; and lastly, to make sure beyond any reasonable doubt that there shall be no profiteering in the production of weapons of war.

I will make a brief reference to the bill in general, without going into the details, which can be considered in committee if and when this house sees fit to give it second reading. The bill is designed to do three things. In the first place, to establish a separate department to carry out the procurement functions needed for the extended defence program, and to direct essential materials to meet that program; to confer on the minister of the new department, powers similar to those formerly held by the Minister of Munitions and Supply; and to confer upon the Governor in Council and upon the minister, power to control essential materials, under substantially the same terms and to the same extent as now provided for under the Essential Materials (Defence) Act. It will be seen, therefore, that in that sense this is not new legislation; it simply re-establishes authorities and procedures which were tested and made use of so satisfactorily during the last war. With very few

exceptions the powers sought in this bill are the same as those provided for in the Department of Munitions and Supply Act of 1939.

In the drafting of this bill there has been some re-wording, and a consolidation of the legislation which was built up during the last war; but there is no material addition in the bill to the powers exercised during the last war under the Munitions and Supply Act and the War Measures Act. An illustration of this consolidation will be found in section 20 of this bill, which provides that the minister may direct that a person entitled to royalty payments in connection with a defence contract shall look for compensation to the Crown rather than to the licensee. This is based on the fact that a royalty is usually determined on the basis of anticipated peacetime volume, which may well be substantially increased as a result of a defence program of the magnitude now being undertaken. Provision for this situation was not incorporated in the Munitions and Supply Act, but was dealt with by order in council. Again it will be noticed that section 16 establishes a revolving fund to permit of advance payments being made in connection with production programs for Canadian requirements or for production programs undertaken for other governments. This procedure was found to be the only practical method of handling similar situations in the last war; and although it was not provided for in the Munitions and Supply Act, it was done under the authority of the War Measures Act.

In introducing this bill the government is carrying out plans that it has been developing over the past few years. The experience of the last war showed the wisdom of building a separate department for defence production, and proved the need for the special powers which are now sought in this bill. Since the end of the last war the principle of centralized procurement for the three services by a civilian department has been followed, and the nucleus of such a department has been maintained in the Department of Trade and Commerce. What is now proposed is to extend this nucleus, and to grant special powers to meet the urgency of the special situation. We are not at war, or at least all-out war, but there can be little doubt that speed in getting on with the defence preparations is the best possible protection against all-out war. In order that the program go ahead, there must be authority to place defence requirements ahead of other civilian demands. But manufacturers and suppliers whose order books are full cannot without properly authorized governmental direction, displace civilian requirements to make way for defence requirements.

The powers that are sought in this bill, such as the requisitioning of supplies, the directing of production, and the allocating of materials in short supply to the most essential uses, can all be described as necessary in order to ensure that defence production requirements are placed ahead of all other requirements. As I have said, the powers now sought are those which were used so successfully during the last war. They are not powers which would be appropriate under normal conditions, and consequently a limited period is established for the life of the Act. The period chosen is five years, the time necessary to carry out and, it is hoped, to bring to a conclusion the three-year program which has been announced in detail by the Minister of National Defence. It will be realized that a program which includes the building of large ships, and the designing, development, testing and production of new types of aircraft, guns, ammunition, electronic devices and all the expensive paraphernalia of modern war can be carried out only over an extended period. While this has been announced as a three-year program, the experience gained during the last war indiciates that a period of at least two years will inevitably be required to wind up a program of the magnitude of the one on which we are now embarked.

The government makes no apology for asking for the re-establishment of these powers, and the record of its administration in the exercise of such powers during the last war speaks for itself.

To this statement I should like to add one word. The present bill, like the Munitions and Supply Act and the War Measures Act, under which powers were exercised during the last war, not only provides machinery for obtaining prompt delivery of defence materials, but authorizes the minister to ascertain and determine the degree of profit made on war production, and to require that those in a position to produce weapons of war—if I may use that expression—shall do so, even though they may wish to do otherwise. It seems to me that is a very important point. The financial record with respect to the great program carried on by this country during the last war is something that every Canadian can be proud of. It was not the record of a particular administration or a particular party only. It is true that the Liberal party was in power, but people whom the minister of the day called in to assist him were chosen irrespective of politics. I think it is generally agreed that in this regard and in keeping a careful check on the amount of money made out of war production he acted wisely, and that it is wise to provide for a check on war profits at this time. Whatever differences of opinion

we may have on most questions, we are all of one mind in this, that while our young men are being called upon to offer their lives in defence of civilization, the production of war materials in Canada shall not be a gold mine for those engaged in the business of producing those materials. There is a responsibility on this and all future governments to see that the record is maintained; and it is encumbent upon parliament to provide the government with adequate power and to see that it is exercised.

We are aware of the tremendous increase in prices reflected in recent stock market activities in Canada. Although this activity may be a mere coincidence, it seems to me to indicate that at least some people foresee a tremendous war production program, resulting in a bonanza for many. It may happen, as it did during the last war, that some people, upon becoming aware that there is no opportunity to make huge profits, will not be very anxious to give over parts of their productive facilities to the manufacture of war materials when it would be much more profitable to produce consumer goods on which there are no price controls.

I am not prepared to say to honourable senators that this bill is perfect in every detail, and that the powers it provides are the best to accomplish the task before us. I do believe, however, that it is desirable to clothe the authorities with the powers necessary to secure the best material available, to get it promptly, and to see that no unreasonable profits are made. I firmly believe that the people of this country would not tolerate profiteering. There is a disposition on the part of some to say that such powers as are asked would be all right if we were engaged in an all-out war, which we are not: the fact remains, honourable senators, that Canadian boys are today dying on the battlefields of Korea, and it is the responsibility of everyone in authority to see that parliament provides the power necessary to enable Canada to maintain the record she has made for herself.

I bespeak for this bill your most careful consideration.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: To what extent does this bill fall short of the War Measures Act?

Hon. Mr. Robertson: I asked the department to give me that specific information, because I thought it was pertinent. I am advised that in essence the powers under this legislation are no more or no less than those which existed under the Munitions and Supply Act, and augmented by the War Measures Act. That is to say, to all intents and purposes this bill would give the sum total of power which was exercised during the last war under the two measures I have mentioned. I have no doubt that this question will be elaborated on more fully when the bill is before committee.

Hon. John T. Haig: Honourable members, I do not think for one or two reasons, that anyone would want to speak against the passage of this legislation. The peoples of the western world today believe, rightly or wrongly, that the better they are prepared for war the farther the danger of war will be removed from them. I am not qualified to express an opinion on that belief, but I observe that the men who are in a position to know the facts unanimously agree that full preparations for war by the western world will deter Russia and her satellites from making an all-out attack on us.

Hon. Mr. Roebuck: General Eisenhower thinks so.

Hon. Mr. Haig: And more than General Eisenhower; practically all the premiers and presidents of the countries in the western world think so. But I am not expressing myself on that.

Events in Korea have given us ample evidence that Russia was the motivating power behind the North Koreans in their attack on the South Koreans; it is obvious that she schemed to use other people as pawns to play her game. We see evidences of this even in our own country, though why anyone would support the Communist doctrine, I cannot for the life of me understand. What hypnotism is there that attracts people to that way of life? With this background in mind, I am sure we are all of opinion that the thing to do is to prepare for the worst.

The government is asking us to pass this legislation to give it the power to make the necessary preparations. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) asked a pertinent question, the answer to which may not be quite complete. The Minister of Trade and Commerce made a statement in the House of Commons, or in an interview, namely, that a measure of this nature is more useful today than the War Measures Act would be with which I entirely agree, I do not pretend to be the best constitutional lawyer in Canada, but I am not sure that under the War Measures Act we could legally do what this bill would permit us to do. The War Measures Act is based on the premise that the emergency of war exists; the measure now before us is not. It is a general bill such as the government may introduce. By utilizing the War Measures Act we might run into legal difficulties.

The bill before us indicates the condition of the world at the present time. The western countries are striving desperately to maintain the freedom of men's minds, their souls and their lives. The people in effect are saying: Do what you will with our money and our property, but let us maintain our liberty. Reports that come to us from behind the Iron Curtain show the dangers facing our way of life. Indeed, we do not need to look far to see what is happening today. Through the press we learn what the Chinese are doing to missionaries and members of religious orders who operate hospitals in China. I cannot imagine why the Red element would suspect such people of any intention of aggression. Indeed, if I have any criticism to make of missionaries —and the church to which I belong has a mission field somewhere out there—it is that people who follow that calling do not recognize that a war exists. But, as I say, the communists show a strange mentality when they suspect persons who forgo a life of freedom and simple pleasure, in Britain, France or the United States, and go out to teach and heal the people of these far-off countries. The events of the last day or two would have convinced me, had I needed any convincing, that when the germ of communism enters the souls of men it seems to drive out all sentiments of humanity and all regard for the sacred rights of the individual; and I am the last man who would protest against measures to meet perils of this kind.

From that aspect I support the bill, although there are things in it which I react against. It is one of the paradoxes of life that to meet the menace of dictatorship we have to pass laws which invest somebody with dictatorial powers. I intend no criticism in this connection, either of the legislation or of any individual who may be appointed to put it into effect. The fact remains, however, that to oppose dictatorship we pass laws which give somebody absolutely dictatorial powers. The very thing we are fighting is the thing we use to fight it with. Maybe that is necessary. I am not sure.

When this bill goes to committee I think it should be very thoroughly examined to ensure that nothing shall be done to unnecessarily limit the freedom of the individual. Already, Canadian boys are overseas, and more will follow them. We cannot blind ourselves to the fact that if war should break out hundreds and thousands of young Canadians will have to go. There is no comparison between what the fighting men are required to undergo, and any demands which may be made upon the rest of us. The two things are simply not in the same category. Most of us, remembering the last war, can speak with some feeling about that. At the same time, we are fighting to maintain freedom, and we should not surrender our own liberty in any greater measure than is necessary to make an effective fight against dictatorship.

As regards the bill itself, I have only one suggestion to make. The expiry date is July 31, 1956—nearly five and a half years hence. That is a little too far off. I would prefer a limit of three years, but I would agree to a life of four years from the 31st of July next. It should be remembered that a number of contracts have already been let, and some, including airplane contracts, are already in production. So I think the expiry period should be cut down. I have sometimes fallen out with the honourable member from Churchill (Hon. Mr. Crerar) when he wanted to tie things down more tightly than I thought necessary, but I do not think parliament should surrender its powers permanently or for a long period. The government should come back from time to time to ask for extensions; and July 31, 1956, is too remote. Though I may be out of order in doing so, I should like to refer by way of illustration to the Foreign Exchange Control Act. When the bill was before this house, it was amended to require the government to seek a renewal of the legislation year by year. One consequence of limiting the duration of powers under a measure is that governments liberalize its terms when extensions are asked for. I do not say this in a spirit of criticism. At one time a visitor to the United States was limited to $50 in American currency; upon a renewal of the bill the sum was increased. I repeat when permission must be asked to renew controls, those controls are reduced; that is human nature.

I congratulate the government on having made this legislation effective for only a limited period, although the period is longer than I could have wished, and I shall try to have it shortened a year. I believe that will make it more satisfactory. I hope, however, that nothing I have said will give anybody the impression that the party I have the honour to represent is opposed to wholeheartedly getting ready to defend, if need be, our country and our freedom, and to stand with the rest of the Atlantic nations in their determination to protect freedom's cause in the world. I agree with what the honourable member for Inkerman (Hon. Mr. Hugessen) said about a month ago that there must be many people in Russia who do not support the philosophy or the policies of their rulers; and if the Russian people can

be freed from slavery, it will be an achievement to the credit of this twentieth century and to ourselves.

For these reasons I give my unqualified support to anything the government can do, within reason, to prepare us for whatever we may have to meet.

May I digress a moment to say that those of us who went to Cartierville, near Montreal, to visit a large airplane factory were much impressed with the performance of a slim little machine which, I was told by the chairman of the company, can fly over seven hundred miles an hour. I believe the cost is about $400,000; a little more when equipment is added. That, I suggest, is one striking evidence of the determination of the Canadian people to get ready.

Our expenditure on preparations may be greater because in the past few months we have given quantities of equipment to various European states. I do not favour granting these nations money which, some may think, might be wasted, but I am wholly in favour of helping Western Europe with the necessary equipment to defend itself against attack. I speak for myself—although after a recent debate it is pretty hard for a leader to convince some people that he speaks as an individual, not for his party—when I say that I am persuaded that Canada will spend 100 per cent for freedom, for the right of the people of the world to live their own lives. We will defend this great cause to the limit of our ability in men and materials.

Some Hon. Senators: Hear, hear.

Hon. Thomas Reid: Honourable senators, with most of the remarks made by the leader of the government (Hon. Mr. Robertson) in introducing the bill I think nearly all honourable senators will agree. As this is the second reading, and the bill is to go to committee, I think I should take a minute or two to express the views I hold with regard to the powers in the bill.

The honourable leader has pointed to the great part played by Canada in the last war. I think it is generally recognized that Canadian military and industrial achievements during World War II raised us to a premier place in the eyes of the world.

Mention has been made about the profits of private companies. In that regard we showed a great deal of wisdom in sending men to inspect the books of the various companies after the war, with result that the government reclaimed over $100 million of profits which these companies would otherwise have retained. We must watch what we grant in the way of accelerated depreciation. During World War II many companies which went into war production were granted huge sums in the form of accelerated depreciation. However, this was not so in the case of smaller firms which did sub-contract work, and which were later called upon to hand back some of the profits they had made, and upon which they had paid taxes. I know that many firms were severely crippled when they had to pay back some of the profits they had already used.

I was interested in what the leader of the opposition (Hon. Mr. Haig) said a few moments ago about loss of freedom. I realize that I am one of the few in the country who view with alarm the loss of freedom; we saw a great deal of this kind of thing during World War II; but I realize the necessity for the powers that the government require, and I think I can say without fear of successful contradiction that what the Canadian government did was, on the whole, excellent, and that one of the reasons for the little opposition to the present bill is the wise way in which the Minister of Trade and Commerce administered similar legislation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: I doubt whether anyone will deny that it is because of his ability and integrity that there has been little opposition in the Commons and throughout the country to this measure. I have a high regard for the Honourable C. D. Howe, but I view with some alarm the handing over of powers extending beyond the life of this parliament. I am not speaking particularly of the Senate but of the House of Commons. I think we are going a little too far. The leader of the opposition (Hon. Mr. Haig) said that he would like to reduce the life of this measure by one year, but I would point out that if we hand over these powers for a period beyond the life of parliament, we are establishing a somewhat dangerous precedent. I believe that if in two or three years the government were to need an extension of these powers they would have no difficulty—because of the wise administration of Mr. Howe—in getting parliament to grant it. The powers granted under this bill are greater than we have ever handed out before, and when we are asked to grant them beyond the life of this parliament, I think it is time we gave a second look at what is happening, and I rise to voice my protest from this point of view. It is not my idea to restrict the powers of the minister, because I know how he handled similar powers in the past. But I can see powers being handed over to controllers, to take charge of companies and of the lives of the people who are filling war contracts.

Perhaps there would be an election. What would take place then, with these powers in effect? They may be necessary in order to carry out the work which must be undertaken during these darkening days; but I would again point out that we lost a great deal of freedom during the last war. Our people were regimented as never before. Some of the powers conferred upon the government at that time have never been restored. Perhaps this is the inevitableness of things, but I want to draw the attention of the people of Canada to the fact that bit by bit and step by step we are being regimented. I recall that not so long ago we pointed to the CCF party and said: "Look, we will have to do something about keeping these men from getting into power." We have gone so far now and have taken so much power that there is not much left for the CCFers; and that is why they are going down. I agree with the sentiments expressed by the leader of the opposition when he said that in our efforts at fighting a dictator, we must take care and see to it that our children will not one day wake up to find themselves completely regimented and under state control.

Hon. Thomas Vien: Honourable senators, I think the leader of the government (Hon. Mr. Robertson), and the leader of the opposition (Hon. Mr. Haig), deserve credit for the very high and patriotic plane on which they have based their discussion of this bill. I share some of the apprehensions expressed by the honourable gentleman from New Westminster (Hon. Mr. Reid), but I do not believe that they weigh very much in the balance when one considers the conditions which confront our country today, and the measures which have to be taken to meet the present emergency. In 1914 we did not have to face the same totalitarian states that we are facing today; yet at the opening of the war session of that year a War Measures Bill was introduced which received the unanimous approval of parliament. It was realized that without unity of action a war could not be successfully fought. It was further realized that unity of action was impossible if the government had to consult all the people of the country, or even the representatives of the people in the Senate and the House of Commons, because parliament is not always in session. It was necessary, therefore, to give the government certain extraordinary powers to cope with their extraordinary duties. The same thing occurred at the opening of the second war. I agree with the honourable senator from New Westminster (Hon. Mr. Reid) when he says that the emergency powers given to the government at the commencement of World War II were admirably administered. They were used sparingly and to the satisfaction of all Canadians, and this was proven by the fact that the government upon which these powers had been conferred was returned to power in the elections of 1945 and 1949.

The leader of the opposition (Hon. Mr. Haig) said that he had some doubts as to what the situation would be if the War Measures Act were re-introduced in its entirety. I share those doubts, which have also been expressed in the other house. We have not done in Canada what has been done in the United States. In that country the President declared a state of emergency, and under the conditions which follow the proclamation of a state of emergency the extraordinary powers that are vested in the government of the day provide for a measure similar to the War Measures Act. In Canada the government has not so far deemed it advisable to declare a state of emergency; but if one considers the bill now before us one will find that it is very directly linked with national defence. Nobody will deny that although we are not yet at war we are confronted with a world crisis. The United Nations Organization, to which we belong, declared that there had been an act of aggression and called upon member nations to send troops to put an end to it; and it is in response to this call that our troops are now in the Far East. But Canada has not made any declaration of war, nor has a state of emergency been declared by the government. However, parliament has the ancillary powers that are necessarily incidental to national defence, and in my humble judgment this bill as presented to us is so closely linked up with national defence as to be within our constitutional jurisdiction.

I am also of the opinion that the measure is a most expedient one. After the last war we speedily undertook to liberate ourselves from all the controls that had been established during the conflict. We in Canada do not like controls: they are not consonant with our method of thinking and our ways of life. We want freedom of action for all except wrongdoers; but in an emergency, faced with conditions created by a totalitarian state, we adopt measures to give the government powers to cope successfully with that emergency. The advisers of the government have considered this measure essential to carrying out our war effort. I trust these advisers, for their advice is in keeping with that given to the government at the beginning of World War I and World War II. I am confident that the government will use the extraordinary powers given by parliament as wisely as they did during the last war.

This bill will also give the government the power necessary to curb excessive war profits. I would, however, point out that in wartime profiteering may be done by others as well as producers of munitions or military supplies. The whole economy of the nation is geared up in an abnormal way, and great numbers of people who have nothing to do with war contracts derive extraordinary profits. The honourable leader of the government is wrong, I believe, in attributing the recent rises in prices on the stock exchange and the apparent speculation in stocks to anticipated profits on war contracts. Experience during the last war would not lead people to expect to make gains in this way. During the last war the Excess Profits Tax and the Income Tax levied heavy taxes on profits, and the government used those taxes to sustain the nation's war effort. I think we should not expect that any excessive profits will be made by war contractors or people in any other walk of life during the present emergency.

I believe that this bill is timely as well as expedient. Although in normal times we are all desirous of having a free economy, in an emergency such as this we willingly submit to controls which are essential to the country's war effort. Nobody would advocate the permanent maintenance of economic controls, but at this juncture we know that certain controls are necessary. We saw how impossible it was to remove the foreign exchange control entirely, and now it is necessary to reimpose certain other restrictions. We trust the government to use them wisely and sparingly, and at the earliest possible moment to give parliament an opportunity to wipe them off the statute book.

I agree that the period of duration of the controls is a little bit long. The other day in committee I expressed the opinion that two years should be sufficient. I am still of that opinion. I would draft these powers for two years, and invite the government to trust parliament to renew them at the end of that time, if necessary. It would be in order for the government to come back to parliament in two years' time, when, if conditions warranted, the matter could be considered. With that reservation and limitation, I am in favour of this legislation to which we are now asked to give second reading.

Some Hon. Senators: Hear, hear.

Hon. T. A. Crerar: Honourable senators, in these difficult and menacing days through which the world is passing we have to recognize that certain of our freedoms and liberties must of necessity be circumscribed. Distasteful though the provisions of this bill may be to my conception of freedom and liberty, it seems to me to be our clear duty to support the principle of the measure and the purposes to which it seeks to give effect. Let us not, however, deceive ourselves that the bill does not give extraordinary powers to the minister who shall have charge of its administration. It is true that these powers fall substantially short of those given under the War Measures Act. Our honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck) raised a question as to how this bill compares with the War Measures Act. We find that that Act cannot be invoked in the present circumstances, but only when war has come upon us or we are threatened with insurrection.

Hon. Mr. Roebuck: Or apprehended war.

Hon. Mr. Crerar: Yes; but it has to be very close.

The measure before us gives control, not over the lives of our people or the individual personal freedom and liberty of our citizens, but over matters related to our national defence. Our obligations in this regard seem to me to be two-fold. First and foremost, there is the obligation to defend ourselves; and secondly there is Canada's obligation, assumed with the approval of parliament, to our associates in the Atlantic Pact. These obligations require us to build ships, tanks, guns and airplanes, and to do all the things that are necessary for defence. The ramifications of these obligations are very wide.

Although we had hoped that we were nearing the time when all the restrictions resulting from the last war would disappear, we now find ourselves in dangerous days and under the necessity of submitting to limitations such as this measure would impose.

The powers which this measure would give are almost identical with those which existed under the Munitions and Supply Act during the last war, and it is a matter of satisfaction to me to know that a former colleague, the present Minister of Trade and Commerce, will have the administration of this new department. Although I have not always agreed with the stand he has taken on certain matters, I say without reservation that I doubt if there is anywhere in Canada a man who could have discharged more efficiently the duties which he discharged under the Munitions and Supply Act, or the duties he will be called upon to carry out when this measure comes into effect.

The honourable leader opposite (Hon. Mr. Haig) did us a service tonight in calling our attention to the fact that this interference with freedom and liberty is a paradox: that in order to fight authoritarianism and dictatorship in the world we must, to a certain degree at least, concentrate power in the hands of the executive, and in particular of an individual minister. But I can see no escape from that situation. The important thing is that we never allow ourselves to forget that the principles of freedom and liberty are most important, and that, although we surrender them temporarily for the purposes outlined in this bill, we keep always before us the fact that these powers must some day be returned to parliament and to the people of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: I am sure that if a university student interested in political science were to undertake a study of the increase in powers extended to the executive over the past fifty years, it would prove to be very revealing. During the First World War we operated under the War Measures Act; it was necessary, and I am not for a moment decrying it. But after all, governments charged with the administration of the affairs of the country, and their servants, find such an Act a very convenient instrument. It embodies the principle of government by decree, which is the cardinal feature of all authoritarian governments. During the First World War we became to some extent accustomed to this form of government. During the early inter-war years we regained a good deal of our practice of freedom, but during the depression years some rather extraordinary things were done. By the time the Second World War came along we found that this type of government was greater in scope and effect than it was during the First World War. There again we lost a measure of respect for the freedom and liberty of the individual. We became used to doing business that way, and the government and its servants, as I have said, found it much easier to get an order in council for some purpose than to get an Act of Parliament.

By this means our individual freedom and liberty has in a rather insidious way been undergoing a measure of almost unconscious change. That is a condition which I think we must constantly guard against. There will be little profit to ourselves, to our children or to our children's children if, in the process of serving freedom in the world, we travel a road on which we lose a large measure of our own personal freedom and liberty.

While I agree that under the circumstances we must give to the executive the powers asked for by this measure, I do hope that we will always keep before us the thought that they are given for a special purpose, and that when that purpose has been achieved, parliament will require the return to it of these powers to be put in cold storage until circumstances again arise which make it necessary to use them.

I did not expect that there would be second reading and a discussion tonight, and so, my colleagues, what I have said to you has been more or less impromptu. But the measure will go to a committee of the house; it may there be examined in detail; perhaps we can improve it in certain respects. We can consider the suggestion made by the leader of the opposition (Hon. Mr. Haig), supported by one or two others of our colleagues, that the legislation should be more limited in the time of its operation than the bill provides for. But these matters, which we can consider in committee, do not affect the principle and the purpose of the bill. However regretfully we may feel about it, our plain duty, it seems to me, is to pass the bill.

Hon. Arthur W. Roebuck: Honourable senators. I am one of those who, like the honourable senator from Churchill (Hon. Mr. Crerar) "view with alarm" when measures are brought before us which curtail the rights and liberties and safety of the subject. I think I have demonstrated that on a good many occasions. I am rather interested to note that the honourable member for Churchill and I are in agreement with respect to this bill. When in a previous session, a measure of a similar character was brought before us, I supported it and he did not. We are both supporting this measure.

While, as I said, I view with alarm when the liberty of the subject is being whittled down and curtailed, I think we ought to take a good close look at this bill to see just how far it goes. It is nothing like the War Measures Act. That is why I asked the question, in what degree does this bill fall short of the War Measures Act? That measure is of a general character; it confers on the government powers almost of life and death, over both property and person in the nation. It forms the basis of legislation which flowed from the council chamber during the last war and the war which preceded it,—legislation of the widest character, which could be used, if the government felt so disposed, in the most dominating way. This bill on the contrary is specific in its character. As I read it, it applies for the most part, though not exclusively, to people who enter into contracts with the government for the supply

of war materials. The main purpose is to give the executive, when it enters into contracts for the supply of materials and services necessary to the war effort, power to control the operation and those who take part in it; and I do not see why that power should not be in the hands of government. If we enter into a really hot war we shall empower the government to take the young man out of his home against his will and that of his parents, put him in uniform and send him to war. It is very hard to conceive any greater interference with the rights and liberties of the subject. We are probably approaching that period. When I view this possibility I find it rather difficult to become much disturbed over giving the executive power to interfere with the carrying on of war contracts, even though at times the decisions are not acceptable to those who are engaged in the task of production.

There are one or two ways in which this bill exceeds the general description that I have given. For instance, section 23 refers to a person who owns or controls facilities which are suitable for or can be adapted to the work required to be carried on, and it gives the minister power to requisition those facilities and direct them into war channels. Well, it seems to me that if a person, acting within the scope of our civilization, acquires materials or owns facilities necessary for the effort we are putting forward to protect our freedom, but is not prepared to offer them voluntarily to our collective selves, there is no reason why we should not take them, and why, if they are necessary to our war effort, we should not put them to work for our war effort. It is true that in this, as in other things, the government which governs least will be the government which governs best; and the Department of Munitions and Supply which is in reality the department affected, will do well to rely as far as possible on diplomacy and persuasion, rather than on compulsion. The less that general powers of this kind are employed, the better it will be for the department, for those upon whom the powers are applied, and for the nation at large.

The other very controversial section in this bill is that which gives the government the right to reduce the amount of profits that may be made by those who enter into war contracts. I know we have boasted at times that on the conclusion of the last war the Accounting Branch of the Department of Munitions and Supply recovered from those who had engaged in war contracts a sum of something like $100 million. I do not know that I am ready to do much boasting about that. There are two sides to this question of recovery of profits which have been made in the carrying out of contracts that have been freely entered into. There have been businessmen who went into contracts with agents of the government, perhaps made a good bargain, carried out their obligations efficiently and well, showed a profit, spent it—as the honourable senator from New Westminster (Hon. Mr. Reid) has remarked—and then were attacked by the department and asked to return this profit. The measures were drastic; the result was hardship. I would suggest to the department that it enter now into contracts with such care and knowledge and foresight that businessmen will not have the opportunity of making excessive profits out of the contracts which they sign. The time to see to it that profits are not excessive is when the contract is being made. At the commencement of the last war conditions were the exact opposite. Nobody could see far into the future; the rush and hurry were very great; and some of the contracts were not well-considered. So there was more excuse than there is now for going back on a contract, after it had been completed, and having a re-accounting of the profits. The department could do very little to recover the profits. I do not mind letting the government have this power, but I think it should be understood that the recovery of large sums of money from businessmen who have acted upon the strength of a contract into which they have entered, is not a matter to boast about. This is the time to be careful, and not after the contract has been completed.

I am agreeable to this measure being given second reading because I fully realize that all it does is to give the purchasing officers of our government the right to control munition contracts; but I agree with the honourable senator from De Lorimier (Hon. Mr. Vien) that five years is too long a period for this measure to remain in force. When powers of this kind were sought in committee the other day I moved to limit the life of the particular measure to two years, and it was actually reduced to three years. I think we would be very unwise to allow this measure to go through without reducing its life to at most three years; I would favour two. It is not that we should give notice that we will not extend these powers, but we should take precaution to have these powers brought before us from time to time in order to have their continued existence justified. I hope that the committee to which this bill will be referred will reduce the life of these powers.

Hon. Gordon B. Isnor: Honourable senators, I was pleased that the honourable gentleman from De Lorimier (Hon. Mr. Vien) brought up the question of excess profits, and that he

more or less defended the position taken by manufacturers who showed such wonderful co-operation during the entire period of World War II. I think we should have a clear understanding about the profits referred to by the honourable senators from New Westminster (Hon. Mr. Reid) and Toronto-Trinity (Hon. Mr. Roebuck), particularly as to the large amounts that were later claimed by the government.

It must be remembered that many of these manufacturers were entering on a new phase of business which had been brought about by war conditions. At the request of the government they undertook to enter into new types of production, and they were unprepared at that time to realize the profits which would be derived from their operations. The large scope and the efficient manner in which these manufacturers carried out their operations naturally resulted in increased profits. I would point out that there was a clause—and I think those honourable senators who have referred to these excess profits have overlooked this fact—which authorized the government to re-negotiate these contracts. It was under this clause that the Honourable Mr. Howe exercised his right to re-negotiate, and brought back to the country or to the government, and properly so, the excess profits which were made as a result of the very fine operations of the Canadian manufacturers. I think Canada found herself in an exceedingly favourable position, and she was more or less envied by the rest of the world for the fine manner in which her manufacturers carried out their war contracts.

I believe the honourable leader (Hon. Mr. Robertson) said that this measure was to prevent profiteering. I doubt whether there was any profiteering in Canada during World War II. I think our record was exceptional in that respect, and I think we should be pleased at the way in which our manufacturers co-operated with the government in an all-out war effort. As to excess profits, we all know that if they do not come back in one way they will come back in another.

Honourable senators, I rose particularly to ask the leader of the government if he would enlarge upon the words "centralized control" which he used when introducing this bill. I think there is an objection to that term in the West and in the extreme East. That is what is causing us to wonder if the West and the East are going to share in the benefits which would accrue from an even distribution of war contracts, and which at the same time would bring about a better state of economy in the country as a whole. I wonder if the honourable leader would be good enough to explain just what he meant by "centralized control"? Would it result in the building up of stockpiles in central Canada at the expense of other sections of the country, or has the leader some other interpretation?

Hon. Mr. Robertson: I would point out to the honourable gentleman from Halifax-Dartmouth (Hon. Mr. Isnor) that this question is covered by the inquiry which now stands in his name on the Order Paper, and which I intend to answer tomorrow. If I answer it now I shall perhaps not have anything to say tomorrow.

Hon. Mr. Isnor: If the honourable leader is going to make a full explanation tomorrow, I certainly do not wish him to enlarge upon this particular question now.

Hon. Mr. Robertson: I certainly am going to answer the point raised by my honourable friend. I have prepared an answer and will give it publicly tomorrow.

Hon. Mr. Isnor: That is quite all right.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: I move that this bill be referred to the Standing Committee on Banking and Commerce.

VALLEYFIELD BRIDGE BILL

FIRST READING

Hon. Mr. Robertson presented Bill E-6, an Act respecting the construction and maintenance of a bridge over the St. Lawrence river at or near the town of Valleyfield, in the province of Quebec.

The bill was read the first time.

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

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

CANADIAN CITIZENSHIP BILL

FIRST READING

Hon. Mr. Robertson presented Bill F-6, an Act to amend the Canadian Citizenship Act.

The bill was read the first time.

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

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

DIVORCE BILLS

SECOND READINGS

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

Bill Z-5, an Act for the relief of Hortense Marie Therese Loiese Neveu.

Bill A-6, an Act for the relief of Eileen Florence Alma Hinton Johnson.

Bill B-6, an Act for the relief of Ritchie Leslie McEwen.

Bill C-6, an Act for the relief of Catherine Marie Littlefield Stirling.

Bill D-6, an Act for the relief of Marie Rose Vachon Orr.

The bills were read the first time.

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

Hon. Mr. Horner: With leave, next sitting.

PRIVATE BILL

FIRST READING

Hon. Mr. Campbell, for Hon. Mr. Hayden, presented Bill G-6, an Act to incorporate the Mercantile and General Reinsurance Company of Canada Limited.

The bill was read the first time.

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

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

FRASER RIVER BASIN BOARD

INQUIRY

Hon. Mr. Reid inquired of the government:

1. Who is the Executive Assistant of the Dominion-Provincial Board Fraser River Basin?
2. What were his qualifications for such a position?
3. What is the salary paid him?
4. Were any instructions given him by the Dominion-Provincial Board Fraser River Basin to uphold and favour the development of hydro-electric power on the Fraser river as against that of the fisheries or salmon industry of the Fraser river system at the Provincial Natural Resources Conference at Victoria, B.C., on February 22, 23, or 24, 1951?

Hon. Mr. Robertson: Honourable senators, I have the following answer to the honourable gentleman's inquiry:

1. Russell E. Potter.

2. Graduate in civil engineering from the University of Saskatchewan; post-graduate work with University of Michigan in electrical engineering, Registered Engineer in the province of British Columbia in both civil and electrical engineering, having written the examination for professional engineering and electrical engineering. Served four years with consulting engineer in Vancouver; five years as Municipal Engineer in Nelson, B.C.; ten years as City Engineer in New Westminster, B.C., in both of which latter two positions he handled civil and electrical engineering work.

3. $450 a month, plus B.C. cost of living bonus of $48 a month.

4. No.

ALUMINUM INDUSTRY IN BRITISH COLUMBIA

MOTION FOR RETURN

Hon. Mr. Reid moved:

That an order of the Senate do issue for a return of copies of all telegrams, letters or correspondence between the government, or any member of the government, and the Aluminum Company of Canada, relative to the establishment of an aluminum industry in the Province of British Columbia, from January 1st, 1950, up until the present time.

The motion was agreed to.

CANADIAN CURLING CHAMPIONSHIP

CONGRATULATIONS TO WINNERS OF MACDONALD BRIER TROPHY

On the Orders of the Day:

Hon. Mr. Robertson: Honourable senators, it might not be inappropriate if I were to ask the honourable leader of the opposition (Hon. Mr. Haig) whether he has anything to report on his recent trip to the Florida of Canada.

Hon. John T. Haig: Honourable senators, it is with very great pleasure that I answer the inquiry of the leader of the government. Ordinarily one judges the men and women of a province by the people he meets from there, and I had formed a certain opinion of the people of Nova Scotia from the Nova Scotians that I had met in this chamber. However, when I got down to that province I found its inhabitants were very fine people. They entertained us lavishly and with great eclat, and we had a very pleasant time.

Curling is a game that you are supposed to play on ice, and the boys from British Columbia, Alberta, Saskatchewan and Manitoba thought they were pretty fair curlers. But, oh, my! Those boys from Nova Scotia took them to town in no uncertain way! It may please the people here from Quebec when I say that the team which gave Nova Scotia its hardest fight was from that province. It was beaten by only one point on the last end, that point having been made by the Nova Scotia Skip.

I wish to thank the Lieutenant Governor of Nova Scotia, the Premier of Nova Scotia, the

Mayor of the city of Halifax, and especially the people of Nova Scotia, for the very fine time they gave us throughout our stay. If I had any criticism at all to make it would be that as there are only 24 hours in a day, and those kind people entertained us for at least that number of hours daily, we did not have much time to sleep. Otherwise, everything went fine.

The weather in Nova Scotia is beautiful. I may say to my friends of the West Coast that I visited Vancouver a year ago. That is in British Columbia, where the people boast about their sunshine. Well, I saw more sunshine and fine weather in Nova Scotia in one day than I saw in the seven days that I was in Vancouver.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: If ever I have to leave Manitoba for a province where the sun shines bright all day and the moon shines bright all night, I shall go to Nova Scotia.

I join with all honourable senators in extending hearty congratulations to the winning team.

Hon. J. A. McDonald: Honourable senators, I should like to add my sincere congratulations to the curlers of Nova Scotia, and particularly the winning team, from Kentville. I feel more than a little pride in the winning team, for it comes from the shire town in the constituency which I had the honour to represent in the local legislature for many years. I know that honourable members from my province will wish to join with me when I thank the honourable leader of the opposition and Chairman of the Board of Trustees of the Macdonald Brier Canadian Curling Championship Trophy (Hon. Mr. Haig), for his kind words about the people of Nova Scotia. He did, though, seem to cast a little reflection on the Nova Scotians whom he has met in this chamber. He said that from meeting them he had formed a certain opinion, but when he got down to Halifax he found the people were very fine.

Last Sunday evening in his regular weekly broadcast over CBC Mr. John Fisher spoke on curling, and any honourable senators who are interested in the game and did not hear him would find it worth while to get a copy of his address. He is always good, but I thought h excelled himself on that occasion. He paid a very high tribute to the late Professor D. H. McNeill, Registrar of Dalhousie University, who was the skip of the only other Nova Scotia team which has won the Canadian Curling Championship.

I am sure that all curlers and friends of curlers in Nova Scotia hope that the trustees will be able to arrange a visit in the near future to the Evangeline country, the home of the present champs.

DIVORCE BILLS

SECOND READING

Hon. R. B. Horner, for Hon. Mr. Aseltine, moved second reading of the following bills:

Bill H-5, an Act for the relief of Rose Pap Bernstein.

Bill I-5, an Act for the relief of Albert William Stone.

Bill J-5, an Act for the relief of Yvette Barnaby Shang.

Bill K-5, an Act for the relief of Minnie Engle Fitleberg.

Bill L-5, an Act for the relief of Carol Elizabeth Chute Levesque.

Bill M-5, an Act for the relief of Lillian Cohen Turner.

Bill N-5, an Act for the relief of Georgina Catherine Christie Savage.

Bill O-5, an Act for the relief of Irene Bourgeau Morin.

Bill P-5, an Act for the relief of Anne Cohen Bialer.

Bill Q-5, an Act for the relief of Josephine Gibson Clark Mayou.

Bill R-5, an Act for the relief of Henry John Lawrence.

Bill S-5, an Act for the relief of Grace Shirley Kraminsky Levy.

Bill T-5, an Act for the relief of Bella Rashkin Deutsch.

Bill U-5, an Act for the relief of Gladys Eliza Cartwright Jones.

Bill V-5, an Act for the relief of Grace Helen Potts Worall.

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

The Hon. the Speaker: When shall these bills be read the third time?

Hon. Mr. Horner: Tomorrow.

EMERGENCY POWERS BILL

MOTION FOR SECOND READING POSTPONED

On the order:

Second reading of Bill 24, An Act to confer certain Emergency Powers upon the Governor in Council.

Hon. Mr. Robertson: Honourable senators, I am prepared to go ahead with this order tonight, but as the house has been very considerate in giving second reading to a measure about which there was some urgency, it occurs to me that we might postpone this order until tomorrow.

Hon. Mr. Haig: Tomorrow.

Hon. Mr. Robertson: It may be that in the meantime I shall be able to persuade one of my legal colleagues, who is better able to explain the measure than I, to deal with it.

The Hon. the Speaker: The Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 14, 1951

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

Prayers and routine proceedings.

DEFENCE PRODUCTION BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 77, an Act respecting the Department of Defence Production.

The report was read by the Clerk Assistant as follows:—

The Standing Committee on Banking and Commerce, to whom was referred Bill 77, an Act respecting the Department of Defence Production, have, in obedience to the order of reference of March 13, 1951, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Robertson: Next sitting.

PRESENTATION FROM PEOPLE OF THE NETHERLANDS

UNVEILING OF PAINTING BY HOBBEMA

Hon. Wishart McL. Robertson: Honourable senators, I think it is fitting that there should be a permanent record of the appreciation felt by the government and the people of Canada of the generous gift presented to our country by Her Majesty Queen Juliana on behalf of the people of the Netherlands. This gift, a beautiful painting, "The Two Water Mills", by Hobbema, was unveiled today in the Hall of Fame of our Parliament Buildings by General H. D. G. Crerar in the presence of His Excellency the Governor General, His Excellency the Ambassador of the Netherlands and the members of both houses of parliament, and will hang there as a tribute to the valour of the Canadian forces who participated in the Second Great War, particularly of those who, under the command of General Crerar, took such a brilliant part in the liberation of Holland.

Accordingly, I move, seconded by the leader of the opposition (Hon. Mr. Haig):

That the addresses delivered this day at the unveiling ceremony by His Excellency the Governor General, by General Crerar, and by His Excellency the Ambassador of The Netherlands, be appended to the official report of today's debates.

The motion was agreed to.

See Appendix at end of todays report.

DECENTRALIZATION OF INDUSTRY

INQUIRY

Hon. Mr. Isnor inquired of the government:

What action, if any, has been taken to inform the Cabinet of the views expressed by myself on February 13, and by others, respecting a more even distribution of contracts and on the question of decentralization of industry?

Hon. Mr. Robertson: Honourable senators, I have drawn this inquiry to the attention of the government and I have been instructed to give the following answer:

The Canadian Commercial Corporation is constantly endeavouring to place all business that can be placed at reasonably competitive prices in areas outside Ontario and Quebec. Some price preference is being given for material manufactured from the Maritime Provinces and in the Prairie Provinces. The government cannot, however, agree to place contracts on a non-competitive basis simply for the purpose of distributing war contracts, as this would lead to higher prices and inflationary tendencies.

In locating new war industries, the government will place them outside Ontario and Quebec whenever this can be done with a reasonable prospect of continuing peacetime operation in the locality selected.

When the proposed Department of Defence Production is being organized, a branch of small business will be included, and it will be the duty of this branch to see that contracting and sub-contracting is well distributed to smaller firms in all parts of Canada.

Honourable senators, may I also say a word about the question which my honourable friend from Halifax-Dartmouth asked last night. The house will recall that when introducing bill 77, an Act respecting the Department of Defence Production, I used the words "centralized procurement". I think the explanation of this expression is to be found in *Hansard* itself, which I shall read in part:

Since the end of the last war the principle of centralized procurement for the three services by a civilian department has been followed, and the nucleus of such a department has been maintained in the Department of Trade and Commerce.

Prior to the second world war each branch of the armed forces did its own purchasing, but since the war the purchasing for the three branches has been centralized in one civilian department. I can understand my honourable friend, with his background, not liking centralization, because he and I were both brought up with an antipathy towards it. I certainly understand the concern of my honourable friend and others about the decentralization of industry, and I think I

went so far as to hint in the debate on the address in reply to the Speech from the Throne that some honourable senator might introduce a discussion on this subject. It would be a little awkward for me, as a member of the government, to initiate it, but I should welcome such a discussion. In these times, when it is probable that every manufacturing industry in Canada will soon be producing at its maximum, some firms might be reluctant to accept war contracts. Realizing that war business is something that might last for only a year or two, some firms might fear that if they went into it they would find, two or three years from now, that their competitors who confined themselves to the production of consumer goods had obtained an advantage in the market.

For my part, if I were directing or concerned with trying to direct the industrial development of Nova Scotia, for instance, I should not concentrate my efforts entirely on war contracts, desirable as the business might be. I should try to develop the production of civilian goods which are bound to be in short supply during the war, and it might be that in the long run this type of business would prove much the better. I remember the experience of two shipbuilding concerns in western Nova Scotia during the last war. One, which had practically all the work that it could attend to, was very reluctant to take war orders, and devoted itself almost exclusively to civilian business. The other firm started operations at that time and concentrated on war orders. At the end of the war the firm that concentrated on war orders closed up, with all the usual accompanying dislocation as to employees. The other firm continued to carry on successfully. As I say, I think it would be worth while to have a discussion in here on this question. To some degree, such a discussion might appear to be directed against the government, of which I am a member, and therefore it would be hardly proper for me to initiate it. But there is no reason why some other senator should not bring the subject before the house.

Hon. Mr. Isnor: Honourable senators, with your permission I should like to thank the leader of the government (Hon. Mr. Robertson) for his reply and kindly suggestion. His reply contains a ray of hope, and slight though it is I trust that it may brighten and become an actuality. I trust that the honourable gentleman's suggestion will be followed and that this question of decentralization in the placing of orders will be brought up by some other member. In my opinion, the matter is of importance, particularly to the economy of the eastern and western parts of our country.

Hon. Mr. Quinn: Honourable members, if I am in order, I should like to associate myself—

The Hon. the Speaker: Honourable senators, I wish to remind the house that the inquiry has been answered, and it is not debatable.

THE ESTIMATES

REFERRED TO COMMITTEE ON FINANCE

Hon. Wishart McL. Robertson moved:

That the Standing Committee on Finance be authorized to examine the expenditures proposed by the Estimates laid before parliament for the fiscal year ending March 31, 1952, in advance of the Bills based on the said Estimates reaching the Senate: That it be empowered to send for records of revenues from taxation collected by the federal, provincial and municipal governments in Canada, and records of expenditures by such governments, showing sources of income and expenditures of same under appropriate headings, together with estimates of gross national production, net national income and movement of the cost-of-living index, and their relation to such total expenditures, for the year 1939 and for the latest year for which the information is available, and such other matters as may be pertinent to the examination of the Estimates, and to report upon the same.

That the said committee be empowered to send for persons, papers and records.

Hon. Mr. Crerar: Before the motion is put I might make a statement that would be of some value to the members of the Finance Committee. As honourable members are aware, the Estimates were tabled only a few days ago, and consequently no examination of them has yet been possible. It is scarcely practicable to commence a formal examination before the Easter recess, but I would suggest to the members of the committee that we should commence our duties in this respect as soon as the recess is over. I do not know just when that will be, because I am not sure what period of adjournment the honourable leader of the government (Hon. Mr. Robertson) is going to propose. In any event, I suggest to the members of the Finance Committee that in the meantime they might be scanning these estimates to familiarize themselves with them, and when we reassemble after the recess we can get down solidly to business. I hope that the examination can be concluded in five or six weeks.

I may say for the information of honourable members that it will be recommended that the Finance Committee be divided into several subcommittees, each having no more than seven members, and that a portion of the Estimates be assigned to each sub-committee. In that way several committees might sit at the same time and facilitate the examination of the whole body of Estimates.

Hon. Mr. Reid: Honourable senators, I am very pleased indeed that the Estimates are to be referred to the Standing Committee on

Finance. While of course it is very difficult to specify all the good which was done through the committee's work last year, I might draw attention to one little improvement which resulted from their deliberations. If you will glance at the Estimates you will notice that, following a suggestion by the Finance Committee that the Estimates be presented in greater detail, the present volume is just about twice the size of the one last year. Evidently it is now recognized that members of parliament are entitled to more information.

Hon. Mr. Gladstone: I should like to inquire of the leader of the government whether the proposed committee is to replace all the committees on Estimates which functioned last year.

Hon. Mr. Robertson: I am glad my honourable friend has asked that question, because it has just occurred to me that I omitted to explain the matter. It will be remembered that last year, when the Estimates were referred, they were distributed over nine standing committees. This method was adopted more or less as an experiment, with the understanding that after one year's experience it would be reconsidered. I believe the consensus of opinion was that the problem of finding accommodation, and the engagement of various members on other committees, caused many complications. So this year, after consultation with the chairmen of the respective committees, we have decided to propose that all the Estimates be referred to the Finance Committee, who can do their work, if they so desire, in the way that the chairman, the honourable senator from Churchill (Hon. Mr. Crerar) has indicated. I shall be only too happy to follow such suggestions as, in the light of experience, the committee may wish to make.

Hon. Mr. Gladstone: May I suggest to the leader of the government that the members of the Committee on Finance be canvassed to ascertain whether they can attend the meetings? If certain members should find it impossible to do so, it might be practicable to replace them with others who will attend.

Hon. Mr. Robertson: My answer to the honourable senator's suggestion is that my responsibility in relation to the committee on Estimates is discharged when I move the reference to the committee of the Estimates of the government of which I am a member, and about which I, having approved of these estimates, theoretically know everything. Thereafter the matter is in the hands of the committee, and I shall be glad to transmit to the house for its attention any recommendations the committee may make. I did not last year attend a single committee meeting at which Estimates were examined, and it is not my intention at the moment to be present at the meetings this year. These matters are in the hands of the house. If there is some criticism of the government by an honourable senator, I suppose I must try to do something about it. But the question which has been raised is for the committee, and what the committee decides to do will be passed upon by the house as a whole.

Hon. Mr. King: I want to congratulate the leader and the committee on the fact that, guided by the experience of last year, they have decided to recommend the appointment of one large committee. I believe that, in view of the character of the work, this procedure will be more satisfactory.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Horner, for Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill H-5, an Act for the relief of Rose Pap Bernstein.

Bill I-5, an Act for the relief of Albert William Stone.

Bill J-5, an Act for the relief of Yvette Barnaby Shang.

Bill K-5, an Act for the relief of Minnie Engle Fitleberg.

Bill L-5, an Act for the relief of Carol Elizabeth Chute Levesque.

Bill M-5, an Act for the relief of Lillian Cohen Turner.

Bill N-5, an Act for the relief of Georgina Catherine Christie Savage.

Bill O-5, an Act for the relief of Irene Bourgeau Morin.

Bill P-5, an Act for the relief of Anne Cohen Bialer.

Bill Q-5, an Act for the relief of Josephine Gibson Clark Mayou.

Bill R-5, an Act for the relief of Henry John Lawrence.

Bill S-5, an Act for the relief of Grace Shirley Kraminsky Levy.

Bill T-5, an Act for the relief of Bella Rashkin Deutsch.

Bill U-5, an Act for the relief of Gladys Eliza Cartwright Jones.

Bill V-5, an Act for the relief of Grace Helen Potts Worall.

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

EMERGENCY POWERS BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill 24, an Act to confer certain emergency powers upon the Governor in Council.

He said: This bill is, I think, a rather unusual bill, and it results from the unusual situation in which the world finds itself today —a state not of peace and not of all-out war, but one which some people refer to as a "cold war", and which, I suppose, might with equal aptitude be spoken of as a "hot peace". At any rate it is the twilight zone in which this world now exists—of not exactly peace and not exactly war—which necessitates this particular bill at this time. It is perhaps a paradox through which we are living that at the moment it would seem that the best way for the western democracies to avoid a third world war—if not, indeed, the only way—is to prepare themselves to wage war as fast as they possibly can. This bill is designed in pursuance of that objective.

I should perhaps point out that this measure was clearly forecast in the Speech from the Throne which was delivered just a little over a month ago. To refresh the memories of honourable senators perhaps I will be permitted to quote a paragraph from that Speech, which among other things says:

> The policies of the government are designed to prevent war, but the dangers of the international situation and the magnitude of the defence effort required as a deterrent have, in the opinion of my ministers, created an emergency situation. You will accordingly be asked to approve legislation vesting in the Governor in Council additional powers to ensure adequate defence preparations to meet the present emergency and to prevent economic dislocation resulting from defence preparations.

This bill is designed to meet an emergency situation and, in fact, the first paragraph of its preamble warns that an international emergency exists that threatens the security of Canada. It is proposed, therefore, to confer certain emergency powers upon the government. As I say, we are living in a condition of half-war, so I suppose this bill might properly be referred to as a half War Measures Act.

Perhaps the first question that might be asked in considering this measure would be this: If we are in a condition of emergency, why do we not go back to the War Measures Act under which this country was governed during the first and second Great Wars? That is a logical question, but there are a number of reasons, I suggest, why it is not advisable at this stage to go back to the War Measures Act.

The first reason is in the order of a legal argument. As honourable senators know, the War Measures Act can only go into effect upon a proclamation by the Governor in Council of the existence of real or apprehended war, invasion or insurrection. I think it is doubtful or at least arguable whether the present international situation could be brought squarely within the meaning of those words. If there is any doubt about this question, I suggest that it would be a very unfortunate development in our affairs for the government to proclaim the War Measures Act now, and to have a great deal of necessary action taken under it, only to have some court declare later on that the government did not have the power to bring the Act into force in the light of the restrictions upon its coming into operation.

The second argument against the introduction of the War Measures Act at this juncture partakes more of the nature of a psychological argument. After all, the only two occasions in the history of this country when the War Measures Act was brought into effect were times when the country was actually at war and fighting for its life.

Hon. Mr. Quinn: Declared war.

Hon. Mr. Hugessen: That is not the position today. It might conceivably have an effect upon the mentality of Canadians if the government were to proclaim the War Measures Act for a third time. The people might say, "Well, the government knows a great deal more about international conditions than we do, and the fact that it has proclaimed the War Measures Act quite obviously means that a third world war is almost inevitable and likely to come at any time". The government is trying to avert war and I do not think we should do anything to lead Canadians into the belief that a third world war is in any way inevitable.

There is a third reason against the War Measures Act being introduced now, a reason which I think reflects a good deal of credit upon the government of the day. Under present conditions the government—which is a democratic government of a democratic people—does not want to seek greater and more extraordinary powers than it believes to be essential at the present time.

Despite all this, it is idle to deny that the bill under consideration confers extremely wide powers upon the government. The objects for which these powers are sought are clearly set out in the preamble in a general way: first, to carry out adequate defence preparations; second, to regulate the economy of Canada to meet the needs of defence, and third, to stabilize the economy and safeguard it from disruption. These are pretty broad objectives, and equally broad powers are required in order to attain them. But again

I think that the powers which the government is asking us to confer upon it by this measure can very usefully be compared with those which the government would have obtained under the War Measures Act. I think it was the leader of the opposition (Hon. Mr. Haig) who asked yesterday evening the very pertinent question as to what was the difference between the powers now being sought and those which the government would have under the War Measures Act; and with leave of the house I should like to go shortly over the powers given by the War Measures Act and indicate the extent to which they are cut down in this bill.

Both the War Measures Act and the bill now before us start out with very general language empowering the Governor in Council to make any such orders and regulations as he may deem necessary or advisable for the security, defence, peace, order and welfare of Canada, and then each measure goes on to specify certain particular powers. The first power specified in the War Measures Act is censorship. Well, that power is specifically omitted from the bill. The second power under the War Measures Act is the control and suppression of publications, writings, maps, plans and photographs. Under this bill the government does seek power to control and suppress maps, plans and photographs, but not to suppress publications or writings. Both measures are designed to control communications and means of communication. Another power, a very wide one, conferred by the War Measures Act, is the power of arrest, detention, exclusion and deportation. There is no such power contained in the present bill.

Three of the powers in the War Measures Act are repeated word for word in this bill. They are: (1) control of the harbours, ports and territorial waters of Canada and the movements of vessels; (2) transportation by land, air or water and the control of the transport of persons and things; (3) trading, exportation, importation, production and manufacture. With regard to these three items there is no difference between the two bills.

The last of the powers given in the War Measures Act is an extremely broad power over all kinds of property, expressed in these words: "appropriation, control, forfeiture and disposition of property and of the use thereof." That is about the widest language that one could possibly conceive of for giving the government control over every kind of property and every kind of use and disposition of property. That provision is not to be found in the bill before us.

So, generally speaking, I think I can say without fear of contradiction that the powers which this bill seeks to confer upon the government of the day are substantially less than those which it would have had if it had thought fit to invoke the War Measures Act.

Hon. Mr. Reid: I wonder if I may interrupt the honourable gentleman and ask a question?

Hon. Mr. Hugessen: Certainly.

Hon. Mr. Reid: Subsection 5 of section 2 provides that parliament may annul any order in council passed under this measure. What procedure would have to be followed in the Senate, for instance, to bring about annulment?

Hon. Mr. Hugessen: I shall be coming to that, if my friend will allow me, in a few minutes.

Generally speaking, I think it can be said that the powers which are sought in this bill are powers to control the economic life of the country, in so far as such control may be necessary by reason of the emergency, and not to control individuals by arrest or by suppression of newspapers or anything of that kind. I am bound to say, of course, that this bill does include a very large measure of control of the economy of the country. On the other hand, there are a number of very important safeguards. In the first place, any regulation made by the Governor in Council under the powers conferred in this bill must be tabled in parliament within five days after the making of the regulation, and any other regulation under the power herein conferred must be tabled in parliament within fifteen days after the regulation is made.

Then there is the safeguard which was referred to a few minutes ago by the honourable senator from New Westminster (Hon. Mr. Reid). I think this is an entirely new provision of law. At any rate, I do not know of any similar provision in any other statute. It is to be found in the last subsection of section 2 of the bill, and it says that if the Senate and House of Commons, within forty days of the passage of a regulation under this bill, resolve that the regulation be annulled, it shall cease to have effect. In other words, parliament reserves to itself, within forty days of the passage of any order in council under this measure, the right to declare that the order is annulled, and if parliament does declare that an order is annulled, that order shall thereupon be annulled. In answer to my friend's specific question, I should say that the procedure for annulment would probably have to take the form of a resolution adopted in similar language by both houses of parliament. From a practical point of view a question which arises, and which in fact was raised in the

other house upon consideration of this particular subsection, is whether the government of the day might prevent the House of Commons from passing a resolution of this kind by refusing to allow time for the discussion of the resolution. Obviously, of course, the government could not do that in the Senate. The leader of the government in the other house gave formal assurance that if any honourable member there at any time introduced a resolution under this subsection for the purpose of having an order in council annulled, the government would see to it that ample time for the discussion of the resolution was provided immediately, in order that debate on the resolution might not be prolonged beyond the forty-day limit provided in the subsection.

A third safeguard against abuse of these powers is to be found in the duration of the legislation itself. The Act expires on the 31st day of May, 1952, so it will last for about two years.

Hon. Mr. Reid: One year.

Hon. Mr. Hugessen: I beg your pardon; yes it is just a little over one year. There is a proviso that these extraordinary powers shall be continued beyond that term if the Senate and House of Commons by a joint address request an extension.

So, generally speaking, I think we can say that the government has done its best to import into this legislation fairly adequate safeguards against abuse of the wide powers which the legislation confers.

Of course, nobody can foretell the future, and it may be that the crisis will develop to such an extent that the War Measures Act will have to be brought into effect. It is provided, therefore, that in such circumstances this Emergency Powers Act will fall by the wayside and be replaced by the War Measures Act, when proclaimed, but that any action that has been taken under the Emergency Powers Act prior to the proclamation shall be continued and valid as if it had been taken under the War Measures Act.

Honourable senators, I think that I have given a fairly general explanation of the terms of the bill, and that I do not need to go into further detail.

In conclusion, I associate myself very fully with the remarks that were made by a number of honourable senators yesterday evening during the debate on the second reading of the bill respecting the Department of Defence Production. In Canada, a democratic country, we are always reluctant to confer extraordinary powers upon government. We confer them sparingly and with hesitation, and only when we are satisfied that the condition of the country and the state of international affairs requires that such powers be conferred. And we grant them only on this final condition, that as soon as the emergency is over, as soon as the particular purpose for which these powers have been granted has been fulfilled, they must be returned to the people of Canada, to whom they properly belong.

Hon. John T. Haig: I do not intend to address myself to the bill. My attitude towards measures of this kind has been expressed so many times that you may look on me as a machine which always says the same thing. I do not like controls. I never did; and, if I may mention the fact, only this morning in committee I voted and worked hard to make my views prevail when we were considering another bill.

However, this is a different kind of legislation. Maybe the country needs it. Of that I am not at all sure. I do not like the bill, because, for one thing, it is unnecessary. Should an emergency arise we can invoke the War Measures Act. One honourable senator has suggested that to do so might stir the people up. I do not think the people need to be aroused any more than they were when it was declared that in three years we intend to spend $5 billion; if that announcement does not stir them up, they will be fully aroused by the 12th of April. This bill is no more than a shot in the arm; its effect may last a week; but the shock the people will get on the 12th of April will last for years. I feel as though we were taking part in a manoeuvre; and we are fooling nobody, certainly not ourselves. We are not doing anything that means anything. For the life of me I cannot see any necessity for the bill. All the government has to do is to pass an order in council putting the War Measures Act into effect, and *ipso facto* it goes into effect, with all that it involves. But such action presupposes a crisis. If we are going into war, parliament should be called upon at once to deal with whatever is necessary. I am not going to vote against the bill, but to my mind, as I said, it is a mere manoeuvre, and whatever effect it has will be the very opposite of what my honourable friend seems to expect.

Incidentally I might mention that, during the week I was away from here, all I learned from the press about what was going on in the Senate was that two honourable senators, one from Nova Scotia, the other who, as he is not here, I will not identify, made speeches. To be candid, the people I met seemed to be getting along all right without hearing any more than I did; and I will add that they were no better informed about the House of Commons.

I do not think a bill of this kind has any calming effect; it is more likely to make people excited and nervous. If I were sitting in a farm house or a small house in a village, reading in a newspaper about two weeks old that the Parliament of Canada had passed a bill containing all these drastic powers, I would think we must be on the brink of a crisis, with war just around the corner. I will concede, however, that the bill has one merit, which I believe was noticed by the honourable senator from New Westminster (Hon. Mr. Reid) and the honourable member from Toronto Trinity (Hon. Mr. Roebuck)—who is not in his place. I do not know where he is.

An Hon. Senator: He is in the Divorce Committee.

Hon. Mr. Haig: I am glad that somebody besides the honourable member from Rosetown (Hon. Mr. Aseltine) is working there.

None of us likes the granting of extraordinary powers for a long term. This bill is subject to the opposite objection; it will be outlawed a year from May, very soon after it goes into effect. My main objection is that all these powers are to be conferred on the government in time of peace. I can understand the purpose of providing for the making of munitions, but for the life of me I do not see why we need controls when, in all their speeches in another place and all their public statements outside the other place, members of the government cry down the prospect of war. By legislation of this nature they refute their own statements. I for one do not like that kind of thing.

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

THIRD READING

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

Hon. Mr. Hugessen: I suggest that it go to a committee.

Some Hon. Senators: No.

Hon. Mr. Hugessen: I am quite willing to depend on what the house thinks. I am prepared to move third reading now.

Hon. Mr. Haig: That will be satisfactory as far as I am concerned. I would like to get it through as soon as possible and forget about it.

Hon. Mr. Hugessen: If the house is unanimous that the bill should now go to third reading, I will so move.

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

PRIVATE BILL

SECOND READING

Hon. A. L. Beaubien moved the second reading of Bill W-5, an Act respecting The Ruthenian Greek Catholic Episcopal Corporation of Canada.

He said: Honourable senators, the Ruthenian Greek Catholic Episcopal Corporation of Canada was incorporated by Chapter 191, 3-4 George V, 1913, being a church under the jurisdiction of the Roman Pontiff, but following the Greek rite or liturgy rather than the Latin rite. The adherents of this church were originally made up of immigrants to Canada from the Ukraine, Poland, Czechoslovakia, Russia and other Slavic countries of Eastern Europe.

Since 1913 these people have developed into fine Canadian citizens, a fact which is recognized throughout the country. Originally they settled in Manitoba and the other prairie provinces, but since that time they and their descendants have spread throughout all the provinces of Canada.

As a result of this great increase in their numbers, the Holy See has established two new dioceses, one for Eastern Canada, with a bishop resident in Toronto, and the other for Western Canada, with a bishop resident in Edmonton. The third diocese is the original diocese, which now has spiritual jurisdiction over central Canada, with a resident archbishop at Winnipeg. The apostolic jurisdiction of the archbishop, who is resident in Winnipeg, is now restricted to the provinces of Manitoba and Saskatchewan and the sections of the Northwest Territories immediately to the north of those provinces.

As honourable senators are aware, bills introduced at the present session for the incorporation of the Ukrainian Diocese of Western Canada and for the Ukrainian Diocese of Eastern Canada are now before the Senate. The purpose of this bill is to amend the original incorporating Act, which applied to all of Canada before the inauguration of the new dioceses; to change the name of the corporation to one which is appropriate to the diocese of Central Canada; and to make other minor amendments in the 1913 Act of incorporation so as to accord to the diocese of Central Canada certain rights and powers corresponding to those given by parliament to Episcopal Corporations in recent years.

The bill also provides for changing the name of the corporation to "The Ukrainian Catholic Episcopal Corporation of Central Canada". I understand that the word "Ukrainian" is preferred to "Ruthenian", and I am informed that it more correctly describes the adherents of this church. The word

"Greek" is being omitted from the name because, while it describes the rite, it has been misinterpreted as indicating the place of origin of these people.

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

REFERRED TO COMMITTEE

Hon. Mr. Beaubien: I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. A. L. Beaubien, for Hon. Mr. Blais, moved the second reading of Bill X-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Western Canada.

He said: The sponsor of the bill, on whose behalf I am speaking this afternoon, is unavoidably absent because of an accident.

As was stated in connection with Bill W-5, which has just been given second reading, the Ruthenian Greek Catholic Episcopal Corporation was incorporated in 1913. The membership of this church has increased materially since that time, and consequently it has been divided into three dioceses, each presided over by a bishop, and incorporation is desirable in order to properly administer the property, business and corporal affairs of each diocese.

The purpose of the present bill is to incorporate the Diocese of Western Canada, which is presided over by His Excellency Bishop Savaryn at Edmonton. This diocese includes the provinces of Alberta and British Columbia, the Yukon Territory and the areas in the Northwest Territories immediately north of Alberta and British Columbia. Honourable senators will observe that the bill contains clauses respecting bylaws, the holding and transfer of real property, and borrowing and investment powers. These are the clauses customarily granted by parliament in connection with the incorporation of a religious diocese.

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

REFERRED TO COMMITTEE

Hon. Mr. Beaubien: I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. W. H. McGuire moved the second reading of Bill Y-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Eastern Canada.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

VALLEYFIELD BRIDGE BILL

SECOND READING

Hon. L. M. Gouin moved the second reading of Bill E-6, an Act respecting the construction and maintenance of a bridge over the St. Lawrence river at or near the town of Valleyfield, in the province of Quebec.

He said: Honourable senators, this is a simple bill and is purely a permissive measure. It provides the authority to approve the plans and the site for a bridge to be built by the Quebec Government over the St. Lawrence river at or near Valleyfield. The southern end of the bridge will stand in my own senatorial constituency of De Salaberry, and on behalf of the member of another place from Beauharnois, and the inhabitants of Valleyfield, Beauharnois and Huntingdon, I wish to thank the leader of the government for having introduced this bill early in the session so that it may receive immediate consideration.

First of all I should like to give a general outline of the legal aspects of the bill. Chapter 140 of the Revised Statutes of Canada (1927) contains general legislation for the protection of navigable waters, and section 4 thereunder provides that:

> No work shall be built or placed in, upon, over, through or across any navigable water unless the site thereof has been approved by the Governor in Council . . .

I would point out, however, that section 11 of this statute provides that:

> No approval shall be given under this part of the site or plans of any bridge over the river St. Lawrence.

It is for this reason that this bill is before parliament, although, as far as we are concerned, it is purely a formal matter. The provincial Government of Quebec, which is to build the bridge, has represented to the

Minister of Public Works in the interests of the public it is necessary to construct a bridge at this point as soon as possible.

Honourable senators who have visited Valleyfield know that the only bridge across the river in that vicinity is the Canadian National Railways bridge at Coteau. If you wish to cross the St. Lawrence from Valleyfield for pleasure or on business, in either a motor car or a truck, you have to drive down the river as far as Caughnawaga, a distance of about 35 miles, or up the river to Prescott, and that again is at least 35 miles away. The whole region there is an important one. Valleyfield, Beauharnois, Huntingdon and Chateauguay are busy centres, and the rural area is famous in particular for its dairy products. I imagine that evey senator has eaten some of the well-known Huntingdon cheese. Valleyfield and Beauharnois and their neighbourhood have a number of thriving civilian industries, including, for instance, the textile industry, as well as some large plants engaged on war work. This is a vitally strategic district, within the zone of the Beauharnois canal.

For years there has been a demand for construction of a bridge to serve the good people of Valleyfield and district, and also those on the opposite shore in Coteau, Vaudreuil and that general locality. The lack of a bridge places these people under a serious handicap. During the summer a small ferry runs between one of the islands and Coteau, but the service is quite inadequate. When I was appointed a senator, in 1940, one of the first things mentioned to me was the need for a bridge at Valleyfield, and of course the development of the region over the years has made the need more pressing. In 1944 my friend Mr. Robert Cauchon, then Mayor of Valleyfield, convened a meeting of 65 mayors of municipalities in the region concerned, and they were unanimous in favouring the construction as early as possible of a bridge to connect the two shores of the river in that section. Mr. Cauchon, who is now the member for Beauharnois in the other house, has made himself not only the advocate but, I should say, the champion of the bridge, and thereby has earned the commendation and support of all our people in that industrious area, which he so ably represents.

The proposed bridge, which is to be built with provincial funds, has already been the object of an Act of the Quebec Legislature, and recently I saw by the newspapers that necessary funds for the construction have been voted. In these circumstances the premier of my native province has addressed a request to the federal government for the necessary approval of the site and plans of the bridge. Accordingly a favourable recommendation was made by the Minister of Public Works, who evidently would have sponsored this bill if it had been introduced in the other house. It must be realized that the measure before us is a public, rather than a private, bill. It is in the interest of not only a local area, but of a large section of the provinces of Quebec and Ontario, for the bridge will become part of the highway system of the Province of Quebec and will benefit the country at large. It will greatly facilitate the movement of vehicular traffic, and be a wonderful aid to the tourist business.

The bridge will provide a shorter road to Montreal for the people in part of the Beauharnois constituency. Also, it will give the farmers of Vaudreuil access to the Valleyfield market, which is of great value to them, for Montreal is too remote. Valleyfield, as the centre of the region in question, is important not only from an economic point of view, but also because it is the Episcopal See of the Bishop, His Grace Monsignor Langlois, and of his very devoted Coadjutor, His Grace Monsignor Caza. I might add that the diocese of Valleyfield includes also the whole of Vaudreuil, and numerous social conferences are constantly requiring people from all over this large area to come to Valleyfield.

There are also a number of well-known educational institutions in the region. For instance, there is an excellent college in Valleyfield, and another on the opposite side of the river, at Rigaud, and Vaudreuil has several convents and schools. So a great deal of travel is going on all the time between one side of the river and the other. Besides, the people on the north shore wish to use the facilities of the splendid hospital at Valleyfield, which is much closer to them than Montreal. The chief surgeon at the hospital, Dr. Caza, who also is the Mayor of Valleyfield, enjoys the confidence of all his patients and the esteem of the people throughout the district. But however desirous a patient on the north shore might be to receive treatment at Valleyfield, it would be out of the question to attempt to take him there in winter over the long route that is necessary to travel at present.

In my humble opinion, the volume of traffic which will use the bridge, when completed, cannot be overestimated.

Hon. Mr. Haig: Before my honourable friend goes on, would he tell us how much of the cost of this bridge is being contributed by the Dominion Government.

Hon. Mr. Gouin: I have not heard that one cent is being contributed by the federal

government. I have always understood that this is purely and simply a provincial bridge; and the only reason why it is necessary to apply to the Parliament of Canada is that the bridge is being built over a navigable river, the St. Lawrence. The bill merely authorizes the Governor General to approve the site and the plans to be submitted for the erection of the bridge in question. There is an enumeration of the various drawings and maps which are to be submitted with the application, and, of course, no change may be made in the plans without the approval of the Governor in Council.

Hon. Mr. Davis: Will this interfere with the new St. Lawrence waterways project?

Hon. Mr. Gouin: Oh, no. The bridge in question is to be built to specifications approved by the Governor in Council, and in such a way that it will not interfere with the plans for the development of the seaway canal. The bridge, by the way, is in a sense three bridges. Already there are dams erected which connect some of the islands between Coteau and Valleyfield, and I am informed that the site to be chosen will be below those dams, in a position which will be convenient for the public, and cannot possibly interfere with navigation or the scheme to which the honourable senator has just referred. We have a somewhat similar situation concerning the Caughnawaga bridge. And, by the way, the structure provides clearance, at much additional expense, for ships with the highest masts. Section 3 provides that the Governor in Council may make regulations as to the construction and the maintenance of the bridge, and concerning navigation. That answers, I think, the question which was just put to me. Similar provisions are found in the general Act, chapter 140, but it is necessary to repeat them in the bill because that act is not applicable to this project.

Finally, and I submit as a matter of course, the last paragraph states that compliance with the regulations will be obligatory.

Hon. Vincent Dupuis: I beg permission to add a few words with respect to this bill, as it concerns my senatorial district, because one end of this projected bridge will be in the vicinity of Coteau station, in the county of Vaudreuil. I shall not delay the house very long, as we have been served with a full and detailed statement on the matter by my honourable colleague from De Salaberry (Hon. Mr. Gouin). Nevertheless I want to put on record the fact that for a long time, even before I was appointed to this house, I was doing my humble share to foster and advance the project of building a bridge there. My home town is very far from Valleyfield; yet, when citizens of Laprairie, or further south—those of St. Johns-Iberville, Brome and Missisquoi—want to go towards the northwest part of the country, in order to cross the river they must travel, either on the King Edward highway to Laprairie, or by the new Sir Wilfrid highway which leads to the same place. They then cross the Caughnawaga bridge. So for those who reside in the south-east part of the province—say at Huntingdon, Lacolle, Iberville and St. Johns—if they want to go to Ottawa or Toronto, the journey is increased by a good many miles.

By the way, my honourable friend spoke of the Caughnawaga bridge, but he was too modest to mention who was responsible for the building of that bridge. In fact, it was one of his distinguished relatives, the Honourable Honore Mercier, whose name the bridge officially bears.

My honourable friend has explained, and I want to repeat what he said so that there shall be no misapprehension in the mind of any honourable senator, that the federal government have the control of the navigable waters. Without their permission no project that will affect navigable waters, whether it be of the nature of a bridge or a canal, can be undertaken without the consent of the federal government. That is why this bill is before this parliament. The details, including the plans and specifications, have been already approved by the authorities in Ottawa. I humbly suggest, therefore, that there should be no objection to the passing of this bill for the building of this bridge. I shall be very glad if it receives your approval.

Hon. Mr. Reid: I wonder if I could be informed whether the steel for this bridge has been assured? I ask this question because the government has stopped the development of other projects in Canada which require the use of steel.

Hon. Mr. Dupuis: This bridge is for a national purpose.

Hon. Mr. Robertson: I would inform my honourable friend (Hon. Mr. Reid) that I have no specific knowledge as to whether the steel has been assured for this bridge, but I assume that the passage of this bill is no more dependent upon the availability of steel than is the passage of any of the bills seeking the incorporation of a pipe-line company. The authority for building the bridge is one thing, and the pertinent question raised about steel by the honourable gentleman from New Westminster is another. I do not think that these questions have any bearing on each other.

Hon. Mr. Reid: We can agree to differ on that point, but I am entitled to ask for the information.

Hon. Mr. Robertson: I do not think it has any bearing on the question of whether we should pass this bill or not.

Hon. Mr. Reid: It has a bearing on cases that I have in mind, and that is why I asked the question.

Hon. Mr. Robertson: Well, I have no information on the point.

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

THIRD READING

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

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

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

PRIVATE BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill G-6, an Act to incorporate the Mercantile and General Reinsurance Company of Canada Limited.

He said: Honourable senators, the Mercantile and General Reinsurance Company of Canada Limited, which will be incorporated under this bill if and when it becomes law, will be a subsidiary of an English company bearing practically the same name—the Mercantile and General Reinsurance Company Limited. This is a well-known company which has operated for many years in England. The kind of business to be carried on by the company in Canada will be entirely in the nature of reinsurance.

This bill complies with the requirements of the Canadian and British Insurance Companies Act and carries the approval of the Superintendent of Insurance.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill D, an Act to incorporate the Evangelical Lutheran Church of Canada.

Hon. Mr. Haig moved concurrence in the amendment.

He said: Honourable senators, the amendment simply requires that investments of the corporation's funds be subject to the limitation set out in the Canadian and British Insurance Companies Act.

The motion was agreed to.

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Haig moved:

That the parliamentary fees paid upon the Bill D, intituled: "An Act to incorporate The Evangelical Lutheran Church of Canada," be refunded to Messrs. Maclaren, Laidlaw & Co., solicitors for the promoters of the bill, less printing and translation costs.

The motion was agreed to.

PRIVATE BILL

COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill F, an Act to incorporate Trans-Canada Pipe Lines Limited.

Hon. Mr. McKeen, for Hon. Mr. Bouffard, moved concurrence in the amendment.

He said: Honourable senators, this amendment makes it incumbent upon the company to build its main pipe-line or lines, for the transmission and transportation of gas or oil, wholly within Canada.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Horner, for the Chairman of the Standing Committee on Divorce, moved the second readings of the following bills:

Bill Z-5, an Act for the relief of Hortense Marie Therese Loiese Neveu.

Bill A-6, an Act for the relief of Eileen Florence Alma Hinton Johnson.

Bill B-6, an Act for the relief of Ritchie Leslie McEwen.

Bill C-6, an Act for the relief of Catherine Marie Littlefield Stirling.

Bill D-6, an Act for the relief of Marie Rose Vachon Orr.

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

The Hon. the Speaker: When shall these bills be read the third time?

Hon. Mr. Horner: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

UNVEILING OF PAINTING BY HOBBEMA

"The Two Water Mills"

PRESENTED TO CANADA BY THE PEOPLE OF THE NETHERLANDS

Addresses delivered at the ceremony in the Hall of Fame, Parliament Buildings, Ottawa, Wednesday, March 14, 1951

His Excellency the Governor General of Canada: Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Prime Minister, Mr. Ambassador, General Crerar, Ladies and Gentlemen:— I have been asked by my ministers to preside at this ceremony at which one of the greatest of Dutch paintings —the gift of the people of the Netherlands to the people of Canada—is to be unveiled and added to the national treasures of our country.

The people of the Netherlands have demonstrated in many ways their appreciation of the share which Canadians had in liberating their nation during the last war. At the annual memorial services held in the beautifully maintained Canadian military cemeteries, there are always large throngs of Dutch people whose presence manifests the depth of public feeling. In a more intimate manner —which touches very directly the hearts of the mothers and fathers, the widows and children of those who lie buried there— Dutch men and women, boys and girls, have year after year placed flowers on individual graves and written to the next of kin in Canada of the loving care so spontaneously offered.

These tributes to Canada's sons who made the supreme sacrifice have been greatly appreciated here in Canada. So have the many evidences of friendship, individual and national, given by the Dutch people to Canadians and to Canada. We recognize, however, the desire of the people of the Netherlands to give symbolic and tangible expression to the bond between our two peoples. We know how deep is the attachment of the Dutch people to the paintings of their old masters. Consequently we realize that only tremendous generosity and deep friendship prompted the gift to Canada of this national treasure of the Netherlands—"The Two Water Mills"— this masterpiece of the great Meindert Hobbema. This knowledge enhances our appreciation of the outstanding beauty of the landscape and gives greater significance to the unanimity of the Netherlands Parliament in sanctioning this priceless gift.

I know that the Canadian people were pleased that Her Majesty the Queen of the Netherlands should have made the presentation personally to the Canadian Ambassador. As Princess Juliana, the Queen endeared herself to Canadians, during her residence amongst us in the war years, because of her nobility of character, charm of manner and democratic attitude. Her personal association with the gift adds to its value.

As Canada and the Netherlands share the tradition of parliamentary democracy, it is particularly appropriate that this painting should, in accordance with the wishes of the Netherlands Government, hang in the Houses of Parliament of Canada. In this Hall of Fame "The Two Water Mills" will be seen by countless visitors every year. I believe the painting will convey a double message. It will speak from the depth of its loveliness to all who appreciate beauty and, at the same time, it will constantly recall the very special ties which connect Canada and the Netherlands. To you, Mr. Speaker of the Senate, and to you, Mr. Speaker of the House of Commons, who preside over the two Houses of Parliament, I entrust this painting, which will remain in your custody in trust for the people of Canada.

Would you, Mr. Ambassador, kindly convey to Her Majesty and to your government and to the people of the Netherlands how profoundly touched are all Canadians by this gift, and even more by the spirit which inspired it. And would you add that, in the minds of the Canadian people there has not been merely the transfer of a painting from one friendly country to another, but rather that what was once the national treasure of

one nation has become the national treasure of two nations. To Canadians, Hobbema's "The Two Water Mills" will be known as "The Dutch Painting".

I believe the people of Canada will consider it most fitting that I should call now upon General Crerar, who was Commander-in-Chief of the Canadian Army of Liberation, to unveil this painting.

Major General H. D. G. Crerar: Your Excellencies, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Mr. Prime Minister, Mr. Ambassador, Members of the Senate and of the House of Commons, Ladies and Gentlemen;—To unveil, at the behest of Your Excellency, this priceless painting by Hobbema, given by The Netherlands to Canada, in commemoration of the part played by Canada's armed forces in the Liberation of the Netherlands people in 1944 and 1945, is a signal honour. It is an honour which I am proud to acknowledge, not in any personal sense, but as a representative of the many thousand Canadian sevicemen and women who gave their utmost, and, in many cases, their all, in order to assure the restoration of freedom to a people who, for centuries, have cherished it.

It was in September 1944 that the Canadian army first reached Dutch territory and commenced the bitter fighting which terminated some weeks later in the freeing of the Scheldt Estuary—thus opening to allied use the great port of Antwerp. From that time, on through the heavy battles in February, March and April of 1945, and until the return to Canada of its remaining troops in the spring of 1946, those in the Canadian army had full opportunity to learn to know the Dutch people. We found them stalwart and uncomplaining in distress, loyal and courageous in their beliefs, constant and warm-hearted in their friendships. This gift would indicate that the warm memories we Canadians bear for them are reciprocated by those they retain of us.

There is deep symbolism in the fact that the Canadian and Dutch flags, which flew side by side on the battlefields of a few years ago, are seen together again, today, flanking this peaceful landscape of The Netherlands, so magnificently reproduced on canvas by that master-painter, Meindert Hobbema.

This unique gift, from one country to another, I now unveil.

His Excellency the Netherlands Ambassador: Your Excellencies, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Mr. Prime Minister, Members of the Senate and of the House of Commons, Ladies and Gentlemen:— After the very kind words which Your Excellency has just spoken on the occasion of this ceremony I feel that there is not much that I can add. But there is one thought I want to express. Namely, that I am interpreting the feelings of my country's government and its people when I say that we are proud, and grateful, for the place which the Canadian Government have selected to hang this Hobbema painting, for the Hall of Fame is at the very heart and centre of the seat of the Canadian Government. No more honourable place could be thought of than here on Parliament Hill—in the very centre of the Houses of Parliament.

Hobbema's painting the "Two Water Mills" is a good example of the achievements of Dutch artists in the seventeenth century. It was an age when my country was reaping rich cultural benefits of its recent fight for freedom of conscience and religion, an age when these concepts were still far from commonplace.

I think that it is quite fitting, therefore, that this painting should henceforth hang in this place overlooking the Ottawa river, because it was the blood of Canadians that helped to restore to us our lost freedom during the Second World War, when a latter-day tyranny had taken from us what we prized most.

It will be a most agreeable duty to report to Her Majesty Queen Juliana, who found with her children such a hospitable sanctuary in Canada during the Second World War, and to our people at home, as requested by Your Excellency, on the impressive and solemn ceremony enacted here this afternoon and on the great appreciation shown today for this symbol of Dutch gratitude.

I hope that Hobbema's masterpiece will continue to hang in this place for centuries to come as a tangible symbol of the lasting friendship between our two countries.

THE SENATE

Thursday, March 15, 1951

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

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

Bill H-6, an Act for the relief of Viola Rupert Moran.

Bill I-6, an Act for the relief of Philip Rosen.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

THIRD READINGS

Hon. Mr. Horner moved the third reading of the following bills:

Bill Z-5, an Act for the relief of Hortense Marie Therese Loiese Neveu.

Bill A-6, an Act for the relief of Eileen Florence Alma Hinton Johnson.

Bill B-6, an Act for the relief of Ritchie Leslie McEwen.

Bill C-6, an Act for the relief of Catherine Marie Littlefield Stirling.

Bill D-6, an Act for the relief of Marie Rose Vachon Orr.

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

DEFENCE PRODUCTION BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 77, an Act respecting the Department of Defence Production.

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

CANADIAN CITIZENSHIP BILL

SECOND READING

Hon. Arthur W. Roebuck moved the second reading of Bill F-6, an Act to amend the Canadian Citizenship Act.

He said: Honourable senators, the leader of the government (Hon. Mr. Robertson) has done me the honour of asking me to move the second reading of this bill and to explain the measure.

By way of introduction I may say that when I read in the Speech from the Throne a paragraph with reference to this matter I entertained a mild apprehension. The apprehension was unjustified, but it was there. This is the paragraph to which I refer:

> Appropriate amendments to the Canadian Citizenship Act will be introduced to prevent the retention of Canadian cititzenship by persons who have renounced their allegiance or shown by their conduct that they are not loyal to Canada.

My apprehension was that the Citizenship Act might be extended in some way so as to give civil servants or government departments power to cancel naturalization certificates, particularly those of recent immigrants to Canada who might perhaps express opinions contrary to the views of the rest of us or to official opinions here at Ottawa. And being one who, as I said the day before yesterday, views with alarm any encroachment upon the rights and dignity of Canadian citizens, I hoped that nothing of that kind would occur. My hopes in that regard have been entirely justified, my apprehensions unjustified. I might have known that the present administration would not take a step of that kind.

The bill which has finally come down and is now in our hands is to amend section 19 of the Canadian Citizenship Act, and that section only. Subsection 1 of that section reads this way:

> The Governor in Council may, in his discretion, order that any person other than a natural-born Canadian citizen shall cease to be a Canadian citizen if, upon a report from the Minister, he is satisfied that the said person either—

Then follow a number of conditions under which a person who is not a natural-born Canadian citizen ceases to be a Canadian citizen, namely:

> (a) has, during any war in which Canada is or has been engaged, unlawfully traded or communicated with the enemy or with a subject of an enemy state or has been engaged in or associated with any business which to his knowledge is carried on in such manner as to assist the enemy in such war;
>
> (b) has obtained a certificate of naturalization or of Canadian citizenship by false representation or fraud or by concealment of material circumstances;
>
> (c) has, since becoming a Canadian citizen or being naturalized in Canada, been for a period of not less than six years ordinarily resident out of Canada and has not maintained substantial connection with Canada.

Honourable senators will observe that paragraph (c) provides that a period of six years residence outside Canada subjects a naturalized Canadian citizen to cancellation of his citizenship. Under certain circumstances six

years is too long a time, and for that reason the bill contains a new paragraph, as follows:

(d) has, since becoming a Canadian citizen or being naturalized in Canada, been for a period of not less than two years ordinarily resident in a foreign country of which he was a national or citizen at any time prior to his becoming a Canadian citizen or being naturalized in Canada and has not maintained substantial connection with Canada.

That is to say, if a naturalized Canadian citizen returns to the country where he previously was a national, which usually is his country of origin, and resides there for two years without maintaining his connection with Canada, his citizenship here may be cancelled; but if he goes to a country other than the country where he was a national, or his country of origin, six years must elapse before cancellation can take place.

One's mind immediately jumps to the incident—although there is nothing in the bill which refers to it—when a number of persons from Yugoslavia announced their intention of leaving Canada permanently and returning to their homeland. A good deal of publicity was given to the incident, and perhaps there was too-free talk on their part; but they made it perfectly clear that they did not wish to remain in Canada and that they were going to live permanently in Yugoslavia. Under such circumstances their naturalized citizenship in Canada can be cancelled after two years.

The next paragraph of the bill reads:

(e) if out of Canada, has shown himself by act or speech to be disaffected or disloyal to His Majesty.

This is similar to the first part of paragraph (d) as it appears in the Act. Then there is added:

(f) if in Canada, has, by a court of competent jurisdiction, been convicted of any offence involving disaffection or disloyalty to His Majesty.

This provision previously read:

(d) if out of Canada, has shown himself by act or speech to be disaffected or disloyal to His Majesty; or, if in Canada, has been convicted of treason or sedition by a court of competent jurisdiction.

The extension is this, that under the old Act offences against such measures as the Espionage Act and the Official Secrets Act were not covered, but they will be covered by the amendment. I suppose that nobody will take serious objection to that. If a naturalization certificate could be cancelled because, for instance, of sedition, which is loosely defined in the dictionary as "any offence against the state not actually reaching the point of insurrection or treason; the stirring up of discontent or rebellious feelings against lawful authority," surely it ought also to be cancelled for offences against the Official Secrets Act and other such statutes.

That is all as far as that subsection is concerned.

Subsection 2 of section 19 of the act reads as follows:

(2) The Governor in Council may, in his discretion, order that any person shall cease to be a Canadian citizen if, upon a report from the minister, he is satisfied that such person has, at any time after the first day of January, nineteen hundred and forty-seven, when in Canada and not under a disability, acquired the nationality or citizenship of a foreign country by any voluntary and formal act other than marriage.

If this bill is carried, there will be added this further provision:

(a) when in Canada and at any time after the first day of January, nineteen hundred and forty-seven, acquired the nationality or citizenship of a foreign country by any voluntary and formal act other than marriage;

(b) taken or made on oath, affirmation or other declaration of allegiance to a foreign country;

Of course he should be subject to cancellation of his Canadian citizenship if he has made an oath or affirmation or other declaration of allegiance to a foreign country, even though he does not actually become a national of that country. Cancellation is also to be effected if he has—

(c) made a declaration renouncing his Canadian citizenship.

Under the present Act there is no way by which it can be effected upon a declaration of renunciation of Canadian citizenship. Even though a man renounces his Canadian citizenship he remains a Canadian citizen. That will not be the case under the proposed amendment.

These, it seems to me, are very moderate, necessary, and thoroughly guarded amendments. The latter two provisions which I have read apply to a natural-born Canadian citizen as well as to a naturalized citizen. That is, a natural-born Canadian citizen can renounce his citizenship, and he may have his citizenship cancelled in consequence of having done so. But every precaution is thrown around the Act, as is evidenced by the following provision:

(3) The minister before making a report under this section shall cause notice to be given or sent to the last known address of the person in respect of whom the report is to be made, giving him an opportunity of claiming that the case be referred for such inquiry as is hereinafter specified and if said person so claims in accordance with the notice, the minister shall refer the case for inquiry accordingly.

And the provision pertaining to the inquiry:

(4) An inquiry under this section shall be held by a commission constituted for the purpose by the Governor in Council upon the recommendation of the minister, presided over by a person appointed by the Governor in Council who holds or has held high judicial office, and shall be conducted in such manner as the Governor in Council shall order

Provided that any such inquiry may, if the Governor in Council thinks fit, instead of being held by such commission, be held by the superior court of the province in which the person concerned resides, and the practice and procedure on any inquiry so held shall be regulated by rules of court.

Even though the bill is very moderate in its substance and provisions, it may be seen that every precaution is thrown around the Canadian-born citizen. He cannot be deprived of his citizenship by an arbitrary act of any civil servant or by a mere department of any government. Any fears which I had about this bill have been dissipated, and I trust that my fellow senators will join with me in passing this bill.

Hon Mr. Haig: I presume that the mover of the bill intends to have it sent to committee?

Hon. Mr. Roebuck: Yes. I think that every bill of this kind should be sent to committee, unless it is the unanimous desire of the house to do otherwise.

Hon. Mr. Reid: May I ask the honourable senator from Toronto-Trinity a question? At the beginning of his remarks he said something about the Yugoslavs who renounced Canada and went to Yugoslavia, and he intimated that this bill would prevent their return by cutting off their Canadian citizenship. Would this bill affect Yugoslavs who were born in Canada and who left these shores? I should also like to inquire whether the amendments in this bill would affect the Japanese, born in British Columbia, who of their own volition went to Japan and fought against our Canadian boys? Many of these British Columbia-born Japanese are still in Japan, so I think this bill is an important one.

Hon. Mr. Roebuck: Yes, it is important. If the type of person to whom my friend has referred has made a declaration of allegiance to a foreign country, then this bill will affect him, irrespective of whether he was Canadian-born or a naturalized Canadian. This bill will certainly affect any person who has renounced his Canadian citizenship. It does not affect a person who merely goes to, say, Japan; but should he become part of the armed forces of that country I believe he would be subject to other provisions of the Act.

Hon. Mr. Reid: We had better find out all about this in committee.

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

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: Honourable senators, I move that this bill be referred to the Standing Committee on Immigration and Labour.

Hon. Mr. Reid: I should think so, because it is an important measure.

The motion was agreed to.

PRIVATE BILL

COMMONS AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill C, an Act to amend the United Church of Canada Act.

Hon. Mr. Lambert moved concurrence in the amendments.

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from Thursday, March 8, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. R. B. Horner: Honourable senators, when this resolution was introduced I was sure that it would be dealt with by a number of distinguished and able senators, and I thought that I would have little if anything to say about it. I have changed my mind. I thought the resolution was all right in itself, but I was amazed when the mover (Hon. Mr. Robertson)—who said he was not speaking on behalf of the government, although he represents the government in this chamber—went on to suggest certain ways in which the Senate could be reformed. He referred to a conversation he had had with the late Mr. Mackenzie King about the Senate and its functions, but I do not think he gave us the correct date of that conversation. I believe it took place before the honourable gentleman was appointed to this chamber.

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: I think the term "confusion worse confounded" can be applied to some of the speeches which have been made in this debate. I wish to point out to His Honour the Speaker that I have a few notes here, but I shall probably ignore them completely. Incidentally, I think it would be well in a debate of this kind to adhere to the rule against the reading of speeches. When the honourable gentleman from Bruce (Hon. Mr. Stambaugh) was reading his speech recently

I kept watching His Honour the Speaker, but I realized, of course, that he was too kind to raise any objection.

Hon. Mr. Stambaugh: I should like to tell my honourable friend that I did not read that speech.

Hon. Mr. Horner: Well, it seemed to me that you read every word of it.

The Hon. the Speaker: With leave of the Senate, the honourable senator from Blaine Lake (Hon. Mr. Horner) may read his speech if he so desires.

Hon. Mr. Horner: On that occasion I was reminded of the passage in the Bible about Isaac and his sons, when he said: "The voice is Jacob's voice, but the hands are the hands of Esau", for in the instance I refer to "Jacob's voice" was that of the author of a scurrilous article which appeared in the Ottawa *Citizen* a few days ago. Some honourable senators have said that they do not object to criticism. I do not object to it either; I welcome it and expect it, and I know that I sometimes deserve it; but I think an article like the one I mention is in a different category—and there can be no mistake about who the writer was referring to. I shall deal with this more thoroughly before I conclude.

The honourable senator from Inkerman (Hon. Mr. Hugessen), in his great speech on this resolution, when dealing with the question of retirement compared us with civil servants. I object to that comparison, and I shall have something to say about it later. When I criticize the speeches of the honourable senators it is not to be unkind, but because I feel that as a member of this chamber it is my duty to do so. I am not of the legal profession. A lawyer will stand up in court and tell his opponent what a wonderful fellow he is, and then he will intimate to the judge that he should not pay any attention to his adversary, that he doesn't know what he is talking about.

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: I am not capable of doing that.

Of course, many people regard any mere change as progress. Well, a good deal of change was brought about during the last war, and many countries sunk into terrible conditions. But that kind of change is not progress. We hear references to the increased number of automobiles in this country and to the expansion of business, but those things do not necessarily mean that there has been any improvement in human nature. Human nature has not changed in the last five thousand years.

Some Hon. Senators: Hear, hear.

Hon. Mr. Horner: The man who crowded people off the road with his ox-cart five thousand years ago has his counterpart in the modern motorist who crowds people off the highway with his automobile. We tend to lose sight of this fact that human nature has not changed.

Speakers who have preceded me in this debate apparently do not share my understanding of why we have been appointed to this honourable chamber. It would seem also that their view on this matter is different from that of the people in the part of the country where I come from. After I had been made a senator I was amazed to learn that not only Conservatives but many Liberals did everything they could to help secure my appointment. Then the people of my village and district, regardless of their political affiliations, gave a banquet to celebrate the appointment, and a second banquet for the same purpose was given by the people of Prince Albert. The appointment was regarded as an honour for the community. Why? The people would not have felt that way if I had been appointed to a postmastership or to some other civil service job, from which in time I would be retired on pension. And if I was in honour then, am I to be in dishonour and retired when I am seventy-five.

Some people complain about the cost of the Senate. But many able men make their services available to the country through the Senate. If I wanted a sound legal opinion on a constitutional point, I should try to secure it from the distinguished senator from North York (Hon. Sir Allen Aylesworth); and if I were seeking outstanding advice on a medical or sugical subject, I should consult our eminent colleague from Richibucto (Hon. Mr. Bourque). I would certainly prefer the judgment of men like these to that of Austin Cross.

Some Hon. Senators: Oh, oh!

Hon. Mr. Horner: One criticism that I think is well founded is that some of our members are active in politics and continue to hold important offices in political organizations. I have three senators in mind, and as this is a non-partisan body I think they should resign their political offices. These are the only resignations I am going to suggest: the honourable gentleman from Bruce (Hon. Mr. Stambaugh), from his office of president and organizer of the Liberal party in Alberta; the honourable gentleman from Northumberland (Hon. Mr. Burchill), from the presidency of the Liberal Association in New Brunswick; and the honourable gentleman from Carleton

(Hon. Mr. Fogo), from the presidency of the National Liberal Federation. To my mind it detracts from the dignity and honour of this body when senators travel about the country and work and use their prestige to advance the interests of any political party.

It would appear that the honourable senator from Vancouver South (Hon. Mr. Farris) and the honourable senator from Inkerman (Hon. Mr. Hugessen) believe that the Liberal party has a corner on the best brains in the country and is likely to continue in power for ever. If I thought that view was sound I would suggest to His Honour the Speaker that the time allotted for prayers in this chamber be lengthened.

Some Hon. Senators: Hear, hear.

Hon. Mr. Horner: In other words, the Lord help us.

Of course, errors are bound to be made in the operation of any institution, and perhaps some appointees to the Senate have not been worthy of the honour conferred upon them. It may be that a grave mistake was made in my own appointment.

Some Hon. Senators: No, no!

Hon. Mr. Horner: However that may be, to err is human, and some mistakes will be made.

Now, I will not attempt to discuss any constitutional points, but I imagine that the Fathers of Confederation felt it would be unwise to create in Canada a second chamber composed of holders of hereditary titles and honours, and that the Senate should be so constituted that people of outstanding ability could be appointed to it. And there is certainly no lack of examples to show how well that idea has worked out in practice. Age in itself was surely not intended to disqualify a person from appointment. Who objected when the late Pat Burns was made a senator? If I am not mistaken, he was at least seventy-five years old at that time. And though he was a lifelong Liberal, his appointment was made on the recommendation of a Conservative government. Retirement of senators at seventy-five would deprive the country of the opportunity to make use of a great deal of ability that otherwise could be put to good service. Many a man who has made a lifetime study of a branch of science or of some other subject is at his best between seventy-five and eighty years of age. Specialized knowledge is certainly of great value in a body of this kind. Distinguished Canadians cannot be honoured by the giving of titles, but we are not opposed to honorary degrees. I notice that despite his busy life, the Prime Minister had time to go to London and receive an honorary degree. I am not making any criticism of that at all; I think it is quite proper.

I disagree entirely with the honourable senator from Wellington South (Hon. Mr. Gladstone) and the honourable senator from New Westminster (Hon. Mr. Reid) that the sessional indemnity of members of the House of Commons should be raised, if the indemnity for senators is to remain as it is. All members of parliament should be treated equally in this respect.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Horner: I was just noticing that the value of production in Canada during 1950 was $14,164 million. But notwithstanding the great development that our country has had, some people complain of the cost of the Senate. A large business which engages legal counsel to represent it in an important matter might not consider $50,000 an excessive fee, and I think that in the Senate some members of the legal profession are giving their services to the country at a relatively low cost.

The honourable gentleman from Bruce (Hon. Mr. Stambaugh) says the fact that some of our committees have a membership of fifty and a quorum of nine indicates the small attendance of members at committee meetings. But, as we all know, it often happens that a senator finds on a certain day that there are meetings of three or four committees of which he is a member. He cannot attend them all, and so he goes to the one dealing with the matter in which he is most interested, or with respect to which his experience and advice will be most useful. It frequently happens that when the Divorce Committee is sitting in two sections, at least two other committees are meeting, and in these circumstances it is impossible to have a full attendance at every committee.

Then in computing the percentage of members who attend Senate sittings, it should not be forgotten that there are usually a number of vacancies here. I think that in general the number of vacancies would average ten. At present there are fourteen.

Hon. Mr. Quinn: Eleven.

Hon. Mr. Horner: Well, the book says there are fourteen. Anyway, there are always some vacancies.

In the parlance of the lawyer, a thing is sometimes said to be founded on a "wrong premise"; or in the surveyor's language, the "wrong base line". I always enjoy listening to the speeches of the honourable senator from Inkerman (Hon. Mr. Hugessen); I only regret that I am not able to express myself

in the beautiful language he uses; but I say that in this instance he started from a wrong premise, and the more he talked the more wrong he became. Or perhaps he was like the surveyor who was a foot out at his base line and ended up miles out of line.

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: I am sure the senators from Newfoundland were shocked at the unfortunate slip my honourable leader (Hon. Mr. Haig) made when he spoke of senators as the highest-paid pensioners in Canada. How quickly these new senators flared up, and how horrified they were that anybody should think that by coming to the Senate they were merely being pensioned off. The difficulty faced by the senator from Inkerman and by the leader of the government in this house is that they were appointed to this chamber while relatively quite young. The thought that rises in the minds of the people across Canada is not so much that senators should be retired at a certain age as that some of them remain in this chamber too long. To me, compulsory retirement at seventy-five would seem like unravelling a ball of twine from the wrong end.

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: It is my opinion that the age for appointment to the Senate should be sixty years, rather than thirty. If I remember correctly, it was at one time thirty-five years, but later was reduced to thirty years, for the purpose of bringing a certain gentleman into this chamber. My honest opinion is that the minimum age should be at least fifty years, and perhaps sixty.

The proposition has been put forward in this debate that if an age for retirement is fixed, the present senators should not be affected by it. Well, if the good Lord happens to spare me, under such an arrangement as has been suggested I would be bidding goodbye to some senators appointed after the change, and who would have to retire at seventy-five while I carried on. I abhor the thought of any such distinction. Although I have no particular objection to allowing the provinces to name some senators, I certainly think that in this chamber we should all be appointed on the same basis and for the same term, namely, for life. It was intended that this chamber should be composed of men of experience.

Hon. Mr. Duff: Quite right.

Hon. Mr. Horner: But how can a man of thirty have gained experience or demonstrated his ability? It is impossible. The criticism in the minds of a great many people in this country is that one person occupies a seat in this chamber for too long a time, and thus prevents the government from honouring another. Indeed, if I am spared to live to a ripe old age, the people of Saskatchewan will be thinking it is about time I passed on and gave somebody else a chance.

The Senate, to my way of thinking, was not intended to be made up only of former members of the other place; rather, this chamber was made appointive so the government name to it men who by reason of their life work are well qualified to be senators, but who, perhaps because of their positions are unable to become elected to the other house. I have in mind men who might have been associated with a type of police work, but who nevertheless would make able senators. There comes to my mind the name of the late John R. MacNicol. Who in Canada would have objected to his appointment to this chamber?

An Hon. Senator: Not one.

Hon. Mr. Horner: He was eighty years of age when he died, and under the proposition that has been made he would have been disqualified for membership in the Senate some years prior to his death. That distinguished gentleman had travelled all over the world, and he knew every foot of Canada. For instance, he journeyed down the Mackenzie River to Aklavik, and there saw herds of reindeer. If the indemnity were sufficiently large, every senator could afford to leave his business and see for himself what extensive irrigation works, for instance, would do for Western Canada: he would then be in a better position to advocate policies beneficial to the nation. I agree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that there is work for this chamber to do. There is any amount of work, and there are plenty of men here able to do it, even if it be true that a few of our members are not in attendance at all times.

One thing that I think we in this chamber should do is introduce a bill for compulsory voting. The Commons might hesitate to do it. I have favoured this reform for over thirty years. The cost of elections is nothing short of a national disgrace, and many citizens evade their responsibilities. The man who is hardest to get to the poll is the man who is loudest in his denunciation of politicians. As the honourable senator from Cariboo (Hon. Mr. Turgeon), whose contributions I always enjoy—because, for one thing, he speaks without notes—remarked the other day that about the worst thing one can be called at a community gathering is a politician. Those honourable senators who have served in local councils know that it is there you get all the

abuse; you are under fire all the time. But for all the inclination to complain about their elected representatives—which perhaps is natural—too many people will not take enough interest in their country to vote. When I mentioned this matter of compulsory voting to an honourable senator who is present today, he said that the man who has to be forced to vote might as well be ignored. But to my mind, if every citizen is forced to pay his taxes, every citizen should be compelled to vote. Politically we are moving very fast to a condition where only monied men can afford to run for office. I believe the compulsory ballot is long overdue. I understand that the system works out very well in Australia.

A word or two with regard to this question of change, which seems to obsess some people. All change is not reform. I believe that some changes which have taken place in this chamber, have tended not to reform but to deform it. One of these changes is one which places us on a different basis from members of the other branch of parliament. It has lowered the dignity and usefulness of this honourable body. But at about the time it happened the two leaders in this chamber had a plan whereby they increased their own salaries. I was opposed to those increases at the time, and I am still strongly opposed to them. The effect was to "deform" this honourable chamber. We as a body were not attended to, but the honourable gentlemen attended to themselves.

When I was visiting in the district of the honourable senator from New Westminster (Hon. Mr. Reid) I noticed that everybody spoke well of him and admired his independence of character. I was reminded of that verse in Proverbs, "A good name is rather to be chosen than great riches, and loving favour rather than silver and gold." But it would seem, according to the honourable member from Bruce (Hon. Mr. Stambaugh), that our good name should not avail us anything, that we should be retired on pension at the age of seventy-five. To subject the members of an appointed body to that condition is, in my opinion, the most unbearable proposition one can think of. Whatever government proposes it, whether it is to apply here or in the Commons, it should be rejected. We shall be criticized all over the country for receiving a pension which we have voted to ourselves, and by and by, as public expenditures increase, we shall have to pay it all back in income tax and accept an old-age pension, possibly without a means test. The idea of parliament sitting down and voting a retiring allowance to itself is one that I cannot accept and will not support.

A word or two in conclusion. I think I have made it clear that, although I am not particularly opposed to a certain number of senatorial appointments being made by the provinces, the proposal that one-third of our body be elected will not have my approval. But I favour raising to fifty or sixty years the minimum age for appointment, for I believe that such a provision would silence much of the criticism one hears about the length of time senators hold office.

I hope that none of my honourable colleagues, not even the leaders, will take offence at what I have said. I have stated what I believe to be the fact—that what changes have been made in the constitution of the Senate since I became a member have deformed it; and I would hate to see any further deformation which would result from the adoption of some of the suggestions we have heard during this debate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Marcotte: I move the adjournment of the debate.

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

The Senate adjourned until Monday, March 19, at 3 p.m.

THE SENATE

Monday, March 19, 1951

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

Prayers and routine proceedings.

STAFF OF THE LIBRARY OF PARLIAMENT

REPORT OF CIVIL SERVICE COMMISSION

The Hon. the Speaker: Honourable senators, I have the honour to present a report of the Civil Service Commission, dated March 14, 1951, with respect to revision of the salary rates to certain employees of the Library of Parliament.

REFERRED TO COMMITTEE

Hon. Mr. Lambert: Honourable senators, with leave, I move that the report be referred to the Joint Committee on the Library of Parliament.

The motion was agreed to.

STAFF OF THE SENATE

REPORTS OF THE CIVIL SERVICE COMMISSION

The Hon. the Speaker: Honourable senators, I have the honour to present two reports of the Civil Service Commission, dated March 14, 1951, with respect to revision of salary rates of certain employees of the Senate.

REFERRED TO COMMITTEE

Hon. Mr. Beaubien: Honourable senators, with leave, I move that these reports be referred to the Standing Committee on Internal Economy and Contingent Accounts.

The motion was agreed to.

FOREIGN EXCHANGE CONTROL BILL

FIRST READING

A message was received from the House of Commons with Bill 147, an Act to amend the Foreign Exchange Control Act.

The bill was read the first time.

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

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

CANADIAN WHEAT BOARD BILL

FIRST READING

A message was received from the House of Commons with Bill 5, an Act to amend the Canadian Wheat Board Act, 1935.

The bill was read the first time.

SECOND READING

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

Hon. Wishart McL. Robertson: Honourable senators, if it meets with the approval of the house I shall explain this bill this afternoon. With leave, I move second reading now.

I have at this moment been advised by the Clerk that the bill has not been distributed. It was passed in the other house on Friday last, and I cannot understand why distribution has not taken place. If I have the consent of the house to make the explanation—

Hon. Mr. Duff: Not without the distribution of the bill.

Hon. Mr. Haig: Honourable senators, I know that I am out of order in speaking at this time, but may I be permitted to say that the bill is very simple? When this house considers the measure, honourable members, we will no doubt do as the members of the other house did when the bill was before them, namely, discuss the whole wheat pool question. The bill itself does not cover that subject, but presents, largely, a legal question as to the handling of one-year pools instead of five-year pools. I think that the best place to consider this legislation is in committee.

Hon. Mr. Lambert: May I point out that our agenda for this afternoon is such that it would not permit adequate time to discuss this bill.

Hon. Mr. Aseltine: We on this side are willing to proceed this afternoon.

Hon. Mr. Lambert: I think every opportunity should be given for a full discussion of this measure.

Hon. Mr. Haig: As far as we are concerned, we will fall in line with the government leader's suggestion.

Hon. Mr. Robertson: I am entirely in the hands of the house. The observations of my friend opposite (Hon. Mr. Haig) are quite correct. The proposed amendments to the Wheat Board Act are relatively simple, and met little opposition in the other house. The question of certain payments was discussed by consent. The item of $65 million will come up on the supplementary estimates, but I doubt if they will reach us until Wednesday next. That will mean that we will have a limited time to consider this item.

I am quite prepared to go ahead now and make my explanation, and any honourable senator who wishes to adjourn the debate today may do so.

The Hon. the Speaker: Honourable senators, has the honourable leader of the government the leave of the Senate to make his explanation on second reading of this bill this afternoon?

Some Hon. Senators: Agreed.

Hon. Mr. Robertson: Honourable senators, this bill proposes three amendments to the Canadian Wheat Board Act, 1935. The first is of a very minor character, involving the definition of the term "pool period". Section 20 of the Act makes erroneous reference to the "31st day of August", and it is now proposed to substitute therefor the "1st day of August". This was a typographical error which has been perpetuated.

The other two amendments, which are of an administrative nature, are the result of experience gained in the operation of the Canadian Wheat Board since its inception. Today increases in the initial payments must be uniform for all the grain in the pool, regardless of quality or grade. The second amendment would make it possible to vary these increases for different grades. Certain contingencies could arise from time to time by reason of which it would in the interests of the pool not to make the same increases in the initial payments on all grades of grain. I am advised that had the lower grades of grain not sold as readily as they have this year, when there was a relatively small amount of high-grade grain, the problem of keeping increases uniform might have been difficult. It is suggested that this amendment is in the interests of all concerned, and that the right to vary the increases on various grades will work to the benefit of growers in the future, although I am advised that its value in relation to this year's crop will be less than was originally contemplated.

The third amendment is the most important of the three. By its terms, annual pools may be wound up promptly. In the past it has occasionally happened that the board has operated two or more pool accounts simultaneously. In such circumstances the procedure has been to divide sales between the pools, thus inconveniently delaying the winding up of a particular pool. This amendment will empower the Governor in Council to authorize the transfer of unsold grain from one pool account to the next for the purpose of concluding the earlier account, thus permitting a final payment as soon as possible after the end of each crop year. A careful valuation of the inventory to be transferred is contemplated by the amendment, with the principle in mind that the later pool should neither gain nor lose because of the unsold grain transferred to it. In practice, of course, it will not be possible to entirely eliminate the element of risk to the pools concerned, but it is felt that the proposed method is preferable to holding up the final settlement with producers under each pool until such time as the last of the grain in a particular pool has been sold.

I am advised that the chief criticism of this measure is that the action foreshadowed is not made mandatory. However, there was reluctance on the part of the government to do this because of the possibility that, if at a particular time the proportion of unsold to sold grain was very large, uncertainty as to price might make it difficult to fairly assess the inventory value.

Hon. John T. Haig: Honourable members, I have read the amendments. The first one just effects a change of date from the 31st of August to the 1st of August. The second one provides for payment to producers of various grades of the amount of the increase relating to the particular grade of wheat delivered. Much of this grain, of course, was frozen. It is hard to see the effect of this change. As to the third amendment: this year, when the pool was taken over on or about the 1st of August, the amount of good hard wheat in the pool which was unsold—

Hon. Mr. King: When the honourable senator says "pool", what does he mean?

Hon. Mr. Haig: I should have said "Wheat Board"—the quantity of No. 1 and No. 2 hard wheat held by the Wheat Board, amounted to between ninety and one hundred million bushels. The probability is that this year there will not be such a big carry-over of hard wheat—frozen or damp wheat—and the question will be one of setting a price on the wheat for next year. There could be a little honest manipulation one way or another; but apart from what is provided for in the bill, I cannot see any other policy under which the Wheat Board could operate. So much for that.

As the Honourable Minister of Trade and Commerce said in another place, this is just as good a time as any to discuss the winding up of the British Wheat Agreement. I do not intend to go over the old debate on this subject. Honourable senators know that I was always opposed to the agreement. I was sometimes accused of speaking on behalf of the Conservative party. A leader in this chamber sometimes finds himself in a difficult position in this regard.

Hon. Mr. Robertson: Hear, hear.

Hon. Mr. Haig: As a senator who comes from one of the three wheat-growing provinces—probably the smallest—I have always

felt that our farmers would never be dealt with fairly under the British Wheat Agreement.

Hon. Mr. King: The honourable senator has spoken of the Wheat Board and the pool. How many pools are there?

Hon. Mr. Haig: One in each province.

Hon. Mr. King: There are three?

Hon. Mr. Haig: Yes.

Hon. Mr. King: And they supported this agreement?

Hon. Mr. Haig: They did originally. After we entered the British Wheat Agreement we also entered the International Wheat Agreement, and it will be recalled that quite a few of us were bitterly opposed to it. What happens under this agreement, which is an agreement between three selling nations and thirty-three buying nations, is that when prices on the open market are up the buying nations want to make the three selling nations stick to the price bargained for under the agreement, but when the price on the open market goes down the selling nations have an awful time getting the thirty-three buying nations to purchase the wheat. Under this agreement the importing countries cannot be forced to accept the grain; they merely say "We have not got the money".

I am not going to go into details of the British Wheat Agreement. When we entered the agreement in 1947, I was certain that the "have regard to" clause would be meaningless, and that is what is causing all the row today. I was sure that the whole thing would result in a bad feeling between Canada and Great Britain. The Honourable Minister of Trade and Commerce has said that a final settlement was reached a year ago. The Honourable Minister of Agriculture said that there should not have been a settlement, and he went so far as to go to Britain to try to get that country to make an extra payment. The records show that the Minister of Trade and Commerce was correct, and that the agreement had been finally settled.

The original deal was this. The Briitsh contract ran from 1946 to 1949 inclusive—four crop seasons—and covered the sale of 600 million bushels. The price was fixed at $1.55 for 320 million bushels in the first two years, and the price was then negotiated at $2 per bushel for the third and fourth years. According to the Minister of Trade and Commerce that settled the "have regard" clause. The farmers of the three prairie provinces have felt that they have been "done in" by this agreement.

Hon. Mr. King: May I ask a question? What proportion of the farmers is within the pools?

Hon. Mr. Aseltine: Everybody.

Hon. Mr. Haig: No, not all.

Hon. Mr. Aseltine: They take all the wheat.

Hon. Mr. Haig: That is not his question.

Hon. Mr. King: I should like that answered.

Hon. Mr. Haig: It is very hard to answer. I should think that approximately 50 per cent of the farmers actually belong to the organization known as the pools. The others may follow them—I do not say that they do not.

Hon. Mr. King: What proportion would follow them?

Hon. Mr. Haig: That I am unable to say. There is no way to tell that. Every farmer is compelled to put his wheat in or he will go to jail.

But the point I am making is this. First, as to the government's position, there is no doubt about it that the three pools—in Manitoba, Saskatchewan and Alberta—favoured the British wheat agreement. There is no question about it that they were for the agreement lock, stock and barrel.

Hon. Mr. Buchanan: What was the position of the Canadian Federation of Agriculture?

Hon. Mr. Haig: They said it was a good deal and should be made. There is no question about that. But the charge is this, and I make it deliberately, that this agreement was made for one reason, namely, that it was thought—wrongly—that the price of wheat would go down. But the price of wheat went up. The price of wheat has always been a gamble. As I said in June, 1948, the annual production of wheat in the whole world is 6,000 million bushels, of which only about 600 million are traded, so it does not require much change in the crop yield to have too much wheat or too little for the world demand. That is the problem that faces us all the time. And that is why no man has ever yet been able to corner the wheat market. Everything looks to be going along steadily, but perhaps Argentina, Canada, Australia or Russia will not get rain at the right season, or frost may occur on the 23rd of August, as it did in Western Canada, and wipe out 100 million bushels.

We should have been on our guard about the making of an agreement to sell so much wheat over a period under conditions existing at the time of the agreement. You may say to me, "Well, you guessed and said there would be trouble, and it turns out that you were right; but the rest of us thought you would be wrong." My point is that the farmers should have been given the right to sell to the board or not to sell to it, as they

thought fit. They should not have been compelled. They should not have been taken by the throat and told that all of them must deliver their wheat to the one organization. In a country where we talk about freedom and democracy, they should have been able to do as they liked.

Hon. Mr. King: Did the compulsion not come after the agreement?

Hon. Mr. Haig: It came after the agreement. I say the government should not only have sold the wheat as it saw fit, but should have gone into the open market and bought the wheat instead of making the farmers give it up. The people of Ontario, Quebec and the Maritime Provinces say that the government took some action with respect to cheese and apples. But what we are complaining about is that the government did not buy the wheat from our farmers at the farmers' own price. The government should have given the farmers their price, but instead it took the wheat from them and made a deal.

The wheat pools favoured this agreement because they thought that thereby they could drive the Winnipeg Grain Exchange out of business. That is why they did it, and they were wrong. And they lost how much? One estimate is $330 million; I think the Toronto *Saturday Night* says it was $313 million; but if you count the wheat that the government sold to the people of Canada at the same price, which was below the market, our farmers actually lost under the agreement between Britain and Canada $488 million. You only need to read the report to find that out.

My friend the editor of the Ottawa *Journal* said that if we had not made the agreement with Britain we could not have sold our wheat anywhere else. What nonsense! The Grain Board actually sold each year wheat outside of the agreement and got an average of $2.36 a bushel. The board sold that outside the contracts.

Hon. Mr. King: Yes.

Hon. Mr. Haig: You will find the figures on page 9 of the report. The board use that figure, but I might say to them that they actually got more than that. Here is what they did. They got an average of $2.36 a bushel.

Hon. Mr. Barbour: For how many bushels?

Hon. Mr. Lambert: For 206 million bushels, was it not?

Hon. Mr. Haig: For 196 million bushels, they say. It was 250 million altogether. So there is no difficulty about getting at the value. I am not taking the daily market price; I am taking only the market at which they sold.

Hon. Mr. Fogo: Will the honourable gentleman permit a question?

Hon. Mr. Haig: Yes.

Hon. Mr. Fogo: What assurance is there that that price would have been available to the farmers had this other part of the Canadian grain not been covered by the agreement?

Hon. Mr. Haig: Thank you for asking that question. I will give you the answer. When Britain was buying 160 million bushels from us she bought, I think, 82 millions from Australia at $2.34, and she bought from Argentina at $4.

Hon. Mr. Fogo: That does not answer my question.

Hon. Mr. Haig: Yes, it does. There is a world demand for wheat, and the price is based on that, as it always has been.

Hon. Mr. Fogo: If you take a certain part of the wheat out, does that not affect the price of the balance?

Hon. Mr. Haig: It might cause the price to go down two or three points, but that is all. The price would only be affected by the proportion of the whole amount that was taken out.

Hon. Mr. Fogo: If the sale of that huge quantity of wheat at a lower price affected the market at all, would it not depress the price?

Hon. Mr. Haig: It would depress it a little.

Hon. Mr. Fogo: It is a question of how much the price would be depressed.

Hon. Mr. Haig: Argentina was getting $4. The world has got to have wheat, and the price is bid up until other food commodities can be bought and set off against the wheat.

Hon. Mr. Fogo: But the less available, the higher the bidding.

Hon. Mr. Haig: But Britain had to have the wheat, whether she got it from us or on the open market. In the first year she got 169 million bushels from us, and she bought millions of bushels besides that from the Argentine and Australia. Britain buys from those countries every year.

Hon. Mr. Baird: Will the honourable gentleman permit a question?

Hon. Mr. Haig: Certainly.

Hon. Mr. Baird: How do you account for the fact that Newfoundland had to pay 15 cents more per bushel the day after this deal was closed?

Hon. Mr. Haig: That was just because the price happened to go up. It is going up or down all the time, depending on the amount of visible supply in proportion to the demand. Every day at Chicago or Winnipeg or Liverpool, wherever the market is, bidding is done on wheat, and the price will vary by a cent or two.

Hon. Mr. Baird: Newfoundland had to pay not merely a cent or two more, but 15 cents more.

Hon. Mr. Haig: Maybe some exchange was involved in that.

Hon. Mr. Baird: Oh, no. The mere fact that such a quantity of wheat was to be taken off the market caused the price to go up.

Hon. Mr. Haig: That might put the price up, but very little, depending on what proportion of the whole supply was represented by the Canadian sale to Britain. And, as I have said, the Grain Board sold at $2.36. There is no use trying to argue ourselves out of it. My honourable friend from Carleton (Hon. Mr. Fogo) broached that argument, but I would point out to him that wheat is not an ordinary commodity which is limited in its scope. Wheat is produced the world over, and it has a world market price. But the price varies a good deal because of the small amount sold on the world market.

Hon. Mr. Gladstone: Would the honourable senator permit another question? Did the United States have a surplus of wheat for sale at the time Great Britain was paying the Argentine $4 per bushel?

Hon. Mr. Haig: They did, if they wanted to sell it; but I presume the farmers of the United States wanted the same price as Australia got. Canada should have done what Australia did. The government of that country sold wheat at $2.72 a bushel, but the farmers did not get that price for it. Part of the revenue from this source was put into a pool and held against the day when the price would not be so good, and then the money would be given to the farmers. If we had followed that plan there would be no reason for complaint today.

The Government of Canada sold 77 million bushels of wheat in 1946 and 79 million bushels in 1947, for which the farmers received $1.55, but at the same time wheat was being sold on the outside market at $2.36 a bushel. Why should the farmers lose 60 cents a bushel, or a total loss for those two years of $48 million, because they had to sell their wheat to a certain customer? I have been unable to get a satisfactory answer to that question.

Hon. Mr. Lambert: The answer is that he wanted it that way.

Hon. Mr. Horner: Who wanted it that way?

Hon. Mr. Lambert: The farmer.

Hon. Mr. Haig: He did not want it; the government took over the marketing of his wheat. The Minister of Agriculture, as I said on a previous occasion, thought he was playing safe, for he expected that by 1950 wheat would be down from 50 cents to $1 a bushel. He was wrong, and the government and the minister must take the responsibility for it. It makes no difference what the pool people told the minister.

It is rather interesting to read the arguments put forth by the newspapers who support the pools. I have before me the argument of the Winnipeg *Free Press* when it said, quite properly, that wheat was one commodity that could not be controlled; and that because wheat is produced in many parts of the world under varying conditions, and so little is being sold out of the total production, it is impossible to hold it.

Hon. Mr. Pirie: There are other commodities like wheat.

Hon. Mr. Haig: Not exactly like wheat. It must be remembered that wheat can be stored for many years.

Hon. Mr. Beaubien: Will my friend permit a question? Is he arguing that the government should not take cognizance of the wishes of a large percentage of the organized farmers?

Hon. Mr. Haig: I say quite candidly that I do not think so. A man who is elected to represent the people of his constituency in the House of Commons is expected to use his best judgment. He is not a delegate, but a representative, and as such must use his own best judgment. The prairie farmers know that through the years one cannot safely bet a nickel one way or the other on what will happen in the wheat market. The government should have said to the farmers: "We will set up a wheat board, but you are not obliged to sell to it". But they did not do it that way.

Hon. Mr. Beaubien: My friend did not get my question. I contend that the organized farmers made representations to the government on the wheat question. Does the leader opposite say that the government and the Minister of Agriculture should refuse to take cognizance of those representations?

Hon. Mr. Haig: The government can take cognizance of them, but that is only part of the question. The minister must not take only what the farmers say, and do precisely that. There is another side to the picture. This arrangement of marketing was not unanimous by any manner or means. There was a body which thought they should be allowed to sell their wheat as they liked, but the government overrode their opinion and took their wheat from them.

My friend from Northumberland (Hon. Mr. Burchill) said that for every carload of timber sold in Canada, the government allowed one to be exported. But in the case of wheat the government did not give the farmers even half; it took, as it were, both carloads.

The loss by reason of the wheat agreement to the farmers of Western Canada, excluding the last year, was not less than $330 million. The loss on the wheat sold to the people of Canada was at least $48 million. As against that loss of a total of $378 million the government now offers the farmers $65 million.

Hon. Mr. Fogo: Does the honourable senator oppose the payment of $65 million?

Hon. Mr. Haig: I will come to that. In my opinion it should be at least $375 million. Why should the farmers pay the shot? I repeat what I said in 1946 and again in 1947: Why should we throw out our chests and take credit for supporting Great Britain in her trouble by selling her wheat at $1.55 per bushel? True, we were helping Great Britain, but who stood in the gap and made that assistance possible? It was men like my friend from Rosetown (Hon. Mr. Aseltine), the senator from Blaine Lake (Hon. Mr. Horner) and all the other wheat producers in western Canada. I repeat, why should we boast of what we did? I did not own any wheat, so why should I take any credit for offering help to the British people? When the government compels the farmer to enter into such a deal, and a loss results, the government should pay the shot. I am certainly in favour of the payment of $65 million, but I say it does not go nearly far enough. Such a small amount is an insult to the people who have suffered the loss.

The farmers of the West borrowed money to buy machinery and produce wheat on a large scale at a time when their boys were overseas and labour was short. All they are to get for the effort they put forth is less than 5 cents a bushel—about 4·6 cents per bushel for the wheat involved.

Hon. Mr. Pirie: Does it show a profit, at that price?

Hon. Mr. Haig: It does not show a profit.

Hon. Mr. Pirie: At $1.55 a bushel?

Hon. Mr. Haig: The only wheat that shows a profit is that which was sold outside of the agreement.

Hon. Mr. Fogo: What about $2 a bushel?

Hon. Mr. Haig: I gave the figures a while ago as to the quantity sold outside of the agreement.

Hon. Mr. Pirie: I am talking about the market price over the cost of production.

Hon. Mr. Haig: I do not know what the difference is, and nobody else does. When a farmer has to pay $4,000 for a tractor to work a piece of land that was once worked by a team of horses and a plow which cost him $500, it is hard to estimate the difference accurately.

Hon. Mr. Pirie: I have never paid over half that amount for a tractor.

Hon. Mr. Haig: Well, that is what the western farmer has to pay for a tractor to haul a big combine.

Hon. Mr. Horner: The diesel jobs cost $5,000.

Hon. Mr. Haig: The farmers borrowed money from the banks to expand their equipment, and they thought the least they would get as a bonus would be 15 cents a bushel. Even that would have been only a token payment. I would like to ask the government how it came to decide upon the figure of $65 million. Why did it not choose to pay the farmers $75 million or even $95 million?

Hon. Mr. Duff: Why did the government not pay them 10 cents?

Hon. Mr. Haig: They could not have insulted us any more. What we are getting on the basis of this allowance amounts to 4·6 cents per bushel. The people of Western Canada have been "done in" by this agreement. No matter what anybody may say, the fact is that their right to sell their wheat was taken from them. It is not for us to prove loss; the very action of the board demonstrates the loss; the value is evident from the price of what was sold apart from the board.

In answer to the question of my honourable friend (Hon. Mr. Fogo). I know that we cannot get any more than the $65 million now offered. The government will not pay any more. The House of Commons would not vote for it. As a westerner, while I assert that we are not getting fair value, I shall vote for the grant of $65 million because I

will not cut off my nose to spite my face. We in the West are good enough business men to face the facts. We say that we should have had at least another fifteen cents a bushel, and we are getting only 4·6 cents; but if the government will not grant us any more, all we can do is to wait until the next election, register our disapproval at the ballot box, and then get the additional six cents.

Hon. Mr. Fogo: I do not want to interrupt the honourable senator, but may I ask him one other question? Despite what he says, in view of their returns over the last four years are not the wheat-growing communities of Western Canada better off today than they ever were? Have they not paid off more mortgages; have they not more money in the bank? By any measure one wishes to apply, are they not better off?

Hon. Mr. Haig: I will answer my honourable friend in this way. Suppose that six years after I buy a house for $18,000 I am offered $50,000 for it. Should I sell it? I do not know. Today a dollar is worth only about half what it was a few years ago; under these conditions the people who stand to lose are those who own securities. The market price of bonds is falling. Why? Because—at least in my belief—the government has "got out from under"; and people do not believe that government securities represent the amount of commodities which their money, when it was originally loaned, would buy. Let nobody suppose that the farmer is debt free. Go to the banks and ask how much western Canadian producers owe on machinery.

Hon. Mr. Fogo: These dollars are perfectly good for paying off debts when you come to clear off fixed obligations.

Hon. Mr. Haig: That has nothing to do with it. Though I could sell for $10,000 a house which cost me $8,000, would I not be foolish not to want $15,000 if that were its real present value? It is true that necessity might compel me to accept $10,000. On this reasoning I do not see why the farmer should be content to take $1.55 a bushel when his fellow-farmer across the boundary can get $2.50 for a bushel of the same grade of wheat. And that is the world price. I am not taking into account items of adjustment.

Hon. Mr. McIntyre: Is not the price of wheat always higher in the United States than in Canada?

Hon. Mr. Haig: That depends on whether wheat is in short supply. There is a United States import tariff on wheat of forty-two cents per bushel, so that when wheat is in short supply it must advance forty-two cents before our wheat can be sold there at a profit. But if the United States has a surplus of wheat we are not affected by that duty. The real reason why wheat sells at a higher price in the United States than here is because of the terribly high tariff by which they protect it. It must also be remembered that, whereas 80 per cent of our production is exported, 90 per cent of United States production is consumed at home. That makes a difference.

Hon. Mr. Baird: We in Newfoundland paid during the war the highest possible price for Canadian flour and wheat. Now we are part of Canada, and you ask us to pay you in taxes a sum of money to help liquidate this debt. Is that reasonable? Is that typical of Western Canada?

Hon. Mr. Haig: As a matter of fact your province pays only about 1 per cent of the federal taxes.

Hon. Mr. Baird: Quite enough.

Hon. Mr. Haig: Western Canada will write off your one per cent if you are really concerned about it.

Hon. Mr. Baird: We will keep you to that bargain.

Hon. Mr. Haig: Ontario, Quebec and British Columbia pay about 90 per cent of the taxes of Canada, so they are the people who will pay practically all the $65 million.

Hon. Mr. Baird: Then why not the whole of it?

Hon. Mr. Haig: When you paid the prices you refer to, Newfoundland was not part of Canada; it was an outside country. It had no claim on us.

Hon. Mr. Baird: If the farmer is to be recompensed, who has to pay the bill?

Hon. Mr. Haig: Mainly Ontario and Quebec, although British Columbia provides a pretty fair proportion. But I remind you that Newfoundland at the time you mention was not part of Canada; therefore it had to pay the world price.

Hon. Mr. Baird: We did not realize that we would be caught so quickly!

Hon. Mr. Beaubien: Will the honourable leader of the opposition not admit,—with due allowance for all his arguments,—that today more farmers have title to their lands and money in their pockets than ever before in Western Canada?

Hon. Mr. Haig: I cannot answer that, I do not know. In Manitoba the loan companies have more money out than they had ten years ago.

Hon. Mr. Beaubien: If my honourable friend will go to the land titles offices he will find that what I say is true.

Hon. Mr. Haig: Well, it is no argument to say that because I made money I must have been crooked. I may have been, but nobody has a right to say it unless he can prove it. If I am told, "You got $1.55 a bushel and you have paid off some of your debts", I reply, "If I had got $2.55 a bushel I would have paid off a lot more."

Hon. Mr. Fogo: You would have gone to California!

Hon. Mr. Haig: Maybe I would have gone to California. My honourable friend ought to know that the people of Manitoba, Saskatchewan and Alberta are not the only people who take trips to California. And let me add that not a few of the big manufacturers of the central provinces have been enabled to go to California through profits on the machinery they have sold to farmers out west.

The only reason I entered into this debate was because I felt I might never have a chance again.

Hon. Mr. Beaubien: Not getting tired, are you?

Hon. Mr. Haig: Honourable senators will recall that five years ago I "bucked" the wheat agreement. I believe the honourable senator from Churchill (Hon. Mr. Crerar) was a little inclined to be with me.

Hon. Mr. Crerar: A little!

Hon. Mr. Haig: But, except for himself—I appreciated his support—and the members of our party, no one in this parliament opposed the wheat agreement right from the start.

Hon. Mr. Beaubien: And your friends in the other house did not.

Hon. Mr. Haig: Mr. Bracken predicted what would happen. He said that the agreement would lead to bitterness between Canada and Great Britain; and that is precisely what has resulted. In Saskatchewan the Minister of Agriculture has been preaching that the British are at fault because they did not "come through" in the way they should have done. But the Minister of Trade and Commerce coming from Ontario, says that they did. You pay your money and you take your choice.

In a country which pretends to believe in free enterprise I think it is unfair to go to one of the largest industries and say "We will take your goods and sell them and give you the proceeds, but if there is a loss you will have to suffer that loss". That is what they did. These are the cold-blooded facts, and I do not understand how the people of our two great central provinces, Ontario and Quebec, can deny to the wheat producers of Canada reasonable compensation for the tremendous losses they have suffered under the British Wheat Agreement.

Some Hon. Senators: Hear, hear.

Hon. G. P. Burchill: Honourable senators, I did not come here this afternoon prepared to speak on this question, but I would be a poor representative of the Maritimes, and particularly of New Bruswick, if I did not say a few words in vigorous protest against an expenditure from the public funds, even to the extent of one dollar, let alone $65 million, to supplement the payments which have been made to Canadian wheat producers under the British Wheat Agreement.

Some Hon. Senators: Hear, hear.

Hon. Mr. Burchill: I know that when I say this I will be supported by every thinking citizen of the Maritime Provinces. I am not arguing the merits of the British Wheat Agreement. The fact is that the agreement was negotiated and carried out, and therefore the people who made it should stand by it.

When I first came to the Senate this agreement was being introduced. As an easterner I thought it was rather strange legislation to be brought before parliament, because in my section of the country, where lumber is to the people what wheat is to westerners, we had similar problems during the war to those experienced by the wheat producers. The lumber producers from all over the Maritimes formed their own voluntary association, and when they were holding their organization meetings they considered compulsory government legislation; but, being the Canadian citizens they are, they decided in favour of private enterprise. They were not going to ask for government legislation to compel producers to channel their lumber through the organization.

During and since the last war the lumber producers of the Maritimes have done business with the British Government through this voluntary association. During the war period, of course, we were subject to government restrictions. There was a ceiling on lumber in Canada, in the United States and in Great Britain, where we made certain agreements. We were subjected to the same sort of conditions which have been described by the honourable leader of the opposition (Hon. Mr. Haig) this afternoon.

Hon. Mr. Aseltine: It is not true that although ceilings were imposed on lumber, the lumber producers did not have to sell their products, whereas the wheat farmers were obliged to sell their wheat?

Hon. Mr. Burchill: I shall come to that in one moment. The point I want to make is that during the war period the Canadian producers of any natural product were unable to get the highest prices for their products because of the imposition of government ceilings. The lumber producers of the Maritimes took the position that, in order to help the Canadian war effort, they should not ask for everything the traffic would bear.

As I say, when I first came to the Senate this agreement, which compels certain people to do certain things, was being introduced, and coming from the atmosphere which I have just described I felt that it was certainly un-Canadian. I could not understand it receiving the support it did, but I was told by senators from the West—certainly those from the Liberal party, and some from the Conservative party—that the various farmers' organizations wanted that sort of legislation. I was told that the farmers had made representations to the government about such an agreement, and that in fact it was the only type of agreement with which they would be satisfied. Having been given that information, I was disposed with others to acquiesce to the passing of this legislation. That information must have been correct, despite everything that has been said this afternoon by the leader opposite, because there has since been a general election at which the policies of the party which put through this agreement were endorsed by the farmers of the middle west in an unprecedented way. So it would appear that the farmers, through their organizations, certainly wanted this legislation. Well, they got it, and if it has not worked out to their liking they should take their medicine and not ask the people of the rest of Canada to contribute to an extra payment under the agreement. I think this is dangerous legislation.

Hon. Mr. Duff: Absolutely.

Hon. Mr. Burchill: We cannot embark on a policy of giving bonuses, for if we did so it would mean that right away producers from every section of the country would ask for the same consideration. Take the poor potato producers of New Brunswick. I do not come from the potato belt, so I am not as familiar with their problems as is my honourable friend who sits beside me (Hon. Mr. Pirie); but I have been told that the potato producers have not made any money on their crops this year and that there is a huge surplus of potatoes on the market. I understand that even last fall the New Brunswick potato people appealed to the government to help them out of their unhappy situation. Honourable senators, I know for a fact that the potato producers of my province are going through difficult times right now, and I am sure that if the honourable senator from King's (Hon. Mr. McDonald) were here he would have something to say about the predicament in which the apple producers of Nova Scotia now find themselves.

Honourable senators, speaking as a Canadian from the Maritime Provinces, I want to say that I am definitely opposed to the granting of $65 million from the public funds of this country to the wheat producers of Canada.

Some Hon. Senators: Hear, hear.

Hon. T. A. Crerar: Honourable senators, I think the amendments in the measure before us can be supported by every member of this house. In my judgment the legislation under which the Wheat Board has been operating for several years now is unsound and unfair. But if it is unfair and unsound, and we have to live under it, we should try to improve it. And the amendments here suggested would improve the administration of the Act.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: I scarcely need to deal with them at any length at all. They are simple and would be advantageous.

Possibly in the minds of honourable members who are not familiar with the ramifications of grain marketing in Western Canada there is some doubt as to what is meant by the term "pool". That term is used in two different senses. There are the wheat pools, which have a large membership of farmers and operate in the usual fashion, having country elevators collecting grain and terminal elevators storing it at terminal points, and having the machinery for marketing it.

Hon. Mr. Aseltine: But the pools do not buy now.

Hon. Mr. Crerar: They buy wheat in the same sense that any other country does.

Hon. Mr. Aseltine: No, they cannot buy anything, and they have not been able to buy for years.

Hon. Mr. Crerar: Neither can anyone else. That is one of the criticisms which I shall make a little later on.

The word "pool" in the sense used here refers to an operation covering the marketing of grain within one year. The British Wheat Agreement was termed a five-year pool. That meant that grain would go into the pool for a period of five years, and at the end of that time the whole thing would be wound up and a final distribution be made to the producers. My honourable friend

from Rosetown (Hon. Mr. Aseltine) states that the pools do not buy grain. It is quite true that since September 1943 they have not bought or sold grain, but prior to that they operated precisely as the ordinary grain elevator company did. That was following the period when the original pool contracts had expired. Since 1943 the sale has been channelled through the Wheat Board and the pools have operated in the same way as any other grain elevator company. That is, they are agents for the Board. They take grain into their country elevators on the terms set by the board and they deliver it to the board; and sometimes, if they are in the exporting business, the board may give them the opportunity to carry through sales which the board has made to countries abroad.

Hon. Mr. Aseltine: That is correct.

Hon. Mr. Crerar: That is precisely the situation that exists today, and there is no difference between the way in which a pool elevator operates and the way that any other elevator company operates.

Now I have a few words to say about the famous British Wheat Agreement. I do not wish to recall the past, but I am on record in this house as having opposed this agreement when it was introduced. And, honourable senators, may I add that I am on record also as having opposed the International Wheat Agreement, which I fear will, when it is through, prove as great a headache as the British Wheat Agreement is proving now.

What was the British Wheat Agreement? It was an agreement whereby the government sold 600 million bushels of wheat; 160 million bushels to be delivered from the crop produced in 1946, and the same quantity from the crop produced in 1947. The price for those two years was fixed in the agreement at $1.55 a bushel, basis Fort William No. 1 Northern. For the two succeeding years a minimum price was fixed in the agreement, and as to this I am taking the information given by the honourable leader of the opposition (Hon. Mr. Haig).

Hon. Mr. Haig: It was $1.25 for the first year.

Hon. Mr. Crerar: That is, for the third year of the agreement, the minimum price was to be $1.25 a bushel; and for the fourth year it was to be $1 a bushel.

Hon. Mr. Haig: That is right.

Hon. Mr. Crerar: That meant that the price for those two years could not go below those respective figures. There was in the agreement, however, a clause to the effect that if at the end of the first two years it so happened that the world price for wheat had been higher than the $1.55 a bushel which the British government paid under the agreement, then when negotiating the price for the two final years the British government would have regard to that fact. And when our representatives sat down to negotiate with representatives of the British government, in December 1948—

Hon. Mr. Haig: 1947.

Hon. Mr. Crerar: My honourable friend is correct. At the end of 1947 they sat down to negotiate what the price would be for the wheat produced in 1948.

Hon. Mr. Haig: Correct.

Hon. Mr. Crerar: In the meantime the world price had advanced very greatly. As a matter of fact, in the first two years of the agreement the farmers of Western Canada lost $329 million. There is no question whatever about that in my mind. It has been argued that it is impossible to determine what the loss under the agreement was. It has been argued that all this Canadian wheat, if thrown upon the market in the ordinary way, without any British agreement, would have had a depressing effect on values, and that consequently there cannot be said to have been a world price during the period of the agreement. But in my judgment that argument is not valid. The Minister of Trade and Commerce at that time, who now is our colleague the senator from Edmonton (Hon. Mr. MacKinnon), stated in the House of Commons in July 1947 that the loss on the first year's operation of the agreement was calculated to be $123 million. That statement was easily verifiable. The loss on the second year's operation of the agreement was substantially higher, because during the 1947 crop, while we were selling wheat to Britain at $1.55 basis Fort William, the Wheat Board was selling to Belgium, Holland and other countries in Europe at a price as high as $3.40.

The argument that if the agreement had not been made, and this volume of Canadian wheat had been put on the market, the price would have been adversely affected, does not hold water. That argument could only be made successfully if it can be shown that Britain would have purchased less wheat from Canada than she did under the agreement. There are two reasons why this claim is not sound. The first is that Great Britain had to have wheat to feed her population and the second is that during the period of the agreement she bought wheat outside of the Canadian wheat agreement, from Argentina and Australia at, as the leader opposite has said, very much higher prices than those agreed on in the Canadian wheat agreement? Great Britain required the purchase of as

much wheat as possible from Canada. It is true that she had a dollar problem at that time; but she had to have wheat and even at higher prices the way would have had to be found to enable her to secure the necessary supplies. So I dismiss that argument as having no validity whatever.

We come now to the two concluding years of the agreement. In the negotiations in the autumn of 1947, for the 1948 crop, the price was fixed at $2 a bushel at Fort William; and the price for the final year, covering the 1949 crop, negotiated a year later, was the same. During both those years wheat was sold to France, Norway, Belgium, and other countries which buy our wheat, at a price higher even than the British agreement price, namely $2 a bushel, and it was not until July, 1950, a few weeks before the termination of the agreement, that the price of Class 2 wheat sold to countries other than Great Britain dropped down to $2 a bushel.

The loss suffered by the western wheat grower in the first two years of the agreement was regarded by the British as a reason why they should increase the price in the two final years. The British, I presume because of the loss suffered in the first two years, agreed to pay $2 a bushel in the two final years. That point of view seems to me to have some validity.

I call particular attention to the fact that not only was there a loss on the wheat sold under the British agreement, but there was also a loss on the wheat consumed in Canada. The Canadian flour mills bought their requirements from 1946 to July 31, 1950, on the same basis, Fort William, as the British did under the agreement and consequently the bread consumers of Canada undoubtedly benefited by that arrangement.

We come now to the question of the payment of $65 million. And that is not "the $64 question", but the $65 million question. My honourable friend from Northumberland (Hon. Mr. Burchill) has taken the stand that the payments should not be made. Without hesitation I say that I agree with him.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Crerar: It is necessary to substantiate my reasoning by going back to the genesis of this agreement. Why did the government enter into the agreement in 1946? Some of the farmers' organizations, the grain pools, and the orators who journeyed back and forth across the prairies, gave as their reasons stability and the removal of the gambling element from the sale of grain on the open futures market. I put to this honourable house and to the people of Canada this question: Was there ever in the history of wheat a greater gamble than that taken by the government in 1946 when it made this agreement?

Hon. Mr. Duff: Would my honourable friend answer this question? Why should the government want to get into the wheat market anyway?

Hon. Mr. Crerar: I will come to that question.

There is no doubt that the pool organizations and the Federation of Agriculture pressed an agreement of this kind upon the Dominion Government. Moreover, the Minister of Agriculture is on record as saying that before the agreement was signed he submitted its terms to the representatives of the pool organizations and the Federation of Agriculture, and they approved of it. Now, if they approved of it and the agreement was entered into at their request, and it turned out to be a huge gamble on which there was a heavy loss, why then should the taxpayers of Canada be obliged to make good that loss?

Hon. Mr. Turgeon: How long ago was that statement made by the minister?

Hon. Mr. Lambert: Everybody knows it was made.

Hon. Mr. Turgeon: Was that statement made at the time of the agreement?

Hon. Mr. Lambert: Certainly.

Hon. Mr. Crerar: My recollection is that it was made shortly after the agreement was signed.

That is the position I take now regarding this agreement. If the government is liable to make good any loss under this agreement, why should it stop at the payment of $65 million? Why should it not take steps to determine the whole loss and reimburse the farmers for it?

Hon. Mr. Duff: Quite right.

Hon. Mr. Crerar: I am not arguing that the Canadian government should not, at the time that the agreement was made have given some assistance to Great Britain, but I contend that they should not have placed the burden of doing so only upon the wheat producers of Western Canada. I am one of those producers, and I hasten to say that I would not be taking part in this debate today, and I would not vote on the supplementary estimates covering the final allowance of $65 million, if I were not opposed to it. I have sold several thousand bushels of wheat under this agreement, and I am a beneficiary of the government's bounty to the extent of 4½ cents a bushel. In those circumstances I think it would be highly improper for me to support the payment of

the amount set out in the estimates, either by speaking in support of the question or by voting for it.

The result of this agreement is unfortunate in another aspect. We hear complaints, particularly in the part of the country that I come from, that Great Britain has welshed on this agreement, and in certain quarters a feeling is developing that the British have not lived up to their undertaking. Now in this time of international tension I think it most unfortunate that any notion of that kind should exist, let alone be expressed.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Crerar: I think the British people made a shrewd bargain; I also believe they have lived up to it. Consequently it shows poor grace for those who have lost by the deal to complain that the people with whom they dealt were too shrewd for them.

Hon. Mr. Duff: Quite right.

Hon. Mr. Crerar: That is not, according to my idea, the way that business should be done! In my business experience, when I made a bad deal I accepted the fact without complaint; and if I made a deal which the other party thought was a bad one from his point of view, I expected him to live up to it. I think that that principle of conduct should govern in this case.

Hon. Mr. MacLennan: A sort of Shylock attitude: "I want my pound of flesh".

Hon. Mr. Crerar: Oh, no. My honourable friend from Margaree Forks (Hon. Mr. MacLennan), for whom I have a very high respect, will agree on reflection that what I have said is in no way related to the character he has in mind.

The consequences of this agreement are unfortunate in another respect. I have no doubt that a good deal of feeling will be aroused in certain parts of Canada over the contribution by the Canadian treasury of $65 million for this purpose, at a time when we are faced not only with an increase of taxation, but with estimates which will raise our expenditures over three-quarters of a billion dollars as against the previous year. It is undesirable that such sentiments should be abroad when we want to bring about the greatest possible degree of unity to meet the difficulties and dangers which may confront us in the not distant future.

There is yet another argument which I would put forward. I think it is a pretty safe assumption that other interests will come to the government with the claim, "We also have been discriminated against; we also have lost money." What about the people who produced hogs to fill the bacon contract with Great Britain? At the time those hogs were being raised they could have been sold, had the government so permitted, in the United States at much higher prices than were obtained under the British bacon agreement. Whether or not the producers have a grievance, they will feel that they have one; and the same may be said of the potato growesr, the apple growers and the cheese producers. The demands may extend beyond these classes into other fields of production.

We have had this experience, and it has not been very pleasant. I do not suppose many taxpayers will raise a cheer over the withdrawal of $65 million from the treasury for this purpose.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: There is one other point I want to mention, and I am sorry that my honourable friend from Carleton (Hon. Mr. Fogo), a very good friend of mine, is not now in the chamber to hear it. We have been told that the farmers of Western Canada are pretty well off, that they have paid off a very large part of the mortgages on their property.

Hon. Mr. Aseltine: So has everybody else.

Hon. Mr. Crerar: Quite right: so has everybody else. Is it any argument in favour of discrimination of this kind that farmers in Western Canada have done pretty well and have paid off mortgages during the war years, when they could not buy farm implements or build houses or anything else? It seems to me that even the suggestion that the results of this agreement, for this reason, should not be criticized, falls pretty flat.

I come now to the last point I have to make, and it is by way of an admonition or rather a suggestion. We have had the experience of this agreement. Probably, before the expiration of the International Wheat Agreement, which has two years to run from the 1st of August next, we shall be considering the handicaps which it has imposed upon the farmers of Western Canada, because today wheat is being sold by the Wheat Board to those importing countries which are not affected by the agreement at as much as 30 cents a bushel above the price which is being charged to countries that are signatories to the agreement. If that situation is not a sign of trouble ahead, I do not read the omens aright. All that is needed is a major crop failure in any of the large exporting countries to send the price of wheat very much higher than it is at present. But across the path of higher prices to our producers stands the International Agreement, made—again—on the urgings of the wheat pools and the Federation of Agriculture, signed by the

government, and ratified by this parliament. I believe these are circumstances which will give us cause for serious discussion a little later on. In the meantime the suggestion I wish to offer is directed to the government, and it is this: Get out of the business of state trading—

Hon. Mr. Duff: "Attaboy"!

Hon. Mr. Crerar: —and blocked agreements, and stay out—

Hon. Mr. Duff: Quite right.

Hon. Mr. Crerar: —for the good of the Canadian people.

Hon. Mr. Duff: Quite right. Let them mind their own business.

Hon. Mr. Crerar: We must travel in one direction or the other. We cannot stop half way. Either we are going to proceed on a course which will put the whole commerce of this country in a government strait-jacket, to be regulated and controlled by boards, or we must get back to a free-market basis, wherein the law of supply and demand and the price mechanism operate to determine values.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: So far as these amendments are concerned, I say without any hesitation that they shall have my support. I think the Act is a bad Act. I think the present Wheat Board legislation is an unsound device. It is unsound for a very important reason, which I can state in a few words. As a wheat-grower in Western Canada, today, I cannot market a bushel of my wheat until I get a permit to do so from a government board. That is a straight invasion of the fundamental rights of the individual citizen, and as such it should never find a place in the statute books of our country in a time of peace.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: This international Wheat Agreement will terminate in a few years, and I only hope that my voice will reach far enough to help end this kind of legislation, and that we shall return to tried and true methods of determining the value of our products.

Some Hon. Senators: Hear, hear.

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

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

Hon. Mr. Haig: Now.

Hon. Mr. Robertson: I am willing to have the bill referred to committee or to have it given third reading now, whichever honourable senators wish.

Hon. Mr. Lambert: Is the bill to be given third reading now?

Hon. Mr. Robertson: If there is unanimous consent.

Hon. Mr. Roebuck: I should like to know what all the hurry is about.

Hon. Mr. Robertson: It does not make any difference to me whether the bill is given third reading or is sent to committee.

Hon. Mr. Roebuck: Is the bill even before us now?

Hon. Mr. Robertson: It is now. I shall move either that it be sent to committee or that it be placed on the Order Paper for third reading tomorrow.

The Hon. the Speaker: If the bill is not referred to committee it will be placed on the Order Paper for third reading tomorrow.

The bill stands for third reading tomorrow.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Lambert moved:

That the parliamentary fees paid upon the Bill C, intituled: "An Act to amend The United Church of Canada Act," be refunded to Mr. Duncan A. McIlraith, K.C., Ottawa agent for the petitioners, less printing and translation costs.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill H-6, an Act for the relief of Viola Rupert Moran.

Bill I-6, an Act for the relief of Philip Rosen.

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

THIRD READINGS

Hon. Mr. Aseltine: Honourable senators, with leave, I move that these bills be now read the third time.

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

WORLD HOCKEY CHAMPIONSHIP

CONGRATULATIONS TO LETHBRIDGE MAPLE LEAFS

On the motion to adjourn:

Hon. Mr. Buchanan: Last week the honourable leader opposite (Hon. Mr. Haig) and the honourable senator from King's (Hon. Mr. McDonald) spoke about the Canadian Curling Championship held in Nova Scotia, and congratulated the winning team from Kentville. That precedent having been established, it would not be safe for me to return to Lethbridge without drawing the attention of this house to the fact that a hockey team from my city won an international title—not just a dominion title—when it captured the Amateur Hockey Championship of the World in Paris on Saturday night.

Some Hon. Senators: Hear, hear.

Hon. Mr. Buchanan: In winning the championship the Lethbridge team had the distinction of not losing a single game, and I think all Canadians should be proud of these boys for upholding this country's reputation in the world of sport.

Some Hon. Senators: Hear, hear.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, March 20, 1951

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

Prayers and routine proceedings.

APPROPRIATION BILL NO. 1

FIRST READING

A message was received from the House of Commons with Bill 169, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1952.

The bill was read the first time.

SECOND READING POSTPONED

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

Hon. Mr. Robertson: With leave of the Senate, I should like to proceed with this measure today. I would therefore ask that the motion for second reading be placed at the foot of today's order paper, to be proceeded with later this afternoon.

CANADIAN CITIZENSHIP BILL

REPORT OF COMMITTEE

Hon. Mrs. Wilson presented the report of the Standing Committee on Immigration and Labour on Bill F-6, an Act to amend the Canadian Citizenship Act.

She said: Honourable senators, the committee have, in obedience to the order of reference of March 15, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

STAFF OF THE SENATE

REPORTS OF INTERNAL ECONOMY COMMITTEE

Hon. A. L. Beaubien presented the second, third, fourth, fifth and sixth reports of the Standing Committee on Internal Economy and Contingent Accounts.

(The reports were read by the Clerk Assistant.)

The Hon. The Speaker: When shall these reports be taken into consideration?

Hon. Mr. Beaubien: Tomorrow.

EMERGENCY SITTINGS OF THE SENATE

MOTION

Hon. Wishart McL. Robertson moved:

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

He said: Honourable senators, it is customary to make this motion whenever it is likely that the Senate will be in recess during a period when the House of Commons is sitting. I intend on Wednesday, to ask the house to consider adjourning for the Easter recess until April 5, on which date the President of France will address a joint session of parliament. At that time I shall discuss the further sittings of this house in the light of any business which may be forthcoming, but in all probability I shall ask that the house adjourn for a further period.

Honourable senators, the Senate has been sitting steadily since the opening of parliament on January 30. The Divorce Committee commenced its hearings five days later—as compared with twenty-eight days after the opening of parliament a year ago—and as a result of hard work has disposed of practically all the business which will come before it during this session.

Hon. Mr. Crerar: Could the honourable leader advise the house whether it is intended that the Senate will sit for just one day when it re-assembles on April 5?

Hon. Mr. Robertson: That is the intention at the present time, but I would point out that circumstances over which I have no control may alter the situation.

The motion was agreed to.

CANADIAN WHEAT BOARD BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 5, an Act to amend the Canadian Wheat Board Act, 1935.

Hon. Norman P. Lambert: Honourable senators, I had intended to say a few words on this bill yesterday, but as I knew the

motion for third reading would be made today I decided to defer my remarks until now.

By common consent in both houses of parliament we are permitted to discuss the Anglo-Canadian wheat agreement and the amount of $65 million which it is proposed to pay as compensation for alleged losses through operation of the agreement over the last four years. In my judgment no useful purpose can be served by trying to recapture a lot of water that has passed over the dam in that time. In reviewing the situation yesterday, my honourable friends the leader of the opposition (Hon. Mr. Haig) and the senator from Churchill (Hon. Mr. Crerar) made it quite clear that a number of members of this house, including myself, had taken the position that the agreement was not a sound business proposition. Having said that, I cannot see any practically useful purpose in trying to assess controversial figures as to losses, or to determine what might have been done or might not have been done. We all know what happened in 1946 in response to what seemed like an almost unanimous demand from organized agriculture in Western Canada in connection with the marketing of grain. Both houses of parliament voted on the matter without even a division, and while critical opinions were expressed about the possible application of the agreement, I cannot see that much satisfaction is to be gained now by saying "Well, I told you so," or by attempting any other measure of self-justification at this time.

The main point that appeals to me is that the agreement was made between the British Government and the Canadian Government, each representing the people of its own country, and not between a certain British group and the Western wheat growers.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Lambert: The interests of the people of both countries were concerned in this deal, and I think that in considering the situation now we must do so as members of parliament who are responsible to the people of Canada for the results, rather than as representatives of any region or group. Tomorrow afternoon, perhaps at about this hour or later, we shall have before us a request for supply, and as a long adjournment is pending we shall not have much time to discuss it. Therefore at this time we should try to think of our position with respect to the wheat agreement in terms of action rather than of words.

The wheat agreement lapsed a year ago, and the final price was formally announced last June by the appropriate minister in the other place; later it was clearly explained before the annual meeting of the Alberta wheat pool in Calgary. Incidentally, at the conclusion of the minister's statement on the subject, a resolution was passed unanimously expressing confidence in him and in the statement he made. There was no word of dissent, disagreement or appeal from any part of the country, or by any member of parliament, in connection with the final announcement regarding the wheat agreement.

Can anybody explain to me why now, a year after the termination of the agreement, when all the facts were known, all this fuss is taking place? Possibly there is a reason. For one thing, western Canada expected a crop of 500 million bushels this past year, but it got only about a third of that quantity. From the statistics I have seen and the advice I have received I understand that some two-thirds of that grain was reduced to very low grades, worth a fraction of the value of high grade wheat. I contend that had western Canada not unfortunately been the victim of unfavourable natural conditions, but had realized a crop of 500 million bushels, very little would have been heard about the demand for further compensation for the losses incurred on the wheat agreement.

It was made quite clear by my friend from Churchill (Hon. Mr. Crerar) in his remarks yesterday, that there is no legal or moral obligation on the part of the Government of Canada to pay anything more than has been paid on account of this agreement. My friend from Northumberland (Hon. Mr. Burchill) asked what the Senate is going to do about it. Well, almost all of our time so far this session has been taken up in debating how the Senate can best contribute to the welfare of Canada; here is the first opportunity to give substance and sincerity to our pretensions. What is the maximum contribution the Senate can make in connection with this matter? Certainly it will be a most ironical demonstration of what can be done, if tomorrow we give docile and tacit acquiescence to the payment out of the treasury of Canada of $65 million to the western farmers. I trust that between now and tomorrow afternoon some thought will be given to what the Senate can do when the supply bill comes before us.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Lambert: In conclusion I want to say that there is not only no moral or legal justification for this proposed payment, but in my humble opinion it cannot be supported in the interests of decency and justice.

Some Hon. Senators: Hear, hear.

Hon. R. B. Horner: Honourable senators, it was not my intention to say anything today,

but because of what has been said by the senator from Northumberland (Hon. Mr. Burchill) and the senator from Ottawa (Hon. Mr. Lambert), I feel obliged to reply. But should the Senate decide to vote against the passage of the bill under which this payment will be made to the western farmers I, as a wheat producer and one interested in the agreement, must refrain from voting.

I think the house should bear in mind what the honourable senator from Churchill said yesterday, namely, that this agreement was one of the biggest gambles in the history of wheat marketing. Indeed, that statement was made before the government entered into the agreement. We hear it said that the farmers asked for this agreement, and that it was supported by the heads of the Federation of Agriculture. But it must be remembered that the main body of that federation is in eastern Canada, and knows very little about wheat growing. As to the part taken by the wheat pool, I may say that I, as a member of the pool, was never consulted in such matters; and I venture to suggest that not more than 25 per cent of the practical wheat producers wanted to hand the marketing of their product over to the government. Remember, honourable senators, the farmers did not enter into this agreement: the government entered into it on their behalf. Had the gamble turned out well, and had wheat gone down in price, those who had to do with the negotiations would have been patting themselves on the back and saying what a good bargain they had made. As it turned out, it was the British wheat purchasers who made the good bargain. Wheat has been very much higher than the price agreed on by the agreement, and therefore, the government cannot escape responsibility for the resulting loss.

I am worried now about what our prospects are under the International Wheat Agreement. Indeed, I will be very much surprised if we do not suffer a similar loss under that arrangement.

It has been said that the western farmers have been disappointed with the wheat yield of the past year. I would point out that if we are able to thresh all the grain we have without much loss, it will show quite a good return. Feed wheat and low grade wheat are now selling in large quantities in California at $1.58 a bushel, which is 3 cents more than we received for No. 1 wheat in the early years of the wheat agreement. So my answer to the suggestion of the senator from Ottawa (Hon. Mr. Lambert) that we took a trimming this year, is that if the crop is all threshed we will have a nice thing out of it, for although the wheat is low-grade, the yield is good.

While, as I have said, I will be unable to vote on the question of the payment of $65 million, I would remind honourable senators that the Minister of Agriculture travelled through western Canada prior to the last election and said that the "have regard clause" would be taken up later on. The information was given out that there would be a substantial payment forthcoming.

In answer to the argument that the timber people had to sell lumber under certain conditions, I say that when cement was selling at $3 and third grade lumber was going at $100, the articles the farmer had to sell were not correspondingly high.

I repeat, the government cannot have it both ways. They took over the marketing of the farmers' wheat, the arrangement was made as between governments, and the gamble went bad. Therefore the government must take the responsibility.

Hon. A. L. Beaubien: Honourable senators, I should like to say a few words on the proposed payment of $65 million to compensate the western wheat growers for wheat sold under the agreement with Great Britain.

I am not very much concerned with the question of whether there is a moral obligation on the part of Great Britain to increase her payments or not, but I would point out to honourable senators who do not live in the West, and particularly to the honourable senator from Northumberland (Hon. Mr. Burchill), who spoke yesterday, that the wheat growers did what they were obliged to do; in order to give the Canadian people cheap bread, they supplied wheat for domestic consumption at a certain fixed price.

Hon. Mr. Horner: That is right.

Hon. Mr. Beaubien: If my information is correct, and I think it is, had wheat for domestic consumption been sold at the same price at which it was disposed of to Great Britain for the first two years, namely $1.55 a bushel, the farmers returns would have been increased by forty to fifty million dollars. The difference between that amount and the sum which it is now proposed to vote them by way of recompense is about $15 million. Remembering that the wheat producers of Western Canada by every means possible made their maximum contribution to keeping down the cost of living when it was important that it should be kept down, I think the amount it is proposed to give them is not too much.

Hon. Frederick W. Pirie: Honourable senators, we have heard a good deal in this house

about wheat in the last day or so, and those who happened to be in the other place during the past three weeks heard a good deal more about it. I know very little about the production of wheat. Honourable senators, including the honourable leader of the opposition (Hon. Mr. Haig), have told us that "wheat is gold". I am beginning to think it is. In colour there is a similarity; and the $65 million which is to be charged to the taxpayers of this country represents a tax of $5 a head. I am not prepared to vote in favour of this payment to the western farmer in addition to what he has already received. We have been told about the British agreement. In my opinion that agreement yielded a profit every year to the wheat growers of the West. In the first two years they received $1.55 a bushel for their wheat, and in the third and fourth years $2 per bushel, and it does not cost, I believe, more than $1, or at the outside $1.25 a bushel to produce it. Under those circumstances $1.55 for two years and $2 for the two following years are excellent prices.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Pirie: Wheat is not the only commodity that deserves attention when government assistance is invoked. The farmers of New Brunswick apply their efforts for the most part to raising potatoes in order to obtain a living. During the war they could have sold their potatoes for five or six dollars per barrel. The wheat producers say their returns would have been much greater had they been permitted to sell their wheat on a free market. On a comparable basis our producers would have got $3 to $3.50 a bushel. But they were obliged to work under a ceiling which limited them for two or three years to $1.70 per hundred pounds. The price did increase over the months by something like five cents a bag. At the present time the potato producers of the Maritimes have more potatoes than they can dispose of, and for what they can sell on the domestic market they receive about 75 cents a barrel less than the cost of production. But when, yesterday, a delegation came to Ottawa on their behalf to ask the government for some assistance, they were informed that no help could be given them.

Whenever the government is prepared to adopt a policy which will embrace all agricultural commodities from coast to coast and treat every farmer alike I will support it. As a farmer, I am happy to support any reasonable assistance to other farmers. But I am not willing to defend this legislation; I am not prepared to cast my vote in favour of this grant of $65 million; and if an attempt is made tomorrow to rush it through, I will vote against it tomorrow.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Pirie: I do not blame the western members at all for getting on their feet in support of this measure, but I say that government aid should not be restricted to one commodity. Any product in which the agriculturists of any of the provinces are more or less interested should be taken into consideration.

Yesterday the leader of the opposition remarked that wheat is a world crop. Well, potatoes are a world crop. The potato is a perishable article, too. Wheat can be stored more or less indefinitely, but potatoes must be moved every season.

Hon. Mr. Haig: My honourable friend knows that there are parts of the world where wheat can be grown, but not potatoes, because the soil is too dry.

Hon. Mr. Pirie: No, I do not know in what parts of the world you cannot grow potatoes.

Hon. Mr. Haig: Well, there are lots of them.

Hon. Mr. Pirie: Tell me where they are. I am not prepared to agree with that statement. I affirm that in any section of the world where you can grow wheat you can grow potatoes, and where you can grow potatoes you can grow wheat.

Hon. Mr. Haig: You are in favour then of voting tomorrow against the $65 million supply bill?

Hon. Mr. Pirie: Yes.

Hon. Mr. Haig: If the matter comes to a vote.

Hon. Mr. Pirie: Yes, I am, and I want the government to postpone measures of this kind until all agricultural products—apples, potatoes, and the rest—are given the same treatment. And as far as wheat is concerned, I repeat that it is no more a world crop than potatoes. Potatoes are grown in South Africa, the Argentine, Uruguay, Cuba, Venezuela, Egypt, Peru—

Hon. Mr. Beaubien: Ireland.

Hon. Mr. Pirie: Yes, Ireland too.

Hon. Mr. Dupuis: Russia.

Hon. Mr. Pirie: If the honourable leader of the opposition wants to know where I stand, I again tell him that I shall vote against this bill, and I intend to stay over for that particular purpose.

Hon. G. P. Campbell: Honourable senators, after listening to the debate here this afternoon, and reflecting upon the debate which took place when this agreement was originally before this chamber, perhaps I, though a lawyer from the city of Toronto, may be permitted to say something about the matter under discussion.

This debate takes place on the third reading of the Canadian Wheat Board Bill, and I feel that the matter in question goes to the very root of the Wheat Board Act and state marketing in Canada. The question facing the country is whether or not a policy will be laid down whereby all agricultural products, and possibly products of every kind, will come under state control in so far as their disposal is concerned. This would result in pretty strict regimentation of persons engaged in the production of state-controlled goods.

I was pleased to read what the honourable member from Churchill (Hon. Mr. Crerar) said yesterday. He claimed that the time had come when the government of this country should decide whether we are going to adopt a system of state merchandising or are going to return to a system of private enterprise. It seems to me that there can be no half-way mark in this: If you go so far you have to go all the way. When the debate on this Wheat Agreement was originally before the house I said that its language was not clear, and I predicted that there would be some difficulty in its interpretation.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Campbell: It is quite apparent now that my statement was correct. There were many in this chamber who voiced exactly the same opinion, and the government department in charge of the administration of this wheat agreement had plenty of opportunity to straighten it out so as to obviate all the difficulties which have since arisen. The agreement nevertheless, was carried out, and it seems to me that its interpretation by the Minister of Trade and Commerce is a correct one. The price for the first two years was fixed, and according to a provision in the contract the price to be fixed for the subsequent years was to have regard to the difference between the price fixed in the first two years and the world price that existed over that period of time.

Hon. Mr. Haig: I think the honourable senator has forgotten a certain fact. He knows that the government had already signed the wheat agreement before it came to this house.

Hon. Mr. Campbell: I am quite aware of that, but there was ample opportunity for the authorities to consider the agreement because its difficulties had been forecast in the debates of this house. Now, whether the price fixed was high enough is not for me to say.

Hon. Mr. Aseltine: Was it not the responsibility of the government to fix a proper price?

Hon. Mr. Campbell: I shall deal with that point. The difference between the contract price and the world price in the first two years was not reflected in the re-negotiated price for the last two years.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Campbell: The result was that in the last two years the wheat farmer did not receive the difference between the contract price and the world price. There is no doubt about that.

The question then arises as to what the world price would have been had these contracts not been entered into. But that is something so speculative and so uncertain that no one could prophesy what the correct answer would be. Had there been no control over the sale of the western farmers' grain, they would have received substantially more than $2 a bushel—possibly close to $3 a bushel. The facts are, however, that the contract had been enered into, and under statutory power, the Canadian Wheat Board had control over the merchandising of grain, and it had the wholehearted approval of the western wheat pools, who knew the risk that was being taken. I am sure that the idea in the minds of the farmers and the wheat pool authorities was to get a fair price which would result in a profit and at the same time remove the element of gamble that would have existed if the wheat were sold on the open market.

Honourable senators may wonder why I am speaking on this question, but as a member of the Senate I could not take my place here without protesting the payment of $65 million to compensate any one particular group of people in this country. I cannot help thinking about the white-collar workers—bank clerks, office workers, store clerks and so on—in the metropolitan areas of our cities, who have paid more taxes than any other group. They are unorganized, with no one to speak for them, and they have to spend substantial sums of money in order to maintain their families and hold their positions. In my opinion the voting of this money is a serious thing at a time when the government is looking here and there to raise large sums to carry out its defence program. I am sure the budget will disclose that Canadian wage earners who fall within small income brackets will be faced with heavy taxation. I think it is the duty of the government to economize in every way possible, and I do not feel that there is any legal or moral

obligation for voting $65 million in this way. I should like to ask why the payment should be $65 million? Apparently the farmers think it should be more, others think it should be less, and still others think there should be no payment at all. If this amount is voted without protest it will establish a precedent, and the western farmers will be able to come back to the government at a latter date and say, "You merchandised a lot of our wheat under the International Wheat Agreement, and you did not get as high a price as you might have got if you had sold it to Japan or China or some other country which was not a party to the agreement". You can carry the same argument right down the line, and apply it to every commodity merchandised under any state merchandising program introduced into Canada. When we examine the various bills empowering boards to carry on this state merchandising program, we realize that it is a flagrant interference with the rights of individual citizens, and I do not think the people of this country are in favour of that. I agree with the senator from Ottawa (Hon. Mr. Lambert) that if we wish to show that the Senate is looking after the welfare of the people—I mean the people of all classes, from one end of the country to the other—we must consider their feelings about this proposed payment of $65 million. I feel that the people expect the Senate to investigate matters of this nature.

It is expected, I understand that the bill appropriating this money will probably pass the other house today and come to us tomorrow, and there may not be much opportunity for debate at that time. If we vote against it and the matter has to be considered further by the other house, our proposed adjournment may be interfered with. However, that should not deter us for one moment. We should consider this matter very carefully and use our best judgment in an endeavour to come to a proper conclusion.

I am going to vote against the payment, because there is no legal or moral justification for making it. It would create a very bad precedent. In my opinion the proposal should be voted down, as a lesson to the farmers, or to any other group merchandising their products through a public board, that they must be satisfied with the terms of any contract entered into by the board, and with the amount of money they receive under the contract.

Hon. W. M. Aseltine: Honourable senators, I was not expecting a long debate on this question and therefore had not intended to speak on the bill, but because of the position taken by some honourable members I feel obliged to say something. You all know that I was appointed to this honourable body as the representative of the wheat growers of Saskatchewan, which is the greatest wheat growing province in Canada. I therefore feel more or less responsible for seeing to it that the payment proposed—or a larger sum, if possible—is voted, in order that the farmers may have some compensation for the great losses which they suffered under the Anglo-Canadian wheat agreement.

Hon. Mr. Dupuis: Will my honourable friend allow me to interrupt him? As a resident of central Canada I have followed the debate on this matter as closely as I could, and I am not convinced that the situation of the western farmers is very bad, in comparison with the one just mentioned by the senator from Victoria-Carleton (Hon. Mr. Pirie). I should like definite information on this.

Hon. Mr. Aseltine: Honourable senators know that right from the beginning I opposed the Anglo-Canadian wheat agreement. I spoke of it on several occasions. I was sure that it would not work out as planned, and that I, along with other wheat growers in Western Canada, would lose very substantially because of it. I am not going to reiterate the arguments that I used on those occasions, but I would remind honourable senators, as I then pointed out, that a study of history has convinced me that every great war has brought about extensive destruction in wheat growing areas and that in consequence the price of wheat has remained high for some time after the war has ended. This was true of, for instance, the Crimean war and the Napoleonic wars. I was sure that after the termination of World War II wheat would remain at a high price for quite a number of years, and that therefore it was nonsensical on our part to enter into the Anglo-Canadian wheat agreement. I expressed that view also when the agreement was before us.

Now the senator from Toronto (Hon. Mr. Campbell) has admitted that during the first two years of the contract the wheat growers suffered a substantial loss.

Hon. Mr. Robertson: How much?

Hon. Mr. Aseltine: They lost $330 million. Besides, they lost by supplying wheat to the millers at a very low price. The millers paid a fraction over 77 cents a bushel, and the farmers got $1.25, the difference being made up by the people of Canada, through a subsidy. The millers made the wheat into flour, which was supplied to the people of Canada cheaply, in order to keep down the cost of living. So the wheat growers subsidized the people at large to the extent

of the difference between $1.25 and $1.55, until such time as the price was finally raised to $1.55 and the subsidy was increased accordingly. The loss incurred by the farmers in this way is reported to have been $48 million, and if you add that to the $330 million you find the total amount that the producers lost under the agreement during the first two years.

Now let me go a little further and show what happened. As has been explained, the agreement required that in determining the price for the second two years the governments of Canada and of the United Kingdom were to have regard to what had happened in the first two years. Well, the government of Canada surely knew by that time—and if it did not, it was not because we had not told it—that in the first two years the producers had suffered a big loss. Yet, so far as I can find out, the government fixed this price of $2 a bushel for the crops of 1948 and 1949 without any reference of the question to the western wheat growers. Therefore, the government now has a responsibility to make up to the wheat growers the loss that they suffered under the agreement in the first two years. So I have no scruples whatever in accepting the eight cents and a fraction per bushel that is proposed to be paid to me as a wheat grower.

Hon. Mr. Pirie: Chicken feed.

Hon. Mr. Aseltine: So far as I am concerned, it really does not amount to anything worth mentioning, because my loss is tremendous. I could give the house some idea of that by stating the number of bushels that were grown by me and by men who worked for me on the land that I am interested in, but I will not go into that. I repeat, though, that my loss is tremendous. Unlike the senator from Blaine Lake (Hon. Mr. Horner), I will not refrain from voting when this question comes before us. I think that it is my right and my responsibility to vote, and I intend to vote.

Hon. Mr. Lambert: May I ask my honourable friend a question? The position he now takes is consistent with that which he took in the beginning. He said he was appointed to represent the wheat growers of Saskatchewan, so he represents a large number of people. Did any of them try to dissuade him from voting for the agreement at the time it was put into effect?

Hon. Mr. Aseltine: Well, honourable senators, the farmers were not consulted at all with regard to this agreement. It is true that the heads of the pools in the three prairie provinces—the pool in Saskatchewan is called the Saskatchewan Co-operative Producers Limited—pretended to represent the farmers in western Canada. But I say they do not represent the farmers; and I do not think the farmers knew they were getting into this agreement.

Hon. Mr. Lambert: They represent 50 per cent of them.

Hon. Mr. Aseltine: I have been a member of the pool in Saskatchewan since its beginning and have marketed many thousands of bushels through it, but I did not hear of this agreement until after it was signed and we were delivering wheat under it to Great Britain. In those circumstances what could we do but ratify it?

Hon. Mr. Bouffard: May I be permitted to ask a question?

Hon. Mr. Aseltine: Yes.

Hon. Mr. Bouffard: As I understand the set-up, there is a wheat pool in each of the three prairie provinces, officers are elected to these bodies by the wheat growers and meetings are held periodically. Is that correct?

Hon. Mr. Aseltine: The directors are voted on by the members of the organizations.

Hon. Mr. Bouffard: Have any of those people who agreed to the signing of the agreement with Great Britain been dismissed from office by the wheat growers?

Hon. Mr. Beaubien: Not one of them.

Hon. Mr. Aseltine: I cannot answer that question definitely, but I know that the director from our district was defeated in the last election. Whether he was defeated because of that or not, I cannot say.

Hon. Mr. Duff: I dislike interrupting my friend, but would he be good enough to tell me, as an ordinary person trying to gain a little knowledge, what would have happened if this agreement had not been entered into and wheat had been sold on the open market?

Hon. Mr. Aseltine: I think I would have sold most of my wheat for about $3 a bushel, instead of $1.55. And just on that point, I want to say that we did not get either the full $1.55 or the $2 paid by Britain. These prices were f.o.b. Fort William, Port Arthur, Fort Churchill and Vancouver. About 18 cents a bushel was taken off for handling and freight charges. Further, I should add that the prices that I have mentioned apply to No. 1 Northern. But we do not always sell that grade; we have grades 1, 2, 3, 4, 5, 6, and feed. For instance, this year we have grown more feed wheat than any other kind, and the 18 cents will still apply to that grade because the price is f.o.b. Fort William.

Hon. Mr. Duff: Do I understand that if this agreement had not been entered into the Canadian public would have had to pay $3 a bushel?

Hon. Mr. Aseltine: I think that is the price they would have paid.

Hon. Mr. Duff: Then what would have become of all the wheat we had? Certainly, we could not have eaten it all ourselves.

Hon. Mr. Aseltine: The answer is that wheat was in short supply, and there was a market for every bushel we could possibly grow. That is why I say the price would have been up.

Hon. Mr. Duff: Then we have a crazy government in power, that is true.

An Hon. Senator: Order!

Hon. Mr. Aseltine: As I said previously, the price has always been up under conditions of this kind.

I rose this afternoon only to agree with the honourable senator from Provencher (Hon. Mr. Beaubien) in the remarks he made a few moments ago. I just want to point out that this is a responsibility of the government. They fixed the price with Great Britain in 1948, and they fixed it again in 1949, and in neither of those years did they consult the farmers. Therefore, I say the government is responsible and should pay the loss.

Hon. Gray Turgeon: Honourable senators I had not intended to speak this afternoon, but as I will be unavoidably absent from the chamber tomorrow I want to say that if I were here I would vote for the appropriation bill under which this $65 million is to be paid.

While I am on my feet, may I say a few words regarding the fundamental principles behind such a transaction? I am strongly of the opinion that the upper chamber of parliament would make a mistake if it turned down this item in the estimates, which has already been passed by the lower house, where there is a particular responsibility upon the members regarding items of taxation and the spending of public funds. I recall that when this question was before us in 1947, the bill which was presented to us had practically nothing to do, directly, with the wheat agreement between Canada and the United Kingdom. That agreement had already been signed and the governments were committed to it.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Turgeon: Secondly, I remember that I took the liberty of suggesting—and because I was new in this chamber I did not press my point—that the Senate should deal with this particular phase of the wheat question in Committee of the Whole, and in that way discuss the general principles involved in the agreement that had been executed. I further suggested that this chamber should set up a committee for the purpose of discussing everything related to the marketing of wheat and coarse grains. I made those suggestions in the hope that, if such a study were undertaken, we would strongly recommend that in the future the government should keep out of trading in this way. I am opposed to government trading.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Turgeon: I took the liberty of saying at that time that whenever such an enterprise was entered into by the government—and I admit that there may be such occasions—it should be subject to the same rate of tax and other charges as enterprises of a private nature operating in similar circumstances. I was hopeful in 1947 that the Senate would be instrumental in avoiding participation by the government in such trading in the future.

The question has been raised today as to the Senate's responsibility in agreeing to—for we are not proposing—this suggested payment of $65 million. I have already pointed out that this measure has been agreed to by the other house, which has a singular responsibility regarding money matters, and I assume that the government has made a complete study of the whole matter.

I want to draw the attention of the house to the serious fact that the proposed payment will be made to people in the three prairie provinces, particularly in Saskatchewan where, as the honourable gentleman who sits to my right (Hon. Mr. Aseltine) knows, wheat represents by far the largest source of revenue. There is very little manufacturing, mining or oil drilling done in that province. Thus, the revenue from the production of wheat is the very lifeblood of the province. Regardless of whether the government itself was at fault in making this agreement, or acted on poor advice, the family life and the standard of living in the three prairie provinces must be properly maintained by means of compensation under this agreement. I therefore suggest that this chamber should accept the recommendation and vote for the measure. It is not one originated by ourselves; it comes to us from the other body of parliament, to which it was presented by the government after those concerned had made a thorough study of the subject. If I could be present, I would vote for it, but as

it is impossible for me to be here tomorrow, I have taken the opportunity of saying these few words today.

In closing, I would record my belief that the Senate, if it gives approval to this legislation, will take the greatest step it yet has taken to make certain that state interference with the industrial and productive life of Canada shall be kept to a minimum. The admission of default will of itself do much to discourage action to the detriment of the free individual life of the country.

Hon. Arthur W. Roebuck: Honourable senators, I was unavoidably detained, and so did not have the advantage of hearing all the speeches that have been made on this subject; but I understand that, while the bill before us does not commit us one way or the other as to payment of the $65 million, the present occasion has been used for a discussion of that question. The real vote on this issue will take place when the estimates arrive; but as, by common consent, we seem to be discussing now the principle of the matter, I have something to say.

My honourable friend the senator from Cariboo (Hon. Mr. Turgeon) has just told us that we should approve the vote because it has been passed in the other place.

Hon. Mr. Turgeon: Not solely because of that.

Hon. Mr. Roebuck: That, at all events, was the main argument; and I was going to ask him, if that is the case, what is this chamber for?

Hon. Mr. Duff: That is the point.

Hon. Mr. Roebuck: Surely we are entitled to use our own judgment in this regard. If we are to lean upon the wisdom of the other house, why keep ourselves in existence at all?

Hon. Mr. Turgeon: If the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) or any other honourable senator understood me to say that that was the sole reason for my vote, I expressed myself very poorly. My statement, which was purely incidental, was that the estimates were not created by the Senate, and that they had already received consideration in the place from whence they have come. My conviction of the good effect this provision will have on the family life of some of our provinces was my main reason for suggesting that we support it. Either I expressed myself poorly, or the honourable senator badly understood me.

Hon. Mr. Roebuck: I will accept the responsibility of saying that I badly understood the honourable senator. There is no longer any question about it. I understand that he advances as one of the reasons why we should pass this proposal the fact that it has been approved in another place. My answer is that we should judge the issue on its own merits and not according to the judgment of other men in other places, and that we should approach it without regard to what took place in another situation; otherwise we might as well surrender at once.

We have been talking at some length about the function of this house, and how it may at times perform a great service to the people of Canada by the exercise of a judgment independent of the popular house. It seems to me that this is one of the occasions when we should exercise the very best of good judgment, the best we have, and that this moment presents us with a golden opportunity to impress upon the people of the dominion the advantage of having a Senate where there is sober second thought.

My friend's reference to the family life of his province is a justifiable one. Sixty-five million dollars is not to be sneezed at by the western provinces, and I have no doubt that British Columbia's share of the vote would have some effect on the family life of my friend's province. But, honourable senators, I come from another province, Ontario; and I would point out that there are many families also in that province and Quebec and in other provinces, and that the voting of $65 million in addition to other taxes may influence the family life in these provinces as well. So the family life argument can be said to cut both ways. The payment of this sum may help families who reside in the West, but a $65 million addition to the taxes of the other provinces will also have its effects upon the families who live there.

The honourable senator from Rosetown (Hon. Mr. Aseltine) holds the government entirely responsible for this obligation. Well, I sat in the House of Commons when this proposal was originally made, and I heard the Minister of Agriculture lay the matter before the house. I vividly remember him saying that if the price of wheat went up his name would be "mud" in this dominion,—or words very nearly to that effect: I believe he used that expression.

Hon. Mr. Aseltine: It is, right now.

Hon. Mr. Roebuck: At all events, in proposing such a measure he was taking a serious personal responsibility, but he justified it on the ground that it was asked for by the agricultural interests of the country; that the one thing which was required by the farmers at that time was to have an assured price, so that they might make their investment in

money and in labour in the raising of the crops in the West—he was referring particularly to the West—with some assurance that there would be a price commensurate with their outlay. The minister gave us the roundest assurance that the measure was asked for at that time by the farmers of Canada, and I think he was right. It accords with my memory and my knowledge. Now my honourable friend from Rosetown (Hon. Mr. Aseltine) says that, if the price went up, the responsibility is entirely on the government.

Hon. Mr. Aseltine: I beg your pardon, I did not say that.

Hon. Mr. Roebuck: Yes, that is the effect of what you said.

Hon. Mr. Aseltine: I said the government was responsible in setting the price for the last two years without making provision for the loss in the first two years.

Hon. Mr. Roebuck: It all boils down to the same thing. My honourable friend says that he might have sold his wheat for $3 per bushel, instead of $1.55 with deductions. Under those circumstances he objects to the agreement, and he wants the government to pay the entire difference between the two amounts. He will accept, perhaps, his share of the $65 million as a compromise. But he assumes that the government insured the price—which it did not do.

Hon. Mr. Aseltine: I am not satisfied with the $65 million.

Hon. Mr. Roebuck: May I ask the honourable gentleman from Rosetown what would be the situation had the price of wheat fallen below $1.55 per bushel? Would the farmers of the West consider themselves indebted to the government for what was lost?

Hon. Mr. Aseltine: If the world price had fallen after the price had been fixed for the last two years of the British contract, would not the loss which Great Britain would have suffered been deducted at that time?

Hon. Mr. Roebuck: I do not suppose so.

Hon. Mr. Aseltine: Why not? You have got to be consistent.

Hon. Mr. Roebuck: My proposition is a plain and fair one. If the government is to be charged when the world price goes up, is the farmer not to be charged when the world price goes down? If the government has to lose on the one hand, should it not gain on the other? No one would have suggested, of course, that the farmers should make up any deficit had the price gone down. The interpretation now sought to be placed upon the agreement would appear to be one of "Heads I win, tails you lose". Whether it was heads or tails, the government was apparently to be the loser.

Hon. Mr. Horner: Might we not have been called in to make a readjustment of the contract, in the way my honourable friend was talking about the other day?

Hon. Mr. Roebuck: Surely the honourable gentleman is not serious when making that statement, because there is no legislation which provides for the readjustment of farmers' profits on the growing of wheat. Some readjustment may be applied, however, to the industries in my city. In a number of instances the government stepped in and took a portion of the profits from industries in Toronto, but there is no such legislation in regard to wheat growers. If they make a profit no one will take any portion of it away from them, unless it is by their own consent.

Honourable senators, I hope that the admonition so eloquently expressed yesterday by the senator from Churchill (Hon. Mr. Crerar) will be taken to heart, and that we will rapidly abandon this business of government buying and selling, or at least limit it to the smallest possible degree. Instead of these commercial transactions being mere incidents between individuals, they are magnified tremendously because they are between a government and its people or between the governments of different nations. Disaster is the only thing that can possibly follow this sort of policy, and I do hope that this experience will be a lesson to Canadians and that they will soon return to normal trade customs.

When this agreement was made it was the government's responsibility to pass the best legislation it could, and this it did. I do not hold Mr. Gardiner or the government of that day responsible for anything that has happened. He is a poor gambler who cries when he loses and who says nothing when he wins. The people of Canada took a chance which they thought was a reasonable one to take at that time, and it is altogether unjust and unreasonable to blame anybody for what has happened.

Honourable senators, I do not know how I could justify to the industries of urban Ontario, which I represented in another place, this payment of $65 million which is to be paid to the western wheat growers. How could I justify to the manager of a Toronto business firm the payment of $65 million to the businessmen of the West merely because they had made a wrong guess? Would not the immediate answer be, "We too have been deprived of profits by government action"? Would there not be a thousand cases in which Toronto manufacturers could have made more money if

the government had not restricted the importation of this commodity or imposed a price ceiling on that? Could they not claim that the government should compensate them because of the effects of certain legislation passed five or ten years ago? Honourable senators, we are only at the beginning of all this.

My honourable friend from Cariboo (Hon. Mr. Turgeon) has said that if we approve this vote it will deter the taking of similar action in the future; but I predict that a whole avalanche of these sordid claims will come down on our heads. I have heard flax growers maintain that governmental legislation has reduced their profits, and I think I can make just as good a case on their behalf as my honourable friends can make on behalf of the wheat growers.

Hon. Mr. Pirie: And what about the potato growers?

Hon. Mr. Roebuck: Yes. Have there not been occasions when the potato growers would have made a greater profit had the action of the government been different from what it was? I could name many types of manufacturers, one after another in long procession, who could present arguments which would be at least as strong as those which are now coming from the western wheat growers. If this proposal goes through, I am sure that the granting of government bonuses will be perpetuated. Instead of getting away from this sort of thing we will be getting deeper and deeper into the mire. I think the Senate has a magnificent opportunity now to rise in its might and good judgment and protect the people of Canada from this sort of outrage against the public treasury by refusing to vote for the payment of this money. Such action would benefit the government of Canada, and I am sure that it would also be of lasting benefit to the Senate as well as to those whom we are here to protect. When this measure comes before us I for one, even if I am alone, propose to vote against it.

Some Hon. Senators: Hear, hear.

Hon. Salter A. Hayden: Honourable senators, as several members who come from areas which are not primarily concerned with the production of wheat, including my two colleagues from Toronto (Hon. Mr. Campbell and Hon. Mr. Roebuck), have ventured to express their opinions in this debate, I have no hesitation in setting forth my own ideas. Usually I can find grounds for agreeing with both these gentlemen from Toronto, but I cannot find any grounds for agreeing with them at this time.

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Hayden: I could agree in principle with some of their statements if they were lifted out of their context in relation to this particular issue. For instance, I think the Senate should always be prepared to show its independence in dealing with legislation, but I am not prepared to take a stand against any government action which I think is fair and reasonable. If I am going to assert an independent viewpoint, I want to be right when I do so.

Let me tell you why I think the voting of this money is a fair and reasonable action. When I rose to speak in the debate of 1947 the leader of the opposition (Hon. Mr. Haig) referred at once to the position that he had taken—that the agreement was a factual thing, that the Government of Canada had signed it and therefore was committed to it —and he wished to know if I thought that in these circumstances we should give the government the necessary power to carry out the agreement. My answer was that I did. Then I went on to be critical—

Hon. Mr. Dupuis: May I ask my honourable friend a question? I understood him to say that the government had already engaged itself to pay any difference between the world price and the agreed price.

Hon. Mr. Hayden: No. If my honourable friend understood me to say that, he misunderstood me completely.

Hon. Mr. Dupuis: That is what the government is doing.

Hon. Mr. Hayden: If the honourable senator will wait just a moment he will see what conclusion I am coming to. At that time I was very critical of what I regarded as being the nationalization of the wheat industry, in its every phase, because I was against the government's policy of going into business. However, I said that in this particular case the government had committed itself to an agreement, and while I criticized that action I thought we had to give the government the necessary power—but only as much power as was necessary—to carry out the obligation to which Canada was committed. If honourable senators care to read what I said they will see that I was critical of the government's action. The bill then went to committee, and with those reservations I voted in favour of it when it came out of committee.

Now may I go back to look at the agreement which the government signed a year before the amendments to the Wheat Board Act came before parliament. In my opinion the agreement had the effect of nationalizing the wheat industry at that time.

Section 2 (a) of the agreement sets out that the United Kingdom government is to pay to the Canadian government these prices per bushel:

In respect of wheat bought and sold in the crop year 1948-49, not less than $1.25.

In respect of wheat bought and sold in the crop year 1949-50, not less than $1.

Those were basic or minimum prices.

Then the agreement went on to provide this:

The actual prices to be paid for wheat to be bought and sold within the crop year 1948-49 shall be negotiated and settled between the United Kingdom government and the Canadian government not later than the 31st December, 1947.

And there was a similar provision that the prices for the next year were to be settled not later than the 31st December, 1948.

Then there was this provision:

In determining the prices for these two crop years, 1948-49 and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in 1946-47 and 1947-48 crop years.

That was the agreement with the United Kingdom to which Canada committed itself and the Canadian people in July 1946. And when it came to settling the prices for the last two years, and the price of $2 was agreed upon, the fact was that the world price of wheat at all times during the period of the agreement had been in excess of $2. Now whatever may have been the reason why Canada argeed to that price of $2 for the second two years, Canada, as between itself and the United Kingdom, must have agreed that the establishment of that price did have regard to the difference between the actual prices paid in the first two years under the agreement and the world prices which could have been obtained at that time.

When you start with that situation, the question resolves itself into this very simple one: Did the Canadian Government, which for the purpose of implementing this contract nationalized the wheat industry and compulsorily took the farmer's wheat away from him at certain prices, have due regard for the farmer's rights?

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Hayden: The government is now proposing to give $65 million to the western farmers. Obviously this must be on the basis that while the price of $2 as arranged between the governments of the United Kingdom and Canada may have been considered as having been reached after due regard was had to the conditions provided for in the agreement, in fact due regard to those conditions was not had and the farmers are entitled to some additional amount for the purpose of justifying the good faith that they displayed in the government when, as we are told, they agreed to be parties to delivery of their wheat and to the nationalization of the wheat industry for the purposes of this agreement.

Hon. Mr. Aseltine: What about the domestic situation?

Hon. Mr. Hayden: I am only touching on this other phase, and I think that basically there is a solid argument along the line I have indicated.

Hon. Mr. Lambert: May I ask my honourable friend a question? He has duly emphasized the compulsory feature of the arrangement. Does he really think that the farmers of Western Canada were compelled against their will to go into this arrangement, or did the government act as a result of their demand?

Hon. Mr. Hayden: In answer to my honourable friend all I can say is that the amendments made to the Wheat Board Act in 1947 were compulsory in their nature. We in this Senate, and the elected representatives of the people of the House of Commons, voted in favour of those amendments by which wheat was compulsorily taken from the farmers in Western Canada. The plan set up by virtue of those amendments was such that if a farmer did not want to deliver his wheat to the board for purposes of enabling the government to satisfy the terms of this agreement, the only thing he could do with it was to feed it to his own stock or to truck it within the limits of his own province. He was even barred from delivering it to elevators unless he got the necessary permit or licence, and he could only get that by coming in under this arrangement.

Hon. Mr. Roebuck: My honourable friend has been reading the wheat agreement. Does he find in that agreement any guarantee by the Government of Canada that the farmers would receive the world price or any other price?

Hon. Mr. Hayden: No, the agreement does not contain anything specifying a guaranteed price or giving any assurance or insurance to the farmers.

Hon. Mr. Roebuck: Was it not understood that the government would pay to the farmers what the government itself obtained on the sale of wheat?

Hon. Mr. Hayden: I do not know what the understanding was.

Hon. Mr. Roebuck: That is in the agreement, is it not?

Hon. Mr. Hayden: No. I have read what the agreement said about prices. What I am pointing out is that it was not the farmer who was in the position of going to the United Kingdom buyer and saying: "The price which you are going to pay in the last two years must genuinely take account of or have regard to the low price which was paid in the first two years of the agreement". It was the government of Canada which took the responsibility of making that representation, and now the government must have admitted that the price for the second two years fell short of realizing the full amount to which the farmers were entitled, for it is proposing to implement that price. And I am prepared to accept the government's policy in that regard.

Hon. Mr. Moraud: May I ask my honourable friend a question? Why should the taxpayers of the province of Ontario pay $65 million to a special class of people, when other classes of people have also lost through action of the government?

Hon. Mr. Hayden: The taxpayers throughout Canada, not in Ontario alone, are contributing this amount. I think the argument that one part of the country is putting up the money to reimburse another is a specious one. The proposed payment is either inherently right or inherently wrong. If we think it is inherently wrong we should, as the senator from Toronto Trinity (Hon. Mr. Roebuck) suggests, rise up and vote against it. In my view it is inherently right, and therefore I think it should be paid out of the revenue of Canada.

Hon. Mr. Campbell: Do I understand my friend's argument to be that if any industry is, as he puts it, nationalized and obliged to have its products marketed through a state board, the producers in that industry should be compensated whenever their goods are sold at less than the price on the world market?

Hon. Mr. Hayden: No; that is not what I said. Certainly, it is not what I intended to say.

Hon. Mr. McLean: How about gold?

Hon. Mr. Hayden: I had reference to what I call state marketing, embarked upon on the basis on which this agreement operated. In this case the government made the deal—and for the moment let us agree that the farmers requested them to do so—and there was this compulsory feature under which the merchandising was taken over by the government. The negotiations were not carried on as between the farmers and Great Britain, but between the two governments, and on that level the terms were agreed upon.

To my mind the neat question now is whether or not in increasing the price to $2 for the last two years, due regard was had to the difference between the price for the first two years and the world price that existed in those years. I am not in any way concerned with the emotional or sentimental side of the picture, or the fact that there may be many other cases in Canada where this or that condition existed at some other time. I say that each case must stand on its own feet. If the government is wrong as regards its dealings in potatoes, as the honourable senator from Victoria-Carleton (Hon. Mr. Pirie) stated, that is a matter in which there should be redress. But I am not going to accept as a basis for my own conclusions the argument that, because the government was wrong with regard to its dealings in potatoes, it must be wrong in its activities in relation to wheat.

Hon. Mr. Burchill: May I ask the senator this question? Does he not regard the government as the agent for the wheat growers in the making of this agreement with Great Britain?

Hon Mr. Hayden: No. I regard the government as the principal, and that is the whole basis of my argument. The government did not consult the farmers; it just set up the machinery to take the wheat away from the farmers.

Hon Mr. Campbell: Is my honourable friend not mistaken in that position, in view of the fact that the Canadian Wheat Board Act constitutes the board as the agent for the growers, the elevator operators and everyone else concerned?

Hon. Mr. Hayden: My friend has missed the point of my argument. I repeat: for the purpose of forming my own opinion, I refuse, to regard the government as the agent of the growers. The government enacted legislation, and by compulsion took away the wheat from the growers. In other words, they lost control of it.

Hon. Mr. Haig: Do I understand my friend's argument to be briefly this: That the government made a deal for the sale of wheat over a period of four years, for the first two years of which the price was $1.55, and that during that period the world price was very much higher? In fact, according to the Minister of Trade and Commerce, speaking in the House of Commons at that time, the price reached $2.36. As I understand my friend, he has argued that when negotiations for the prevailing price during the last two years of the agreement took place the government should have taken into consideration the substantial loss the farmers suffered in the first

two years; further, that the price of $2 was fixed for the remaining two years to help compensate for that loss; and finally, that the proposed payment of $65 million is to compensate for part of that loss suffered by the farmers.

Hon. Mr. Hayden: That is exactly my argument, and I think it must be the view of the government. As I read the discussion which took place in the other house, the government has taken the position that in an agreement of this kind it had to deal as best it could with the other party to the agreement.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Hayden: The Canadian Government got the other party to the agreement up as high as it could on the price per bushel. Having reached that maximum, there was no course open to the government by which it could compel the other party to agree to better terms. Therefore, if there was to be any implementation, it had to come from the Canadian Government in its relationship with the people with whom it was dealing. That is the basis on which the money was voted.

Hon. Mr. Campbell: But why is the amount $65 million?

Hon. Mr. Roebuck: May I ask the honourable gentleman a question? Seriously, I am in a fog with regard to his remarks. He read us a portion of the agreement between the Canadian Government and the Government of the United Kingdom, by which the United Kingdom agreed to have regard to world prices. Now, is it his contention that the United Kingdom did not have the regard which it promised?

Hon. Mr. Hayden: Before answering my friend, may I say that I must be slipping, for though the senator from Toronto-Trinity and I do not always agree, I think that each of us has always understood perfectly what the other was saying.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hayden: I gather that when my friend prefaced his remarks by saying that he was in a bit of fog, he was being a bit oratorical. He has too much good sense and intelligence to fail to follow even my imperfect performance by—

Hon. Mr. Campbell: It occurs to me—

Hon. Mr. Hayden: I have not finished my sentence.

Hon. Mr. Campbell: —that perhaps my friend does not understand what the senator from Toronto-Trinity has just asked him?

Some Hon. Senators: Oh, oh.

Hon. Mr. Hayden: This seems to be becoming an all-Toronto discussion. I will answer my friend from Toronto-Trinity, and I do not need to be prompted by my brother senator from Toronto. The United Kingdom entered into an agreement for the last two years of which the minimum price was to be $1.25 and $1, and it is obvious that the Government of the United Kingdom, when it agreed to pay and did pay more, intended to have some regard to the difference between the world prices existing in the first two years and the price which was paid for the wheat at that time. Thus, the question resolves itself into one of whether the government had sufficient regard for that difference.

There is a volume of opinion, and it is vocal even in this chamber, that the differences between $1.25 and $2 as applied to the third year, and between $1 and $2 as applied to the fourth year, do not reflect sufficient regard for the actual differences. The government must therefore be taking the position that sufficient regard was not had to the differences that existed, and I am prepared to accept the viewpoint of the government in that respect.

In taking on the marketing of the wheat the government assumed a heavy responsibility, and before it is through it will have learned not to venture into the wholesale merchandising of commodities. If a lesson has been learned, perhaps we are not paying too much for it.

Hon. Mr. Campbell: I do not wish to interrupt my friend again—

Hon. Mr. Hayden: I am not sure about that.

Hon. Mr. Campbell. —but does he not feel that if the wheat growers, the pools and the sponsors of this agreement had any objection to the price of $2 when that rate was renegotiated, they would have taken objection at the time?

Hon. Mr. Aseltine: But they were not consulted.

Hon. Mr. Hayden: I can offer only a limited answer to that question. First of all, I have no knowledge whether the wheat pools, and the farmers individually or collectively made any objection; and if objection was taken, I do not know what form it was in. But I refuse to believe that the decision of the government to spend $65 million originated solely within the intellectual circle of the Cabinet, and that there was no inspiration from the rank and file of the farmers and their organizations. On that ground I say that this proposed payment must be the result of some protests.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: I have no apologies to make for asking questions of my friend

from Toronto, particularly when he is so jolly-well able to take care of himself. So I have another question along the lines of the one I have just asked. As I understand the answer to my previous question, it was that the United Kingdom government did not have sufficient regard to world prices. If that is the position my friend takes, does he also contend that the Government of Canada guaranteed the performance of the agreement by the United Kingdom, and if it did, is that the basis upon which he thinks we ought to pay?

Hon. Mr. Hayden: All I can say—some of it may be repetitious—is that machinery was provided through the Wheat Board whereby wheat was compulsorily taken from the farmers. The government made the agreement with the United Kingdom: the government established the machinery of the Wheat Board which carried out the agreement. I did not say my opinion was that the United Kingdom—to use the language of my honourable friend—did not have "sufficient regard". I said—and this is different—that the "regard" which the United Kingdom "had", by supplementing a price which was to be not less than $1.25 in the third year, and $1 in the fourth year, might from their point of view have been sufficient, but that from the point of view of morality, and from the viewpoint of the Canadian government, representing the best interests of the farmers whose wheat it had compulsorily taken, the question was: Were the farmers, as they had not been able to get more than $2 a bushel, as fully and fairly and adequately compensated as they should have been? Obviously, the answer of the government must have been that what it had been able to do was not a full and fair implementation of the agreement; therefore it is taking this means of implementing it.

Hon. Wishart McL. Robertson: Honourable senators, owing to my limited knowledge of both law and wheat, I would have hesitated to say anything had not the leader of the opposition (Hon. Mr. Haig) asked me the very pertinent question why the amount of $65 million was decided upon. That question has also been asked elsewhere, and as a member of the government instrumental in making the original agreement, I feel that I must say a word or two by way of defence and explanation. As honourable senators know, I do not profess to be an expert on the subject of wheat marketing, and there are other honourable senators who can contribute far more information about it than I can.

I suspect that the people of the West—and they are very clear-minded people—wanted this agreement, and it is my impression that they are not so disappointed over it as some honourable senators would have us think. Now, I can imagine that some of my honourable friends opposite—the leader of the opposition (Hon. Mr. Haig), the member from Blaine Lake (Hon. Mr. Horner), and the senator from Rosetown (Hon. Mr. Aseltine)—will make the welkin ring in future, as they have done already, with this line of argument: "Had the Conservative party been in power, you farmers would have had $3 for your wheat instead of $1.55"—or whatever it happens to be. From the little I know of the West and its history, I suspect that the individual farmer—although, like any of us, he would rather have $3 than $1.25—will say, "Yes, but I have very vivid recollections of 30-cent wheat. What are you going to do about that?" The only reply my honourable friends could make would be, "Well, that is the law of supply and demand. Be prepared to tighten your belts. If you get as much as $3 a bushel now, you must be prepared to accept 30 cents a bushel if and when the market falls that low." And I think that the ordinary man in the West, remembering the time when a bushel of wheat sold for 30 cents, would prefer some kind of protection against such a low price, even if it involved a temporary ceiling of $1 or $1.25. Whether the method by which this protection was originally brought about was the best, I am not in a position to say; but I suggest to my honourable friends opposite, however strongly they may urge the avoidance of government-sponsored agreements in future, that whatever government in time to come may approach the people of the West on this issue will not be able to disregard the possibility of 30-cent wheat again.

Hon. Mr. Horner: May I ask a question? Is the honourable government leader (Hon. Mr. Robertson) seriously suggesting that world conditions today in any way resemble those in the early thirties? Surely not.

Hon. Mr. Robertson: I am not predicting that these low prices will return, but my honourable friend is no more a prophet than I am. He may profit by hindsight. My honourable friend the leader of the opposition said, in the debate on the Speech from the Throne, that he knows prices are going to stay up.

Hon. Mr. Haig: I never said that. All I said about this agreement was, "You are gambling in wheat, and it is a poor thing to gamble in."

Hon. Mr. Robertson: You are gambling on the amount of your profits.

As my honourable friend pointed out, the farmers wanted security. Whether this agreement gave them security or not is a question

that I will not discuss at this moment. But the idea was firmly in the minds of the people of the West; and I suggest to my honourable friends opposite that if in due course they become the government of the day, and then proceed to tear up agreements and say to the people of the West, "We have no program whatever to guarantee that if the price swings down you won't have to accept 30 cents", they will be in for a tough time.

Hon. Mr. Moraud: Even if that is so, why should parliament give them $65 million?

Hon. Mr. Robertson: If my honourable friend will wait, I will answer that. I do not want to discuss it at the moment. I wish to refer to the matter of the loss which my honourable friend has talked about. I suggest that there is a lot of hocus-pocus about it.

Hon. Mr. Roebuck: No doubt there is.

Hon. Mr. Robertson: The first point on which our friends are wrong—how wrong, I do not know—is that they take the price actually paid, and the highest price for which, so far as they can discover, wheat has been sold anywhere in the world, and subtract the one figure from the other.

Hon. Mr. Horner: No. It is the average.

Hon. Mr. Robertson: We are told that on this basis of reckoning, the farmers were deprived of $330 million in the first two years of the agreement; and my honourable friends from Rosetown and Blaine Lake have been mentioned as among those by whom these sacrifices were borne. I suggest that the amount of the loss is exaggerated. To begin with, what evidence is there as to what the net gain would have been had no contract existed?

In the next place, although the price may not have been as high as some could have wished for—most people in business like to get as much as they can—it was generally understood to allow a fair profit. If to that profitable figure could have been added another $330 million over and above all expenses, do my honourable friends suggest that they could at that time, in 1945, appropriate that as their full profit without paying anything in taxation to the Government of Canada?

Hon. Mr. Horner: They would have paid plenty. Don't worry.

Hon. Mr. Robertson: Of course my honourable friend would. So when he undertakes to say that the farmers' losses approximate that figure, there is the second point on which he is at fault. Of course he would pay. The excess profits tax in business was in effect in 1946. Everybody else was subject to taxation.

Hon. Mr. Aseltine: The excess profits tax did not apply to farmers.

Hon. Mr. Robertson: If in actual fact it did not, morally it did. In any event the farmer pays personal income tax; and I suggest that, if the proportion of clear profit was as high as seems to be indicated, his payments would be considerable. Hardly any of us were subject to a tax rate of less than 50 per cent.

Hon. Mr. Aseltine: I did not come under the category of a farmer, so I paid.

Hon. Mr. Robertson: And so you should have, just like the rest of us; and you should have been glad to pay. Why not? These profits did not result from our particular efforts, they resulted from the trials and tribulations of the world, from the hunger of a starving people. Why should anybody who was able to make a profit not have paid taxes?

Hon. Mr. Horner: As my honourable friend seems to have some knowledge of business, I would like to ask him whether the world price might have risen higher had it not been for this agreement? Does he not think that this great bulk of Canadian wheat which was being sold at a price below the price on the world market had the effect of keeping the world price down?

Hon. Mr. Robertson: First of all I suggest that the figure of $330 million—which has been suggested by my honourable friend—would immediately be slashed by whatever amount they were out in their calculations. Then a further slash of somewhere between 50 and 75 per cent for taxes due the government would again reduce the amount. If my honourable friends feel that they had a right to take the highest price they could get for their products on the world market, surely every other Canadian should have had the same right.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: Take, for instance, the steel industry.

Hon. Mr. Horner: Did not others—

Hon. Mr. Robertson: I did not interrupt the honourable gentleman when he was speaking. If he wants to ask me a question—

Hon. Mr. Horner: I just wanted to say this. Did not others do that?

Hon. Mr. Robertson: I am telling my honourable friend that the prices of other Canadian products were controlled, and he knows this as well as I do.

A third deduction from the figure of $330 million would be the costs, which would rise in proportion to the higher gross returns of other producers. I am prepared to say that from the point of view of the western farmers themselves, this agreement does not begin to look as bad as my friends opposite would have us believe. What they have said as to their net loss has been grossly exaggerated. They can build it up as much as they like. Anyone who is in business can sit down and "cry over the piano" about the money he would have made if there had been no control on the price of his particular product. When the honourable leader opposite (Hon. Mr. Haig) gave his graphic description yesterday about the losses the wheat growers have suffered, I could just picture the senators from Blaine Lake (Hon. Mr. Horner) and Rosetown (Hon. Mr. Aseltine) "crying over their pianos".

Hon. Mr. Roebuck: They were tin whistles, not pianos.

Hon. Mr. Horner: I would never do that.

Hon. Mr. Robertson: I did it in the case of my own business.

Now, honourable senators, I want to read from a statement made by the Honourable Minister of Trade and Commerce in another place on March 12 when dealing with this whole question. He pointed out the importance to this country of the United Kingdom-Canada Wheat Agreement during the period from 1947 to 1949. He referred to the grave danger of losing the British wheat market entirely because of that country's inability to make payments, and he stressed the fact that the United States government respected the United Kingdom-Canada agreement and did not demand that Marshall Aid funds to Britain be used to purchase American wheat despite the fact that large stocks of wheat were accumulating in the United States.

The Honourable Minister of Trade and Commerce had this to say:

From 1947 to 1949 the United States permitted Marshall aid funds to be used for the purchase of Canadian wheat, and though large stocks of wheat were accumulating in the United States that government respected the United Kingdom-Canada agreement and did not demand that the Marshall aid funds be used to purchase United States wheat instead of Canadian wheat. However, before the 1949 crop came on the market United States wheat was declared in surplus supply, which automatically stopped the use of Marshall aid funds to buy Canadian wheat. Just think of the importance of that agreement during those years. Because of the agreement, the United States paid money to Canada for supplying wheat to Britain, instead of giving away her own surplus wheat to England, at a time when the surplus in the United States was becoming burdensome. Those who are making up the equation to show losses might very well put in that intangible for a very considerable price indeed.

Passing on now to the 1948-49 crop year, which was the third year of the contract, producers will receive $1.83 for deliveries of 293 million bushels. Throughout this crop year the payment difficulties of the United Kingdom continued acute. To put it bluntly what we faced here in Canada was the very real possibility that the United States would drive Canadian wheat out of our traditional markets. This actually occurred in the European markets with the exception of the United Kingdom, and the fact is that the Canada-United Kingdom wheat agreement was of the greatest value at this time in retaining our position in the United Kingdom market. As a matter of fact we have a very seroius problem ahead of us in regaining markets in continental Europe which are now being supplied by the United States under Marshall aid. It was for that reason the government sent a mission to Europe last year for the express purpose of finding out how to regain a foothold in some of those markets. What the Canada-United Kingdom wheat agreement actually accomplished was to enable us to hold our position in the United Kingdom market. The United States government respected the agreement, and in fact went so far as to provide a very substantial amount of United States dollars, $175 million to be exact, which enabled the United Kingdom to finance her wheat purchases from the 1949 wheat crop under the agreement. This amount was provided as the result of negotiations which took place in Washington early in September, 1949.

A little further on the Minister had this to say:

In weighing the losses under the agreement, let them weigh in the $175 million supplied by the government in the United States to pay Canada for wheat shipped to Britain, which it is very probable Britain could not have bought without that assistance. Incidentally that assistance was barred under the strict terms of the Marshall aid plan.

Mr. Speaker, I can well imagine how the members of the opposition would have denounced the government if Canada had been pushed out of the United Kigdom market in 1948-49 and 1949-50 by Marshall aid wheat. I can testify personally, for I took part in the negotiations, that such a result most certainly would have occurred without the Britsih Wheat Agreement.

I want to tell my honourable friends opposite that I have always felt that one of the most fundamental mistakes the wheat growers made was to take the last cent they could get for their wheat and force people to use other commodities thereby endangering their own markets for the future. I think this agreement was a blessing in disguise because the market may not always be booming.

I will close by quoting the Prime Minister. In reply to the question "Why $65 million?" he said:

Now, why $65 million? From the start it had been clearly understood there could not be any mathematical calculation of the consequence of this "have regard to" clause. I remind honourable members of the statement made by the then Prime Minister when the price was set for the third year of the contract: I refer to the public statement that was made at that time. He said:

"Having in mind the magnitude of the agreement and the long-term security which it provides, a precise arithmetical calculation of the difference in price was not suggested."

That has been the position from the start, that there could not be any mathematical calculation of something expressed in the terms used in this agreement.

When this decision was made and accepted by the government of Canada as being the position taken, and the position they were entitled to take, in the United Kingdom, there was still $65 million that had not been drawn from the credit provided by the agreed loan of $1,250 million. Had the government of the United Kingdom seen fit to draw that amount of $65 million and use it as a settlement of anything legitimately or properly excepted under the "have regard to" clause, the government of Canada would not have felt required to do anything more, and would have been quite content to say that everything that could reasonably be expected as a consequence of the "have regard to" clause had been discharged by that payment . . . . . Without attempting to make any mathematical calculation, but taking a rough approximation of what could be regarded as just and fair, the Canadian government decided to recommend to parliament that a sum equal to the $65 million be put into the pool because that placed no heavier burden on the production of this year than would have been placed upon it by the drawing and use for other purposes of the available $65 million of the credit. There was no other calculation made or attempted.

Hon. Mr. Aseltine: Honourable senators, I should like to correct a statement I made a few moments ago. I said that the excess profits tax did not apply to farmers but it did. I am sorry that I made the statement; I realized at once that it was wrong.

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

FOREIGN EXCHANGE CONTROL BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 147, an Act to amend the Foreign Exchange Control Act.

He said: Honourable senators, this bill is very simple in its terms. It is intended merely to extend the Foreign Exchange Control Act for a further period, which would end sixty days after the commencement of the first session of parliament commencing in the year 1953. In other words, the bill would extend the duration of the present Act for a period of roughly two years.

This is the second occasion upon which we have been asked to extend the life of this legislation. The original Act was assented to in 1946, the bill having been passed by this chamber at the end of August that year. Among the many amendments which the Senate made to the bill was one providing for a limitation of the life of the Act to sixty days after the commencement of the first session of parliament commencing in the year 1949. Then in 1949 we extended the duration of the Act for a period which would bring about its expiry on about the 31st of the present month, unless this bill were passed in the meantime.

The government requests an extension at this time because of the present state of the world and because of the impact which the program of military preparedness in Canada and its allied countries may have upon our economy and theirs. In other words, the extension is sought because the government wishes to be able to take whatever action it may deem necessary in order to cope with possible economic and financial pressures. I say frankly that if the bill had come before us at a time when there was not an extraordinary situation such as now exists it might have met with a very rough reception. But already both houses of parliament of this country, which takes second place to none in its love of freedom, have passed two measures committing us to a program of military preparedness which we consider to be necessary for our national defence. One of these measures set up the Department of Defence Production and gave it broad and rather unusual powers. The other measure, the Emergency Powers Bill, incorporated all but two of the provisions of the War Measures Act, which provisions, under the terms of that Act, could have been invoked by proclamation of the Governor in Council, if the government had felt the situation warranted that course.

Having subscribed to the principle that there is a situation of emergency in Canada, and to the principle under which the Department of Defence Production is being set up to aid in the military preparedness of ourselves and our allies, we do not have to take much of a step to say further that as part and parcel of our over-all program of military preparedness we must have some organization to deal with the question of foreign exchange control.

If we were to set about writing a new Foreign Exchange Control Act today we might or might not embody in it the broad and arbitrary powers and prohibitions contained in the present Act. But those powers and prohibitions are in that Act, and so are part of the law of the land; and in any case, they could be re-enacted as regulations under the provisions of the Emergency Powers Act. In these circumstances, notwithstanding the well-known position which I believe every member of this house has taken from time to time with relation to controls, I am prepared to support this bill for the extension of the life of the Foreign Exchange Control Act. No matter how much we may disagree on other questions, we are all of the one mind on the general principle that controls should not be continued for one minute longer or made by the slightest fraction broader in scope than is necessary in the interests of our country. But having regard to the over-all world situation and the manner in which we are of necessity bound up in it, I believe that if we sat down to prepare a new statute, or if the

government took upon itself the making of regulations under the authority it now has, a better job could not be done than we have in the existing statute.

Hon. Mr. Roebuck: Does the honourable gentleman think we could do worse?

Hon. Mr. Hayden: Well, that is a pertinent question. To some extent the present Act represents the sum total of the best efforts which the senators could put into the amendments of the Foreign Exchange Control Bill presented to this house in August 1946.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hayden: And I must assume that when the bill came out of committee, and was reported back to this house and became law, it had the support of the majority of the senators and represented the combined intelligence of the members of the house at that time. I would not care to think that the house today is any less able than it was in 1946; on the other hand, I do not think the Senate today is any more capable than it was then.

Hon. Mr. Nicol: It is older.

Hon. Mr. Hayden: I must assume, therefore, that the measure is satisfactory for the purpose it serves. True, the provisions may be much broader than are needed for present purposes, but in this respect I would repeat a few lines of my remarks in the debate of 1946. These are my words:

> We are going into a future whose economic aspects are more or less uncharted. The international field in particular has all sorts of possibilities. Therefore, I think we should have an unfettered right to review the whole matter at a definite time in the future.

That is the conclusion which I reached at that time, and I argued that the duration of the Act should be restricted. I would point out that in those early post-war days the policy advocated by this house was that control legislation arising out of orders in council and wartime measures should always be limited to a fixed period, and subject to review within a certain time.

The bill now before us has at least the virtue of being limited to two years. Having regard to the national defence program on which we have embarked to provide for expenditures over a period of three years, and keeping in mind the statute setting up the Department of Defence Production, and the limitation that we put in to a period of four and a half or five years, it would seem that an extension of only two years in this legislation would amply protect us against any danger that we cannot now foresee.

I had planned, honourable senators, to say much more about this measure, but I concluded that the simple question was: Should the statute be extended for a further term of two years or not? It occurred to me that, at a time when we are approving a national program of defence preparedness and are setting up a statute for the mobilization of industry with the broadest possible emergency powers in relation to all phases of our economic life, we could not properly make a distinction and leave out foreign exchange. I regard the subject of foreign exchange control as being so closely knit with the rest of our emergency program that it must be part and parcel of it. With that in mind, I have refrained from going into a lot of detail.

Before concluding my explanation I wish to say that in all the years the Foreign Exchange Control Board has been in operation I have not found, either from personal experience or from the experience of others of whom I have knowledge, that the top level administrative personnel in the board have ever been guilty of misuse of the arbitrary powers entrusted to them. I stress the fact that some of the powers of prohibition are most arbitrary; they are regulations which in normal times we would refuse to pass. But even with the broad and arbitrary powers, the administration has been efficient, equitable and reasonably fair. I do not say that in every respect the personnel of this organization have been a model of perfection. In the matter of enforcement there may have been instances when a subordinate in the organization, by reason of his zeal and enthusiasm, was prompted to go to extremes. Nevertheless, I do not think we can condemn the general good qualities of the measure; certainly, it has proved useful during the war period and in the subsequent years. I may tell honourable senators that there has been considerable simplification and relaxation in the administraton of the Act, and in many respects the regulations have been amended so as to permit more freedom of dealing without destroying the basic principles embodied in the Act.

For the purpose of second reading of this measure, I do not propose to discuss it further.

Some Hon. Senators: Hear, hear.

Hon. A. W. Roebuck: Honourable senators, I am sure that most of my associates in this chamber will recall my strictures on this legislation when it was first enacted, and on the various occasions when it has been extended.

I am in entire agreement with my friend from Toronto (Hon. Mr. Hayden) in his kind

remarks about the officials of this body. In my opinion Canada has very fine public servants, and the men who have operated this particular board have been moderate, polite, decent and considerate; and in the operation of the board Canada has given as little cause for objection as one could expect from legislation of this kind.

But I dislike the legislation, not only because it exercises control, but because it has been detrimental to the interests of Canada ever since it was enacted. It interferes with the flow of the lifeblood of our country, namely, foreign exchange, by bossing people around in an indirect rather than a direct way.

Hon. Mr. Duff: Quite right.

Hon. Mr. Roebuck: It is not necessary to say that you cannot buy a certain commodity if you have already been denied the money with which to pay for it. I see no good in this board. During the war it made a monopoly of foreign exchange, taking foreign currencies from the individual in exchange for Canada's promise to pay. And so there was accumulated in the government coffers at the end of the war something like $1½ billion. In the year and a half that followed the war about a billion of those dollars went down the sink, and we are poorer to at least that extent by reason of the operations of this board. There have been losses all along the line in the trading communities as a result of miserable interference by the board in matters of exchange. I have yet to hear an argument that convinces me that we have gained any advantage by reason of this body, and I would like to see the end of it.

My friend from Toronto (Hon. Mr. Hayden) can of course justify the extension by citing an emergency of some kind. If we consent to a two-year extension at this time because of an emergency, we are sure to meet the same argument when this legislation expires. I shall be very much astonished if the fertile-minded gentlemen who are operating this board cannot always find that an emergency exists. We may suppose that an excuse will never be lacking for extending this act, at least so long as we will accept it. At the present time a real emergency exists, but I do not think that it is sufficient to justify the continuance of this legislation. I would like to see it abolished. I have no doubt that the house will support it, but personally I intend to oppose it.

Hon. John T. Haig: Honourable senators, if I may say this with all respect, I believe that the honourable senator from Toronto (Hon. Mr. Hayden) would not have taken as much time to explain the bill had he been less worried, not about the details of the bill, but about its purposes.

My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) and I do not often agree; but two years ago, when the proposal to renew the act was before the chamber, we were 100 per cent in agreement in opposing it; and everything we said at that time has come true. It was predicted that the 10 per cent differential could not be abolished. But when the Americans walked in with about three or four hundred million dollars and cashed in on their deals, the people in charge changed their minds.

Hon. Mr. Roebuck: We said that the dollar should be free, and we were told it was an impossibility.

Hon. Mr. Haig: It went up and up, and last September so many millions in American money were invested to take advantage of the 10 per cent bonus that the board had to declare our money free—the very thing we had been advocating all along. That happened only two years ago.

I do not want it to be said that we did anything to block the national effort of Canada in times like these. There is a terrible emergency, and we recognize it. But I do not like this legislation at all. I never did. There is only one consideration which moves me to vote for it. In 1946 the present Minister of Finance, then the acting minister, appeared before our committee. As the bill stood, it was proposed to give permanency to the control. I said to him, "Are you not in favour of limiting this to a certain period?" He said "Yes, I am". I asked him if his views bound the government. He said no. I asked him how long it would take to get a decision on the question from them. He said he would need two days; and after that time he came back and announced that the government would accept an amendment for limitation. I felt happy about that. I was glad that we senators had been able to accomplish some improvement of the bill. Since then it has been back twice.

I humbly warn the government that, unless we are overtaken by war, the sooner we get through with this kind of legislation the better it will be for our country.

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

THIRD READING

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

Hon. Mr. Robertson: If the house will permit the bill to go to third reading, I will so move.

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

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, I should like to give all possible time for a discussion of the Estimates, because I am anything but a dictator. I would therefore suggest that we meet at 11 o'clock tomorrow morning. If the measure to be considered is not then available, there is nothing I can do about it. Several honourable senators wish to speak on the motion which is on the Order Paper with respect to the Senate, but they have been delayed.

Hon. Mr. Haig: The honourable member from Ponteix (Hon. Mr. Marcotte) wishes to speak on the resolution, but not at any great length. Perhaps he could proceed tomorrow morning at 11 o'clock.

Hon. Mr. Robertson: Yes.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Wednesday, March 21, 1951

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PRIVATE BILL

COMMITTEE AMENDMENT CONCURRED IN

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill M-1, an Act to incorporate Trans Mountain Oil Pipe Line Company, and to acquaint the Senate that they have passed this bill with one amendment, to which they desire the concurrence of the Senate.

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

Page 2, line 25. After the word "lines" insert the following: "provided that the main pipe line or lines for transmission or transportation of oil shall be located entirely within Canada."

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

Hon. Mr. McKeen: With leave of the Senate, I move that it be now concurred in.

The motion was agreed to.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill W-5, an Act respecting The Ruthenian Greek Catholic Episcopal Corporation of Canada.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 14, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: I move, with leave of the Senate, that the bill be read the third time now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill G-5, an Act respecting the Canadian Legion of the British Empire Service League.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 8, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: With leave, I move that the bill be given third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill G-6, an Act to incorporate the Mercantile and General Reinsurance Company of Canada Limited.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill G-6, an Act to incorporate the Mercantile and General Reinsurance Company of Canada Limited, have in obedience to the order of reference of March 14, 1951, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: With leave of the Senate, I move the third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill Y-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Eastern Canada.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill Y-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Eastern Canada, have in obedience to the order of reference of March 14, 1951, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: With leave, I move third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill X-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Western Canada.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill X-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Western Canada, have in obedience to the order of reference of March 14, 1951, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: With leave of the house, I move the third reading now.

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

DIVORCE BILLS

FIRST READINGS

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

Bill J-6, an Act for the relief of Leah Berniker Berger.

Bill K-6, an Act for the relief of Betty Suffrin Sher.

Bill L-6, an Act for the relief of Muriel Violet Marcella Barkas Sauve.

Bill M-6, an Act for the relief of Lois Christine Flemming Foster.

Bill N-6, an Act for the relief of Joseph Napoleon Romeo Moisan.

Bill O-6, an Act for the relief of Catherine Veronica Joynt Bragdon.

Bill P-6, an Act for the relief of Sarah Alice Thompson Getzler.

Bill Q-6, an Act for the relief of Grace Andersen Hallam.

Bill R-6, an Act for the relief of Edna May Walker Green.

Bill S-6, an Act for the relief of Donald George Story.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Aseltine: With leave of the Senate, I move the second readings now.

Hon. Mr. Duff: On division.

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

THIRD READINGS

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

Hon. Mr. Aseltine: With leave of the Senate, I move the third readings now.

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

PRIVATE BILL

FIRST READING

Hon. Mr. Haig, on behalf of Hon. Mrs. Fallis, presented Bill T-6, an Act to incorporate The Scripture Gift Mission (Canada) Incorporated.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Campbell presented Bill U-6, an Act to incorporate Champion Pipe Line Corporation Limited.

The bill was read the first time.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from Thursday, March 15, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Arthur Marcotte: Honourable senators, last session, when speaking on a certain resolution, I expressed the hope that I would be spared for a few years so that I could speak in favour of the Senate if it were attacked. At that time I did not expect that the occasion would arise so soon. You may say that the wording of the resolution before us today is not an attack on the Senate. I

beg to differ. Here, among ourselves it is not considered an attack because we, as senators know that it is presented with a good intention; but one must consider the reaction to it by the public at large. If one reads comments in the press, listens to the radio and to remarks made here and there by average Canadians, the picture becomes vastly different.

The resolution is in the name of the government leader, and no matter how hard he may try to make the resolution express his personal views, he cannot hope to dissociate himself from the government he represents. The average Canadian cannot and will not understand this subtlety.

If it were something new, no suspicion would be attached to this move, but I have here a press release published in 1946 in the Ottawa *Journal*, entitled "Overhauling of Senate System is seen possibility on Capital Hill". Of this I shall read the following paragraph:

> Senator Wishart Robertson, government leader in the Senate, is said to be favourable to a committee being appointed which would study the question and make a report on the best way to bring about reforms. It is also known Prime Minister Mackenzie King thinks it would be a good idea. Senator J. W. Farris (L—British Columbia) probably will be chairman.

It is now close to five years since the publishing of this item; and I for one had assumed that we would not hear further of this proposed reform.

Fortunately, we have heard the honourable senator from Vancouver (Hon. Mr. Farris), who was supposed to head the committee, state his strong opposition to the resolution. The honourable leader on this side (Hon. Mr. Haig) and the honourable senators from Toronto-Trinity (Hon. Mr. Roebuck) and Ottawa (Hon. Mr. Lambert) also have spoken with force against the proposal. I was particularly pleased with the address of the honourable senator from Ottawa. It was a fine exposé of the constitution of the Senate. I wish to congratulate the other speakers, even though I disagree with some of their suggestions. They made good contributions to the debate. I find this resolution inopportune, unnecessary, and not in the least likely to procure changes in the constitution of the Senate.

Honourable senators, here is another opportunity to defend provincial rights. You cannot effect any changes in the constitution of the Senate without consulting the provinces and receiving their consent, because the Senate was so constituted at the request—and a request *sine qua non*—of the provinces. It has been stated during this debate that the Senate was the very foundation of confederation, and that is the truth. Without the Senate you never could have secured the addition of the Maritime Provinces to Confederation.

Hon. Mr. David: Nor of Quebec.

Hon. Mr. Marcotte: We would, as Canadians, have missed the large number of public men who came from the Maritime Provinces, men who have been so brilliant and successful in every phase of our public life. We would not have with us today as colleagues this group of men who are dear to us; and you will allow me to say that among them is the big, kind-hearted senator from Lunenburg (Hon. Mr. Duff), whose references to myself the other day profoundly moved me.

Hon. Mr. Duff: Thank you very much.

Hon. Mr. Marcotte: One of the suggestions made for reform was that we should be retired and pensioned at the age of seventy-five years. Honourable senators know very well that this would involve an expenditure of public moneys, and we have no right to initiate money bills. The move would have to be made in the other place, and if ever discussion should start there on such a matter, I am sure it would not be to our liking.

I come now to a remark made by the honourable senator from Vancouver (Hon. Mr. Farris) about my stand on the duties of the Senate. The honourable gentleman spoke as follows, as reported in *Hansard*, February 19, 1951, page 114:

> My honourable friend directly opposite, the senator from Ponteix (Hon. Mr. Marcotte), said that senators were the representatives of the provinces. That is not my understanding.

To that, my honourable leader (Hon. Mr. Haig) said "No". This quotation does not represent exactly what I said at different times concerning the duties of this honourable body. I said that, of all the duties of the Senate, the most important was the protection of provincial rights; and from that I drew the conclusion that the Senate represents the provinces. I am going to try to prove to you that I am right in my contention; and I shall go much further. I intend to try to prove that even the honourable senator from Vancouver sides with me on this question, and I will simply use his own words and his own citations to prove my assertions.

I stated, and I now repeat, that the most important duty of the Senate is to protect provincial rights. Who has said that before? The Fathers of Confederation—Sir John A. Macdonald, Sir Georges Etienne Cartier,

George Brown, and others; men fortified by twenty years of struggle and experience in deciding what methods of government were most suitable to bring our country to responsible government, to make it a great member of the then British Empire, and to pave the way for it to become a self-governing country and a free, strong nation in the commonwealth of today; men patriotic enough to forget previous differences and bitter political fights and prepared to unite their experience, their wisdom and their visions of greatness for Canada to bring confederation into being.

Who has said that before? The members of the Senate who, in 1918, unanimously accepted the report of what is called the "Ross Committee," a special committee appointed to determine the rights of the Senate in the matter of financial legislation. I would recommend that honourable senators read this report, in which are condensed in a very intelligible manner the reasons for the creation of the Senate, the nature of its rights and duties, and comments on the matter.

Who has said that before? Two of the most celebrated constitutional lawyers of their day, Eugene Lafleur and Aime Geoffrion, both of Montreal, whose reputation has but increased with the passing of the years. I knew them personally—Lafleur I did not know very intimately, but Aime Geoffrion was a close friend of mine from my student days in Montreal in 1891 until his death a few years ago. How many times did I discuss with him, not only this question of the Senate, but other phases of constitutional law? I will say without hesitation that when on a constitutional issue I am supported by the opinions of these two lawyers, I feel on very safe ground.

Hon. Mr. David: Hear, hear.

Hon. Mr. Marcotte: I shall now proceed with the evidence on the point at issue.

On page 3 of the report we read:

That the Senate as shown by the British North America Act as well as by the discussion in the Canadian Legislature on the Quebec Resolutions in addition to its general powers and duties is specially empowered to safeguard the rights of the provincial organizations.

Page 6:

The Constitution of the Dominion of Canada was therefore new in the line of colonial constitutions. The legal effect of the words of the British North America Act will have to be settled (as Acts of Parliament are construed) by the plain meaning of the words used. That Act begins with a recital that the provinces have expressed a desire to be federally united with a constitution similar in principle to that of the United Kingdom and this it does by providing that the executive power and authority should continue and be vested in the Queen and that the legislative power should be in a parliament consisting of the Queen and the two houses. This is the main principle, but there are many details in working it out. One of these is the constitution of the Senate of seventy-two members—never to exceed seventy-eight.

The provinces first of all are divided into three districts, Ontario, Quebec and the Maritime Provinces, each to have twenty-four senators and in the case of the Maritime Provinces twelve thereof were to "represent" Nova Scotia, and twelve New Brunswick. In the case of Quebec each of the twenty-four senators is to "represent" one of the twenty-four Electoral Divisions. A senator is required to be thirty years of age, to be worth four thousands dollars ($4,000.00) and to reside in the province for which he is appointed, and in Quebec to either reside or hold his property qualification in the electoral district for which he is appointed. The appointments to the Senate are for life.

There are five things that are new: age, property, residence, life tenure and the fixed number. In the old provincial constitutions these are not found. In those above mentioned (1791) and (1840) a councillor was required only to be a British subject twenty-one years of age.

The statute shows a fundamental difference between the Senate and the House of Lords. The Senators are appointed to represent the provinces.

On page 7:

If it is not the first duty of the Senate to protect provincial interests it is impossible not to infer from the terms of the Act that this a duty cast upon it. Why else the appointment by provinces and electoral districts with the qualifications of property and residence? Why not an appointment to the Senate simply as in the House or Lords or the nominated Legislative Council already referred to? Such fundamental changes are not made for nothing. The first duty of the Senate is to protect and preserve provincial rights and interests. No such duty is required of the House of Lords or of any of the legislative councils in the provinces. More than that from the Act it is quite clear that to enable the Senate to do this it was made an independent body by the abolition of the swamping power, and making the tenure of the position for life. It has, of course, other powers and duties consequent on its being an independent part of the constitution.

On page 8:

The constitution of the Senate as already outlined is fundamentally different from the House of Lords and its function of safeguarding provincial interests in a federal system is one unknown to an upper house in a unitary system as is the House of Lords. Then the Senate is in a measure representative although nominated. This is brought about by the property and residence qualifications of senators.

The division of the dominion into senatorial districts differentiates the two Upper Houses. The senators first of all represent their provinces or districts and their first duty is to them. Then the "swamping power" was taken away for the express purpose of making the Senate independent of the House of Commons as a condition precedent to confederation.

Page 9:

In the parliamentary *Debates*, 3rd Session, Provincial Parliament of Canada, on the subject of the confederation of the British North American Provinces, at **page 21**, Mr. Campbell gave the

reasons for the conference determining as they had on the constitution of the Upper House and says. "And the main reason was to give each of the provinces adequate security for the protection of its local interests, a protection which it was feared might not be found in a House where the representation was based on numbers only as would be the case in the General Assembly. The number of representatives to the legislative council under the federal constitution would be limited and they would be appointed for life instead of elected by the people". "For the purpose of securing equality in that house the confederation would be divided". He then explains why the Senate was not elective. Upper Canada was growing fast and an agitation might arise there for greater representation. "They (Ontario) might object to the fishing bounties paid the lower provinces to the money expended there in fortifications or to something else and claim a representation in the council more in accordance with their population to enforce their views; and in view of such contingencies the delegates from those provinces conceived it would not be safe to trust their rights to an elective House.

Page 10:

At page 89, Mr. George Brown says: "But honourable gentlemen must see that the limitation of the numbers in the upper house lies at the base of the whole compact on which this scheme rests." He went on to say that power to increase the number would sweep away the whole protection they had from the lower house. He shows further that the Senate though nominated is representative.

At page 90, he says, "The desire was to render the Upper House a thoroughly independent body—one that would be in the best position to canvass dispassionately the measures of this house and stand up for the public interests in opposition to hasty or partisan legislation." Mr. Dorion at page 254, at the foot of column 2 points out that "the effect of abolishing the swamping power was to make the Senate entirely independent."

Page 11:

"The federal state is the most complex and ingenious of modern political communities and its upper chamber usually exhibits one aspect of that ingenuity. One principle is, however, common in all such formations. The federation is based on a union of individuals, and of states, and that union is expressed in the constitution of the two chambers. The lower one represents the rights and powers of the people—the total numerical majority. The upper chamber represents the rights and powers of the states in their separate and individual capacity. Population has always full representation in the lower chamber."

On page 9:

Sir John Macdonald says at page 29, Vol. 1. "We were forced to devise a system of union in which the separate provincial organizations would be in some degree preserved."

At page 38, column 1, speaking of the limitation of the number of Senators, Sir John said, "To the upper house is to be confided the protection of sectional interests: therefore it is that the three great divisions are there equally represented for the purpose of defending such interests against majorities in the Assembly" and further on he says, "For the same reason each State of the American Union sends its two best men to represent it in the Senate".

On page 11:

To the smaller States on the other hand, this principle was the condition precedent, the "sheet anchor" of their rights and liberties. And, once asserted, it is fundamental and (except in unimaginable conditions) unalterable.

On page 13 Eugene Lafleur and Aime Geoffrion stated:

To those reasons might be added this further consideration that there is very little analogy between the Lords and the Senate. The Lords represent themselves, the Senate represents the provinces.

Honourable senators, these are my reasons for saying that the most important duty of the Senate is the protection of provincial rights.

Now let us see what the senator from Vancouver South (Hon. Mr. Farris) says. He always makes good speeches. He is a great lawyer, and has a vast experience in public affairs. I was at one time reproached for admiring him too much and for saying that I admired him. Well, I do admire him, and it gives me pleasure to say so. But this has not prevented me in the past from differing with his opinion, and I have never hesitated to oppose his views. In his address before the Senate on February 19, he said, as reported at page 114 of *Hansard*:

Sir John A. Macdonald—and there is not a senator in this house who does not look back with pride and admiration to that great leader in Canadian affairs—said this: "There would be no use of an upper house if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the lower house. It must be an independent house, having a free action of its own, for it is only valuable as being a regulating body calmly considering the legislation initiated by the popular branch and preventing any hasty or ill-considered legislation which will come from that body."

He also quoted this statement by Sir John:

The Senate was to be the sober second thought in legislation.

Then our colleague went on to say:

In addition to the world-wide, or at least British-wide, views of the necessity of a second chamber, there were special reasons applicable to Canada. As I have just stated, the Fathers of Confederation recognized these general principles. They generally recognized that a true democracy had to have this balance-wheel to give it the full effect of a government of the people, by the people and for the people. And Canada had special reasons for insisting upon a second chamber. The first was the need of such a chamber as a guardian of provincial rights.

A little further on the honourable gentleman quoted what he described as "these words of a great Liberal":

On no other condition could we have advanced a step.

The honourable senator continued:

We can read those solemn words and appreciate that but for the Senate there would not be this great Canadian nation of today. No man in Canada can fail to say with heart-felt emphasis, Thank God for the Canadian Senate.

He then offered this quotation from Sir Alexander Campbell:

The main reason was to give each of the provinces adequate security for the protection of its local interests that protection which it was feared would not be found in a lower house, where the representation was based upon numbers only, as would be the case in the general assembly. It was determined that in one branch there would be a fixed number of members nominated by the Crown, to enable it to act as a counterpoise to the branch in which the principle of representation according to population would be recognized.

The senator from Vancouver South went on to say:

Sir George Ross, after analyzing these statements and many others that appear in his book, follows with this unchallenged conclusion:

"It is quite evident, from the preceding quotations that the Senate of Canada was intended to be in a special sense the guardian of provincial rights."

Honourable senators, if our colleague from Vancouver South were in his seat I should possibly quote further from his address. But is that necessary? Do we not find in his own words and in his citations exactly what I have contended and am now repeating, that among its other duties and powers the Senate's most important duty is to protect provincial rights?

In the past I have dealt with other matters from the point of view of this duty to protect provincial rights. When the Unemployment Insurance Act was before the Senate I stated that the consent of the provinces to the passage of that legislation had not been properly and legally given. And last session this house unanimously approved my resolution that consent of a province means consent of its legislature.

I also stated that the Family Allowances Act was *ultra vires* of parliament because it was an encroachment on provincial rights. What do we find now? In a debate in the other house on February 22 this year, as reported at page 581 of the House of Commons *Hansard*, the Honourable Paul Martin, Minister of National Health and Welfare, cited paragraph 93 of the British North America Act:

In and for each province the legislature may exclusively make laws in relation to education, subject and according to the following provisions—

Mr. Martin then went on to say, as reported at page 581 of the House of Commons *Hansard*:

The ensuing provisions have no relation to the subject under discussion. The important thing is that not only have the provinces been given jurisdiction in this matter; the word "exclusively" is used, and some significance must be attached to the inclusion of that word in the section, for it is not widely or generally used throughout most of the other sections of the Act. This clearly indicates that the intention was, as in fact we know it still is, that education was and, as we all believe, should be the domain of the provinces. We know the national unity of this country is predicated in very large measure upon the preservation of that constitutional fact; and any interference with it I submit would greatly impede the cause of education instead of furthering it.

Is it not strange that the federal government cannot give a subsidy for educational purposes because it would be an encroachment on provincial rights, although that government pays out more than $300 million yearly under the Family Allowances Act, every clause of which encroaches on provincial rights?

When speaking on the resolution to secure for this country the right to amend its constitution, I stated that before adopting the resolution we should consult the provinces; that a conference between the federal and provincial governments was to be held in the near future and no harm would be done by waiting until after that conference had taken place. The resolution was adopted, and we secured the right to amend our constitution. But in his excellent speech in the present debate the senator from Ottawa (Hon. Mr. Lambert) pointed out that, as reported in the proceedings of that federal-provincial conference, the Prime Minister "gave definite undertakings" to the provincial premiers "that the application of the B.N.A. Act (1949) No. 2 would be held in abeyance pending the production by the provinces of a better method of amending constitution". Was I wrong in my view of the matter?

Honourable senators, I will not review all the speeches made in the debate so far. There have been some suggestions which really have nothing to support them. For instance, an elected Senate was proposed. Apparently no one is really for that. There is a good reason why that is so: the Senate was deliberately created an appointive rather than an elective body. It must not be forgotten that the Fathers of Confederation, who decided once and for ever that the Senate would not be elected, had had experience of both an elected and an appointed upper chamber.

Another suggestion has been abolition of the life tenure of senatorial office. Do those who suggest this not realize that life tenure was established in order to make the Senate absolutely independent, free from any coercion, or even persuasion? By way of comment on the proposal that senators should retire at seventy-five, I wish to refer to one of our members who reached that age on the 14th of this month, the senator from Bedford (Hon. Mr. Nicol). Considering his experience as a lawyer, a member of the Legislative Assembly of Quebec, a minister in the government of that province, a legislative councillor, President of the Legislative Council,

the owner and publisher of newspapers, the president of a number of trust companies, a director of banks, and so on, do you not think that it would be a crime against the Senate and Canada to deprive this chamber of the advice, knowledge, wisdom and experience of this man just because he is seventy-five years old?

Hon. Mr. David: Hear, hear.

Hon. Mr. Marcotte: Honourable senators that would be criminal. The senator from Bedford (Hon. Mr. Nicol) is not the only one in that position. Check the list, and you will learn what the Senate will lose if in two or three years there are put on retirement a dozen senators who will have reached the famous seventy-five-year limit.

No, you should be kind to those of us who have the misfortune of being sick or ailing. Such men are not numerous, and it should be remembered that for many years they gave the country the best that was in them. They did not come here for money; the indemnity was not large enough to attract them. They just responded to the command to be here. Are you going to dismiss them today?

I have already spoken too long; but may I be permitted to refer to the statement made in the address of the senator from Ottawa (Hon. Mr. Lambert), that the conferences between the federal government and the provinces are not over, and it is necessary once more to cover this ground of our responsibility to the provinces. I should like to answer the critics who say that times have changed, but it is not necessary to do so at the present. Other opportunities will come, and if I am still here I will then take more time to answer the questions.

I will conclude this long address by reading a paragraph from a letter written to me by the young and talented senator who left us so unexpectedly. I refer to the late Senator Bench. These are his words:

> I respectfully think that it will take more than a few speeches to raise the present level of public opinion of the Senate. However, I am equally sure that, should we take on a few pieces of work of a constructive nature in the national interest, the Canadian people would soon become conscious of the value of this branch of our parliament. In giving a few talks of the character of that represented by the pamphlet which you have received, I have discovered that there is a woeful ignorance on the part of our people of the real purpose and function of the Senate. In every case I have found a very interested and acquisitive audience. The people want to know, and it is our own fault if we do not inform them.

It has been my personal experience, and I am sure that of my honourable colleagues, that because of a lack of publicity there is a consequent lack of knowledge of our duties, our powers and our activities, and of the reasons for the existence of the Senate.

May I suggest to our two honourable leaders that they should join with those members of this house who are owners or publishers of newspapers, or special writers, and form a committee to bring before the public the much needed publicity of the Senate. All large corporations have today what are known as public relations men. Why does not the Senate have them?

Does the Senate wish for more work to do? This question was intelligently elaborated on by the senator from Vancouver South (Hon. Mr. Farris). Is our work just what we do here, or does it not also include what we do outside of this chamber? I would not go as far as my friend the honourable senator from Blaine Lake (Hon. Mr. Horner) in his remarks on the salaries paid our two leaders, because I want men who are doing special work to be adequately paid. But what is their special work, if it is not the finding of things for the Senate to do, such as researches, inquiries and investigations for the good of the country, quite apart from its legislative duties.

Do not make the mistake which has been made here so often. The Senate was not created to initiate, but rather to revise, correct, amend and even reject legislation initiated by the one body elected by the public. No matter what you do or how you do it, you will be criticized. It has been said that you cannot please everyone and your mother-in-law. This applies to all mankind. Everyone is criticizing the Senate, but it is worthy of note that almost every club, society and association has created it own senate. Every member wants to be a senator and, by parenthesis, this abuse of our title should be stopped.

Honourable senators, do not worry about the fate of this chamber. The men who by reason of their past experience were so wise, have made of the Senate a kind of Gibraltar which will survive all attacks. Just remain what you are, what your predecessors have been, what your successors will be: wise, patient men of goodwill, always ready to obey the command which brought you here, anxious to co-operate for the public good, accepting the duties cast upon you, and even more at the requests of your leaders. Just do that and you will be as happy as I wish you to be.

Some Hon. Senators: Hear, hear.

Hon. Cairine R. Wilson: Honourable senators, as the only person in this chamber at

the moment who could possibly be a mother-in-law, I should perhaps be a little more nervous about addressing this honourable body than I am.

When my leader (Hon. Mr. Robertson) proposed this extremely mild resolution, it never occurred to me that it would bring forth so many speeches or engender as much heated discussion as it has. We have learned much from the very fine addresses to which we have listened about the history of the Senate, its duties and its accomplishments over the years.

I must express my surprise at the impressive speech—possibly the longest and most important one delivered in this debate—of the senator from Vancouver South (Hon. Mr. Farris), for was he not chairman of a committee which was appointed for the very purpose of determining whether the role of the Senate could not be made more effective and its work more efficient.

I am sure we are all convinced of the wisdom and foresight of the Fathers of Confederation and of those who framed the British North America Act. But I choose to agree with the late Minister of Justice, the Right Honourable Ernest Lapointe, who said that it should not be regarded as being as sacred as the Ark of the Covenant. When the senator from Blaine Lake (Hon. Mr. Horner) alluded to the deformation of the Senate, I quite expected that he was about to mention the entry of women into this body. The Fathers of Confederation, I am quite sure, never envisaged their admission, and the justices of the Supreme Court of Canada seemed to be of the same opinion, for the members of that tribunal, with the exception of the Honourable Mr. Justice Duff, were unanimous in their verdict that women were not persons within the meaning of the British North America Act. The Judicial Committee of the Privy Council—and I may be subject to correction on this statement—seemed more disposed to accept changing conditions than to agree with the narrow interpretation of the law; and that body gave as its verdict that women were persons, and therefore eligible for appointment to the Senate.

I entered this chamber, I confess, with much trepidation, but I am quite ready to admit that the senators treated me with every possible courtesy. I was particularly gratified when two years later the late Senator Riley said, "We did not like it one bit when you came in, but we would not have it changed now."

Some Hon. Senators: Hear, hear.

Hon. Mrs. Wilson: I have always understood that no body or no person can remain stationary: either we go forward or fall back. I was driving on one occasion with an important executive who held a very responsible position. He had reached the age of sixty-five, and he said, "I should like to retire. I no longer go out to meet problems; I always wonder if there is any reason why I should make a decision today." I know that, like the honourable senator from Shelburne (Hon. Mr. Robertson) and the honourable senator from Inkerman (Hon. Mr. Hugessen) I am subject to the reproach of having been appointed too young, and the suspicion that therefore I may subscribe more readily to their opinions. But I do not think it is right for anyone to have the privilege of remaining in the Senate too long. I realize that wisdom is not the sole prerogative of age. I could cite the classic examples of Pitt, who was Prime Minister of England at the age of twenty-four, and Alexander the Great who, longing for "more worlds to conquer", died at thirty-three.

There is no indignity involved in retirement. I realize that most pension schemes which embrace women require them to retire from the active scene at sixty; and although, I confess that I cannot now comply with that age limit, I would readily consent to retire at the age which has been suggested during this debate. Our bankers, business men and others are, in general, required to retire at sixty-five; and do we not owe them a great debt of gratitude for the manner in which, when their business lives are brought to a close, they serve in the administration of our philanthropic organizations? The same spirit inspires not a few of our college professors. I should like to refer to Dr. Tory, former President of the Research Council, who at the age of seventy-nine established Carleton College, Ottawa. He did not feel that it was necessary to give up active life because of his withdrawal from the particular work which he had been doing. Dr. Archibald, formerly head of our Experimental Farms, was called upon after his resignation by the Government of Ethiopia to survey their agriculture and find means of increasing production.

We listened the other night in the other place to a debate on the problems of the older worker; and I fancy many have read the mimeographed report on the film "Date of Birth" which has been issued by our Department of Labour. Unfortunately many of our pension schemes impose hardship on the older worker, for firms are loath to engage people over forty-five because they cannot make a proper contribution in terms of money to their pension schemes.

I did not like to hear the honourable senator from Blaine Lake (Hon. Mr. Horner) say that he did not wish to be classed with the civil servants. I for one should be very proud to be classed with many of them, for they are doing a splendid work not only for Canada but in the international bodies. One of our ministers complained that his only difficulty in relation to his staff was that his senior officers are so much in demand that he cannot get the full benefit of their services at home. Yesterday we paid tribute to one of these men, cut off at a very early age, who had given incalculable services and certainly will be very much missed.

Criticisms have been expresed of some articles in the press; but I should like you to read two very carefully considered and sympathetic contributions in *Saturday Night* by Wilfrid Eggleston. Having served as secretary of the body that considered the subject of Dominion-Provincial relations, he should know better than any other newspaperman what is the constitutional position of senators.

Before concluding, I should like to quote a few lines from John Buchan's book, "Memory Hold-the-Door":

> My years in parliament left me a more convinced believer than ever in democracy, but convinced too that the democratic technique wanted overhauling. I remembered Burke's words: "There ever is within parliament itself a power of renovating its principles and effecting a self-reformation which no other place of government has ever contained . . . Public troubles have often called upon this country to look into its constitution. It has ever been bettered by such a revision.

Dr. W. D. Coolidge, world-famous scientist and director emeritus of the General Electric Research Laboratory at Schenectady, New York, at the official opening of the new synchroton laboratories at Queen's University uttered these comments:

> It is easy for us to forget that our democratic form of government, to which we owe our freedom, needs constant effort on our part for its preservation.

I have risen at this time to support wholeheartedly the resolutions suggested by the honourable senator from Inkerman. The adoption of these, and some provision for nominations from the provinces, would enable the Senate more adequately to represent public opinion throughout the country.

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

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

APPROPRIATION BILL No. 1

SECOND READING

Hon. Wishart McL. Robertson moved second reading of Bill 169, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1952.

He said: Honourable senators, I need not enlarge upon the fact that the particular supply bill which is before us embodies a request of the government for supply for the year ahead. It has nothing whatever to do with the measure relating to the supplementary estimates, which is still before the other place. This deals with interim supply for a certain period in the new year. For the information of some honourable senators who are newcomers and may be unfamiliar with our procedure, I will mention that it is a common practice to ask for a certain amount of money to take care of more immediate obligations with which the Department of Finance is faced. This bill permits the government to finance the public service and carry on the business of the country for a specified time, pending the passing of a final supply bill. The general proportion of one-sixth for all services is intended to provide for all ordinary requirements of the public service to the end of May. The additional proportions requested for certain special items are necessitated by the seasonal and sessional nature of the services affected. In no case, however, is the total amount of any item being asked for. The form of the bill itself varies in no way from that of similar bills in previous years.

The first amount asked for under this bill is $413,758,902.33. This represents one-sixth of the main estimates to be voted, excluding those estimates authorized by statute, and is covered by section 2.

Honourable senators are aware that while most types of expenditure run more or less evenly throughout the year, there are a few items which require in a given period more than the one-sixth allotted to them under this measure. The special expenditures in the bill before us are listed under schedules "A", "B", "C", and "D". They concern twenty-six different votes. With respect to these an increase is sought in the allotment, such increases ranging by degrees, from one-twelfth to three-quarters.

Section 3 of the bill would grant an additional sum of $1,644,656.25. This is three-quarters of the items set forth in schedule "A"

to the bill. This amount is to cover payment to Trans-Canada Airlines for the transportation of United Kingdom immigrants, which it is contemplated will take place in the early part of the fiscal year. It will also cover the administration of the Wartime Prices and Trade Board, which will cease to function by July 31, 1951; assistance to certain residents of Newfoundland to give effect to the Terms of Union with Canada, and payment by the government of Canada, under agreement with the government of Manitoba establishing the Greater Winnipeg Dyking Board.

Section 4 of the bill provides $4,040,634.67, or one-third of the three items listed in schedule "B" to the bill. This additional amount is required because of the heavier expenditure early in the fiscal year for freight assistance on western feed grains, the Canadian-International Trade Fair 1951, and the census which is to take place this year.

Section 5 of the bill would provide $536,759.17, or one-sixth of the amount of the five items listed in schedule "C" to the bill. These items cover, principally, the early acquisition and improvement of desirable properties for Canadian government offices and residences abroad, and the principal administrative costs of the Senate and the House of Commons, which tend to be incurred early in the fiscal year.

Section 6 of the bill would vote $1,322,403.33, or one-twelth of the items set out in schedule "D". This amount is required because expenditure under these items, particularly as regards those that come under the Department of Resources and Development, are heaviest in the spring months.

Honourable senators, it is hardly necessary for me to say that the passing of this bill will not prejudice the rights and privileges of members to criticize and discuss any item in the estimates which will come up for consideration from time to time throughout the remainder of the session. I give the usual undertaking that such rights and privileges will be respected, and will not be curtailed or restricted in any way as a result of the passing of this measure.

Hon. John T. Haig: Honourable senators, for the benefit of our newer members I should like to repeat what the leader of the government (Hon. Mr. Robertson) has just said. The passing of this bill will not preclude any member from criticizing and discussing any items that will come before this house during the remainder of the session. In fact, this bill could be dealt with as a budget matter, and honourable members would have the right to discuss the whole gamut of expenditures which the government has made or may be expected to make this year. However, it is the practice—and I think it is a reasonable one—to pass these interim supply bills without too much protest or delay, in order that the government may carry on the business of the country for a certain period.

At this time I wish to refer to one or two items in the bill, merely because I do not want to be found guilty of something which the honourable leader of the government accused me of doing yesterday. He made his accusation in the hallway and not in this chamber; otherwise I would ask him to retract his remarks He said that when I got up to discuss the wheat question my speech incited about fifteen other senators to follow me in the debate.

Hon. Mr. Robertson: I was not criticizing my honourable friend, I was complimenting him.

Hon. Mr. Haig: The trouble seems to be that the fervour of the debate has returned to the other place, and no one can tell when this particular wheat question will be settled.

Honourable senators, with reference to the item under schedule "A" which has to do with the Greater Winnipeg Dyking Board, I want to say that the money paid by the Government of Canada to the Government of Manitoba has been wisely used. The affairs of this Board have been ably administered, and those in charge are to be congratulated.

Honourable senators, I think it is proper for me at this time to again thank the people of North America, the United Kingdom, France and other countries, who so magnificently responded to the Manitoba Flood Relief Fund. A little over eight and a quarter million dollars was raised, and the money has been spent to rehabilitate the people of the Red River Valley who lost furniture and equipment in the flood disaster of last June. I think the only possible criticism that could be made of those who administered this fund was that sometimes they were too liberal. As the people of Manitoba put up approximately a quarter of this money themselves, naturally they have been concerned about its disposal; but I have never heard a single word of complaint about the administration of the fund. I believe that only two officials in charge of the fund received any remuneration, and many Winnipeg citizens contributed their services voluntarily.

I wish also to congratulate the federal government upon the contribution made to flood relief and to the work that has been done towards coping with floods that may occur in the future. No one can definitely

say yet whether this work will prove to have been sufficient, but any reasonable person will agree that the dyking and engineering have been done as well as possible and should provide ample protection against any emergency that may arise in the foreseeable future.

With these remarks, I have no objection to the passage of the bill.

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

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I move the third reading now.

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

STAFF OF THE SENATE

REPORTS OF INTERNAL ECONOMY COMMITTEE CONCURRED IN

The Senate proceeded to consideration of the second report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. Beaubien: Honourable senators, if I may have unanimous consent, I will move concurrence in this report, as well as in the committee's third, fourth, fifth and sixth reports, all of which are now before the house for consideration.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, as we have now cleared our order paper, I will move that the house adjourn during pleasure, to reassemble this afternoon at the call of the bell. For the convenience of members I would point out that we shall not be reassembling earlier than 4 o'clock. The only matters likely to come before us this afternoon are the supplementary estimates and interim supply, and these have still to be dealt with in the other house, which is meeting at 3 o'clock.

The Senate adjourned during pleasure.

The sitting was resumed.

Hon. Mr. Robertson: Honourable senators, the supplementary estimates have not yet reached us, but there is some hope that they will come to us later this afternoon. Therefore I would suggest that the house again adjourn during pleasure, to reassemble at approximately 5 p.m., at which time we can decide upon a further adjournment, if necessary.

I move, honourable senators, that this house do now adjourn to reassemble at the call of the bell, not earlier than 5 o'clock this afternoon.

The Senate adjourned during pleasure.

The sitting was resumed.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Honourable Patrick Kerwin, a Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber at 5.45 p.m. for the purpose of giving the Royal Assent to certain bills.

WATER RIGHTS IN BRITISH COLUMBIA

INQUIRY

Hon. Senator Reid inquired of the government:

Has the attention of The Honourable the Minister of Citizenship and Immigration been drawn to the granting by the Provincial Government of British Columbia of certain water rights to the Aluminum Company of Canada in the interior of that Province; if so, what steps have or are being taken to protect the possible loss of certain Interior Indians' main supply of food, namely, salmon?

Hon. Mr. Robertson: The answer furnished me is that, while the Minister of Citizenship and Immigration has not received any direct advice from the provincial government of British Columbia that water rights have been granted in the interior of the province to the Aluminum Company of Canada, he is aware that a statement appeared in the press to the effect that an agreement had been reached between the province and the Aluminum Company of Canada covering the granting of such rights. The Department of Fisheries has had under active study the matter of salmon conservation in the area covered by the agreement, and has been working closely with those concerned on ways and means of protecting salmon, in the interests of Indians and others who might be affected.

PACIFIC GREAT EASTERN RAILWAY

INQUIRY

Hon. Senator Reid inquired of the government:

What representations, if any, have been made by the provincial Government of British Columbia or

by any minister of or official of that government, having regard to further extension or construction of the Pacific Great Eastern Railway?

Hon. Mr. Robertson: The answer is that none have been received by the Department of Transport or by the Board of Transport Commissioners.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, I am informed that consideration of the bill in the other place is practically completed; but in order that we shall have adequate opportunity to deal with it here, I suggest that the wise course to pursue is to adjourn until 7.30 this evening, when we can take up consideration of the measure.

The Senate adjourned until 7.30 p.m.

At 7.30 p.m. the sitting was resumed.

APPROPRIATION BILL No. 2

FIRST READING

A message was received from the House of Commons with Bill 173, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1951.

The bill was read the first time.

SECOND READING

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

Hon. Wishart McL. Robertson: With leave of the Senate, I move the second reading now.

Honourable senators, as I mentioned earlier today, this measure contemplates the granting of certain sums of money to cover the supplementary estimates for the public service of the financial year ending March 31, 1951. The total amount asked for by the bill is $201,556,559. The schedules of this bill include a considerable number of items, but at the moment it is my intention to refer to only four of the larger items, which total some $167 million, or approximately 83 per cent of the supplementary estimates.

The first item of any size is one of $65 million, the subject matter of which is well known to all senators, because the house availed itself of the opportunity to discuss this matter under the bill to amend the Canadian Wheat Board Act. This fact does not preclude honourable senators from again discussing this item. The point is that this subject is not new to honourable members, and I do not intend to go over the ground which has already been covered.

It would appear from the debate on the Wheat Board bill that the opposition to this expenditure of $65 million stems from three different viewpoints. The first objection would seem to come from those who feel that the granting of this money to the wheat producers is unfair to agricultural interests in other parts of Canada; the second, from people who do not agree with the principle of granting subsidies or bonuses of any kind, and the third, from those who feel that the loss suffered by the wheat growers was so far in excess of $65 million that this payment should be considerably larger.

It was suggested during the debate on this question that the granting of this payment would start a whole avalanche of these claims. That may be so, but even if the granting of this money were unopposed, I do not believe it would prevent agricultural or other interests from coming to the government in the future, as they have done in the past.

I have been interested in the suggestion that this contemplated payment to the wheat growers represents a departure from the policy which has been adopted in the past with regard to agriculture generally. That suggestion is wide of the mark. To support my contention on this point I should like to read a statement that was made recently by the Right Honourable the Minister of Agriculture, who was dealing with that specific point. He said:

> I have in my hand a sheet which covers all of the net costs of subventions, bonuses and subsidies paid by the federal Department of Agriculture for the fiscal years 1939-40 to 1949-50, covering the period of the war and not covering last year.

That is 1950. I point this out because, whether right or wrong, this is an attempt to settle a disputed matter which has been given wide publicity, and which covers operations over a considerable number of years. The minister went on:

> From those dates it will be noticed that there is still one year that we will have been paying after that. The total amount of the payments, before there was any vote proposed for wheat, was $727 million. Of that, over $169 million went to the dairy farmers in one form of subsidy or another; $248 million of it went to the livestock producers, and the greater part of that $248 million will be paid to the same persons as are producing dairy products.
>
> Then one could go on to quote the figures with regard to all the products that have been talked about. But the only other figure that I am going to use at the moment is the one having to do with apples and vegetables, including potatoes—and I must say that the potato one is the small one among these—of $30,124,000. When one recalls that there are only about 4,000 fruit growers in Nova Scotia, where they got about $21 million or rather $18 million of that amount—the $21 million would not apply until another year's payments are made —and that the province of British Columbia, with

a similar number, received up to that time some $2 million, and since then has had $2 million, one will realize that when 250,000 farmers have a subsidy of $65 million, per family the payment in every one of the other classifications, with the possible exception again of potatoes, has been higher than the payment per family in connection with any grants that have been paid to the wheat growers in connection with wheat. I give those figures in order to ease the minds of those who think that they have got to vote against this item because the people they represent did not get anything. They have all had something. In my opinion, if you take into consideration the farmers in this country from one end to the other with regard to the payments that they have received, it will be found that they have been dealt with extreme equality, no matter what part of Canada they live in or no matter what part of agriculture they have been conducting.

May I say that I am not altogether sure that the potato growers have been dealt with as favourably as others.

Hon. Mr. Vien: Has the honourable leader the detailed statement referred to in the passage he has quoted?

Hon. Mr. Robertson: No. I may say that the Minister of Agriculture said he would place it on the House of Commons *Hansard* today.

Hon. Mr. Haig: And he did.

Hon. Mr. Robertson: My honourable friend th leader of the opposition says that he did.

The Minister of Agriculture went on—

Hon. Mr. Vien: Before the honourable leader proceeds further, would he undertake to have that spread on *Hansard*?

Hon. Mr. Robertson: I certainly will. It cannot be done today, perhaps, but it will be done. I am glad that my honourable friend has drawn my attention to the matter.

This is the excerpt from the minister's remarks:

May I say that I am not altogether sure that the potato growers have been dealt with as favourably as others. Something of the kind is being contemplated at the moment.

So much for the past; now let us consider the future. I would remind honourable senators that on the statute book of this country there is legislation known as the Agricultural Prices Support Act, under which there is constantly in existence for this purpose a revolving sum of $200 million. I shall use the phraseology of the Act:

. . . the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

My honourable friends will recall that upon the expiration of that Act on March 31, 1950 it was renewed without limitation as to time. I point out that the Act specifically excludes wheat. Regardless of the merits or demerits of the proposed payment of $65 million to the wheat growers, a review of agriculture generally throughout Canada in the past readily shows that there is no undue discrimination in the present transaction.

I shall deal now with those who are not primarily interested in agriculture, but who are opposed to subsidies and subventions. May I say to such people—and many of them come from areas which benefit from the activities of secondary production—that while business may not receive direct subventions or assistance by way of taking money from the taxpayer and giving it to the producer, nevertheless, secondary industry has been receiving subsidies from the very day tariffs were instituted in this country.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: True, this is an indirect form of assistance, but it gives protection and thereby assures for the consumer prices lower than he would otherwise expect to pay. Those who come from areas which benefit from such assistance realize that it is just as genuine a subsidy as that which the farmer receives directly from taxes. Whether the assistance is direct or indirect, the result is the same. The practice of assisting industry has gone on for a long time, it is going on today, and will probably continue in the future. There was a time when agricultural interests recognized the help that was being received by industries and fought against it, saying that farm prices were competitive and that secondary industries enjoyed tariff protection.

My friend from Churchill (Hon. Mr. Crerar) a few years ago came out of the West leading a group of men who were dissatisfied because of the progress made on behalf of the farmer. When I first heard him he was championing the cause of low tariffs in order that primary producers in this country could get goods cheaper. But in this direction my honourable friend and a great many other agriculturists have wearied in well-doing. The day for championing lower tariffs seems to be gone, and leaders of agriculture in this country now try to achieve economic parity through direct subsidies or subventions of one kind or another. If you tell them that this is not the best way to accomplish their purposes, if you suggest that they should fight for lower tariffs and reduced costs, they will laugh at you. Probably they will say, "We tried that kind of thing for years, and we gave it up as hopeless".

Honourable senators who represent parts of the country which do not receive statutory aids must bear in mind that businesses which do not enjoy relief in this form receive much

assistance in other ways. They have had it in the past, they are getting it now, and they will get it in the future. As a matter of fact there is hardly a business or occupation in any part of Canada which is without public aids of one sort or another. I am not to be understood as defending this system; sometimes I wonder where it is all going to end. But that is not the point I have in mind. I am addressing myself to the question of whether there is anything new or relatively unfair, either to secondary industry or other types of agriculture, or to any other economic activity, in providing a subsidy under the circumstances we are considering. I repeat that from one end of Canada to the other people are recipients of bonuses or assistance of other kinds. Practically speaking it boils down to the question of how much this or that person gets, and from what.

Hon. Mr. Duff: I am ashamed of you.

Hon. Mr. Robertson: Let it be understood that I have never lost my belief in low tariffs. I do not approve of governmental subventions or bonuses; and so far as I am concerned, if those who receive these indirect and less manifest aids would join me, I would fight tariffs of all descriptions. To my mind the greatest danger to this world today is not Russia; it is a pyramided system of protective measures whereby many countries, particularly those composing the Atlantic union, are taxing each other's products to an extent which endangers their entire economy. I invite my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) to join me in opposing not only subsidies which are open and above board, but the secondary aids which apply to practically all industries in this country. I would like to devote my time to eliminating them all and letting the breath of free trade circulate through our entire economy.

Hon. Mr. Roebuck: It's a deal.

Hon. Mr. Robertson: That, I think is the most worth-while work in which we could engage. I am not now speaking officially. As honourable senators know, I occasionally find some difficulty in defining my position —whether as that of a member of the government, or an individual. Personally I have more than a passing interest in Atlantic union, not only because, as far as defence is concerned, it is our only hope, but because it offers a way, and I believe, the only way, of enabling ourselves and others to produce and pay for the necessary sinews of war.

To my honourable friends opposite who feel that the sum proposed does not begin to be enough, I would say that I have no fault to find with them for enlarging their claims to the extent of $330 million, or even $530 million. I believe I pointed out yesterday that however much the farmers receive they, like everyone else, will have to pay a big chunk of it in income tax. In those circumstances a large sum dwindles pretty quickly.

So, bearing in mind that almost every honourable senator present represents some area which receives subsidies, direct or indirect, hidden or disclosed, I suggest that on this particular issue, "He that is without sin among you, let him first cast a stone".

I now address myself to the next item, but briefly, for I know that other honourable senators want to take part in the discussion.

Hon. Mr. Crerar: May I ask the honourable leader a question at this point? The amount of $65 million is included in the estimates for the Department of Agriculture, while the Canadian Wheat Board, to which this money will be paid, is under the direction of the Minister of Trade and Commerce. There is also another item of $2½ million in the estimates which is to make good certain flax losses incurred a few years ago. This item is being voted in the estimates for the Department of Trade and Commerce. Perhaps the leader will explain why the $65 million does not come under the estimates of the Department of Trade and Commerce.

Hon. Mr. Robertson: This question is of a technical nature, and I do not know that I am prepared to answer it. I would say that if this money is granted and it does not find its way to the Wheat Board, somebody will hear about it.

There is another item of $7,250,000 for Canada's contribution to the United Nations Relief and Rehabilitation program for Korea. I have no particular information about this item, but the expenditure is for a deserving cause, to which we obligated ourselves. I should imagine that if the war in Korea is not soon ended, it will not be long before a substantially larger amount is requested for this same purpose.

There is an item of $75 million to provide for the transfer to the Civil Service Superannuation Account of a special government contribution of a portion of the amount by which the estimated liabilities exceed the balance in the account. My information is that for various reasons there has been in that account a growing shortage of the necessary money to put it on a strict actuarial basis. This shortage dates back to the days of Mr. Bennett. It was considerably less at that time than it is now, but it has been growing steadily, and it is a government obligation. I believe the Minister of Finance said in another place that following a

complete examination of the matter a detailed report will be made; and if it is found necessary, legislation will be introduced to correct the situation before the termination of this session of parliament.

There is an item of $19,410,000 to provide for the defence forces of the navy, army and air services. This money is required in addition to what has already been voted for the costly defence program upon which this country has embarked.

Honourable senators, I do not profess to have any great knowledge of the details of all the estimates before the house, but I shall be glad to try to answer any questions honourable senators may ask.

Some Hon. Senators: Hear, hear.

Hon. R. B. Horner: Honourable senators, I rise to speak tonight because the leader of the government (Hon. Mr. Robertson), made particular reference to me yesterday when discussing the wheat question. We have heard a lot of talk in this chamber about the duty of honourable senators to protect provincial rights. We have also heard that the province of Saskatchewan produces more wheat than the other nine provinces put together. It is needless to say, therefore, that Saskatchewan is vitally interested in this question. Yesterday the leader of the government spoke about the time when the western farmers got as little as 30 cents a bushel for their wheat, and he intimated that they would prefer some kind of protection against such a low price, even though it involved a temporary ceiling of $1 or $1.25.

Certainly the farmer of the vast Saskatchewan plains is somewhat of a gambler. He goes to great expense to seed a large acreage, not knowing what harvest he may reap. When the world price for wheat was low he had to take what he could get; but, when world conditions warranted paying him a price for his wheat which would enable him to rehabilitate himself by constructing new farm buildings and buying new machinery, what happened? The government negotiated a contract, and now it comes along and offers the farmers this almost insulting amount of $65 million. It will be remembered that the Canadian Wheat Board was taken entirely out of the hands of the farmers and was made a political board. The wheat farmers of Western Canada, who once had to accept as little as 30 cents a bushel for their grain, found that under the Anglo-Canadian wheat agreement they were forced to take a price lower than that offered on the world market. And this was at a time when world conditions warranted a higher price. The western farmer was put in the position of a poker player who has been constantly losing and who, just when the pot gets full and he finally gets a good hand, finds that somebody upsets the table and calls off the game.

An Hon. Senator: The farmers themselves upset the table.

Hon. Mr. Horner: I feel that I am duty bound to protest this small payment of $65 million. Some people talk about the farmers of Eastern Canada objecting to it. Why, the amount should be $565 million; what is offered here is really an insult.

Hon. Mr. Nicol: Oh, no.

Hon. Mr. McKeen: Let us all be insulted.

Hon. Mr. Aseltine: This is just the first payment.

Hon. Mr. Horner: Yes, and it will only go a little way. I resented the leader of the government pointing his finger at me yesterday.

Talking about world conditions, I notice that the people of five of the states in the Republic of Brazil are suffering from starvation, and these states have asked the national congress for assistance. As I have said, the Saskatchewan farmers are the wheat producers of this country, and their annual crop has proven of benefit to all the people of Canada. I cannot see why there should be any hesitancy in voting this measly sum of $65 million when the wheat producers have already had $700 million taken from them. Let me tell honourable senators another thing. The Saskatchewan farmers have paid more income tax than the farmers of any other province of Canada.

Hon. Mr. McKeen: And they will pay more next year.

Hon. Mr. Horner: Yes. Their taxes for 1950 will probably amount to $10 million. That is real money. It isn't hay. I think the people who balk at paying this money should feel ashamed of the way the wheat farmers have been let down.

Some Hon. Senators: Hear, hear.

Hon. T. A. Crerar: Honourable senators, it is a pretty safe prediction that when the history of these times is written this whole wheat marketing episode will be set down as a remarkable incident. This experience affords to us one clear and excellent lesson, that governments should not be in this kind of business.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: Bulk trading in different commodities between governments has always been one of the cardinal tenets of socialist doctrine. That was the cardinal principle of the CCF, so-called, in its various

appeals at different times to the Canadian electorate, and never on any occasion—excepting in one province, and for a particular reason—did the CCF ever come within striking distance of attaining office. In other words, the Canadian people time and again repudiated the philosophy of state trading and bulk contracts as between governments. The remarkable fact that will be noted by future historians of these times is that it was a government calling itself Liberal which fastened this thing for the time being on the people of Canada. Except under very special conditions, such as exist in time of war, any socialist doctrine of state trading and government operation of plants is not sanctified and glorified by being given the name Liberal. Such a doctrine is just as socialist today as it ever was.

What has been the result of the Anglo-Canadian wheat agreement? I am aware of the pressure that the government was under in 1946, a year or so after the war, to make an agreement of this kind. That pressure came from organized farmers, chiefly in Western Canada, who in a large measure were supporters of the CCF policy; and the unfortunate fact is that at the time the government conceded their point of view, and we entered into this contract for the sale of 600 million bushels of wheat over a period of four years. This was the greatest gamble ever taken in the whole history of wheat marketing. How could it be justified? Today we have the inevitable result, for the gamble went the wrong way, and because of that, despite the hard-pressed circumstances of these times, and our mounting budgets and growing inflation, we have to dig into the natonal treasury for $65 million as a partial compensation for the losses that the farmers suffered under this agreement.

Hon. Mr. Horner: "Partial" is a very good word there.

Hon. Mr. Crerar: Yes. My honourable friend from Blaine Lake (Hon. Mr. Horner) is on the other side of the fence from me on this question.

Hon. Mr. Lambert: Not very far.

Hon. Mr. Crerar: There is no justification for the payment by the government of a single cent on this deal.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: I say that as a western farmer who, as I mentioned the other day, will be a beneficiary of the government's bounty to the extent of an additional four and one half cents a bushel if this money is voted.

Is there no justification for a payment by the government? It was the leaders of the farm organizations in Western Canada and the Federation of Agriculture who pressed this policy upon the government. According to a statement made a few years ago by the Minister of Agriculture, after the contract had been entered into, they approved the contract even before it was signed. And now that it has not worked out satisfactorily, they come back and ask to be compensated for their losses. They vary in their representations to the government as to the amount lost, but none of them place the figure as high as the $750 million estimated by the senator from Blaine Lake (Hon. Mr. Horner). I do not think the actual loss was that heavy, but it is certain that it was a great deal more than the amount provided in the measure before us.

Presently we shall have another illustration of an agreement that has not worked out well, and perhaps the Minister of Finance had better be giving it some consideration.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: I did not know until this moment, honourable senators, that the minister was in the gallery. He has now received my message personally. The result of the International Wheat Agreement will probably be similar to that of the United Kingdom agreement. I am against state trading, and I do not care who knows it.

The leader of the government (Hon. Mr. Robertson) paid me the compliment of mentioning that on one occasion, a good many years ago, I headed a delegation to parliament. That is quite true. Then he expressed some regret that I had wearied in well doing. Well, the honourable leader is a very good friend of mine, and I think that after a little reflection he will agree that I still believe in the fundamental policies that I believed in thirty years ago.

Hon. Mr. Robertson: I was talking about tariffs.

Hon. Mr. Crerar: As to tariffs, we have achieved a great deal. I have marched in step with the leader of the government in this house (Hon. Mr. Robertson), and I am quite willing to go with him as a delegation to the Minister of Finance, to see if we cannot get further reductions.

I repeat that the loss under this wheat agreement is the result of a wholly mistaken policy. I am not going to suggest that those in the government who advocated this policy at the time it was adopted were not acting in good faith. Nor am I going to suggest that they did not think it would be

in the interest of the farmers of Western Canada to have an agreement of this kind. Not for a moment. But, out of a long experience in the grain business, let me say that any individual or government that sells 600 million bushels of wheat for delivery over the succeeding four years is doing nothing else than gambling on the result.

Hon. Mr. Duff: Quite right.

Hon. Mr. Crerar: That has been demonstrated time and time again.

There was a way in which the government could have sold wheat to Britain without entering into an agreement of this kind. After Britain had suffered the terrible strain of the war years, during which her economy had been practically wrecked, if the Canadian government had wished to give her some assistance—and in those circumstances the giving of assistance was wholly justified—it could have done so by having the Wheat Board buy wheat in the open market, and sell it to Britain at a certain price—$1.55 a bushel, if you like—and having the people of Canada bear the loss.

Hon. Mr. Aseltine: Does the honourable senator not mean that the government should have bought the wheat on the open market and given it to Great Britain?

Hon. Mr. Crerar: Yes, that is what I mean.

Hon. Mr. Aseltine: You said the Wheat Board should have bought it.

Hon. Mr. Crerar: Perhaps I did not make that clear to my honourable friend. The wheat could have been bought in the market for account of the government, which could have accepted $1.55 a bushel and written off the difference out of the treasury. In that way the government and the people of Canada could have given whatever assistance they wished to the British people, and we would not have been in this mess today. But for this marketing arrangement, the consumers of Canada would have paid the full price for their bread, and the flour mills would have had to buy their wheat requirements at the market price. As it was, the Canadian millers bought their wheat at the price fixed by the British agreement, with the practical result that the western wheat growers really subsidized the bread consumers of this country.

Hon. Mr. Horner: That is right.

Hon. Mr. Crerar: There is no question about it. I realize that though I speak with some vehemence against this procedure and this policy, the vote will go through.

Hon. Mr. Beaubien: I think it will.

Hon. Mr. Crerar: The energetic Whip on this side assures me that that is the case.

Let us not deceive ourselves: this is costly business. I was not much impressed by the argument put up by the leader of the government that the potato growers, the fruit growers and the livestock producers had over a period of years benefited to the extent of an amount in the neighbourhood of $727 million. How does that justify a contribution now by the treasury of $65 million to the wheat growers?

Hon. Mr. Aseltine: It is a pretty good argument.

Hon. Mr. Crerar: Are we going to put this whole business on the auction block, as it were, with one class of producer bidding against another? My answer to the argument of my honourable colleague is this. The Minister of Finance had better give some serious thought to the direction in which we are going. The only salvation for this country, in my humble opinion, is to get away from this sort of thing, and get back to some of the old virtues which were possessed by the people who developed this country. They did not look to the government on every occasion for a handout. I say, with all the sense of responsibility I have as a member of this house, that no economy, here or elsewhere, can stand such pressure and such drains upon it. Sooner or later we will burst into more inflation, and we will never catch up with it. As a result we will all sink down together in trouble and despair. Frankly, that is not the kind of Liberalism upon which I was nourished. I do not think you can take C.C.F. policies of this kind, turn them around, and call them Liberal policies.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Crerar: The opposition to these policies seems to me to be directed at doing as much damage as possible to the government and getting as little odium as possible from the wheat growers. We have had a fine exhibition of straddling the fence. But honourable senators, the people of this country are getting a little weary of fence-sitters and fence-straddlers.

Hon. Mr. Aseltine: I hope you are not referring to us over here.

Hon. Mr. Duff: Yes, he is.

Hon. Mr. Crerar: We must get down to a sober sense of realism in dealing with these things. The Canadian people are a great nation, but the apparent characteristic of governments today seems to be their fear of

the people. That is wrong; governments should trust the people. That is a cardinal principle of Liberalism.

Hon. Mr. Duff: "Attaboy."

Hon. Mr. Crerar: I have enough confidence in the sanity and judgment of the Canadian people to believe that if they are given the real facts they will inevitably reach a sound and honest judgment.

Hon. Norman P. Lambert: Honourable senators, I understand that by giving second reading to this bill the house agrees to the principle of the measure as a whole. I am particularly interested in Item 576 in the bill, but I intend to defer further comment on it until the motion for third reading. I have no desire at the present time to thresh old straw or to repeat what was said yesterday in the debate on the Canadian Wheat Board Bill. For that reason I will defer my remarks on this particular item until third reading; and in view of the exception that I take to this one item, I trust that when the bill before us in given second reading it will be noted that it passes on division.

Hon. A. W. Roebuck: Honourable senators, I too have no desire to thresh old straw. In speaking yesterday afternoon I made my position clear beyond all peradventure—that I would have none of this type of legislation and would vote against this feature of the measure. My objection is to the proposed payment of $65 million to the wheat growers of the West. It is not necessary for me to go over that argument tonight.

I must, however, acknowledge and respond to the two very kind invitations which the government leader extended to me tonight. He pointed out that the industrial interests of the locality from which I come have for many years enjoyed special protection by reason of tariff concessions, and that they are charging more for their goods than they are worth on the world markets. He pointed out also that the member from Churchill (Hon. Mr. Crerar) came down from the West on one occasion championing lower tariffs, but that he wearied in well doing. I want to say to my friend from Shelburne (Hon. Mr. Robertson) that I have advocated lower tariffs all my adult life, and I come, not from the free-trading West, but from the protectionist city of Toronto. Regardless of the riding I represented, I kept the low-tariff flag flying. It has been my view that the people who have lost most by reason of obstructive tariffs are the people of the industrial city of Toronto, and that it and other cities like it stand to gain most by freer trade.

Hon. Mr. Duff: Quite true.

Hon. Mr. Roebuck: In all the years I have never declared a truce with those who raid the treasury in this way, and I am not changing my attitude now.

The honourable gentleman from Shelburne (Hon. Mr. Robertson) invited me to join him in a raid on that particular form of special privilege. I accepted his invitation, and said it was a deal.

But what am I to say to his other invitation; that, because there are in my city protected interests—whom I always oppose—I should join with him in this raid upon the public treasury by the wheat growers of the West? That is something of the same character, and in the same category as protection. Why, when the honourable gentleman from Blaine Lake (Hon. Mr. Horner) was talking about what the raiders expect to get as a "measly" $65 million, I could even recognize the language of the protected interests. I remembered how "infant industries" in my own city and other industrial centres, after obtaining a tariff protection of 7 per cent—raised later to 10, 15, 30, 35, 40 and even 50 per cent—complained that the protection was not high enough. We are to understand that this raid of a "measly" $65 million upon the treasury is to be regarded as an insult to those who are getting away with that amount of money! I observe the same type of thinking which actuated those who, because of governmental favours, have been able to raid their fellow citizens by charging for their goods more than those goods were worth. I note the same kind of logic in the speech of the honourable gentleman from Blaine Lake. So I do not accept the second invitation: I will not join the honourable senator from Shelburne or anyone else in one raid on the treasury because there have been other raids on the treasury.

As I said in my opening remarks, I am not going to thresh old straw. I made my position clear yesterday and on many previous occasions. I am opposed to this grant of $65 million.

Hon. Frederick W. Pirie: Honourable senators, as I do not wish to prolong the debate I shall be very brief. Like the previous speaker, I have not changed my position. The honourable leader (Hon. Mr. Robertson) presented this evening a very fair, straightforward case in connection with the supplementary estimates; but, as he mentioned some subsidy that has been paid to potato growers in the East, I want to make it clear that I am a potato grower and a farmer, and up to the present moment I have

never received so much as a five-cent bonus on potatoes; I never expect to get one; and I do not want it.

Hon. Mr. Duff: Good for you!

Hon. Mr. Pirie: I maintain the position I took yesterday, that this $65 million which it is proposed to place on the backs of the Canadian taxpayers is not "chicken feed", for it amounts to a payment of $5 by every man, woman and child in the dominion. I oppose that sort of thing.

As the honourable senator from Ottawa (Hon. Mr. Lambert) has remarked, there will probably be a division on this question; and, like my honourable friend from Churchill (Hon. Mr. Crerar), I suppose the vote will be passed. I am not going to occupy any more time. I simply repeat that I shall oppose this $65 million vote in the supplementary estimates. As far as I am concerned, the other items can pass.

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

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I now move the third reading.

Hon. Norman P. Lambert: I move, seconded by the honourable member for Victoria-Carleton (Hon. Mr. Pirie):

That the bill be not now read a third time, but that it be amended by striking out Vote No. 567 in the schedule.

If I may speak briefly to this amendment, I should like to express my regret that circumstances obliged so many members of the Senate to leave the city this afternoon. But for this, and the fact that certain members have been paired for the vote, the expression of our collective opinion on this subject and on the amendment might, I think, have been more revealing.

I am sorry also that there is not a fuller attendance here tonight, because this amendment establishes a precedent, the precedent of the Senate moving for a reduction in a supply bill, and therefore represents as important a question as has been presented to this house in its whole history. There have been many occasions when votes of public moneys for buildings, or railways, or something of that kind were curtailed in this house. We are all familiar with the record in that connection. But there has never been an occasion when it was found necessary to ask for a reduction of the amount found in a bill of supply; and I submit that the object of this amendment fully justifies the precedent that is being set.

Briefly, the amendment seeks to prevent a further charge upon the people of this country at a time when unprecedentedly heavy expenditures, the full extent and significance of which will be apparent within the next few weeks, are imposing an added burden of taxation. Another purpose of the amendment is to encourage and support a spirit of unity in this country. I submit that the outlay contemplated in item 576 is invidious in every way. It represents a special benefit to a relatively small group of producers at the expense of everybody else in the country.

The remarks already made in this debate by the honourable gentleman opposite (Hon. Mr. Horner) must have convinced most of us that this vote will not satisfy anybody. He and his friends want far more than $65 million. It is also certain that the people in Saskatchewan who are opposed in politics to the senator from Blaine Lake will not be satisfied with this payment either. We shall be confronted by the fine spectacle of people reaching to the tops of the trees for more fruit. Nobody is going to be satisfied with this payment of $65 million.

Hon. Mr. Crerar: Hear, hear.

Hon. Mr. Lambert: The final purpose of my amendment is to remove a stigma from our trade relations with the Motherland and other countries, because these relations are bound to be prejudiced by the unjustifiable expenditure represented in this vote.

Honourable senators, I duly submit for your favourable consideration this amendment which has been seconded by the honourable gentleman from Victoria-Carleton (Hon. Mr. Pirie).

Hon. G. P. Campbell: Honourable senators, I do not intend to take up much time discussing this matter, because it was fully debated yesterday afternoon in this chamber. I merely rise to make one or two comments on behalf of certain industrial interests in the city of Toronto. I think the leader of the government (Hon. Mr. Robertson) has implied that the people living in industrial areas are privileged people. I should like to inform him that the manufacturers of farm implements, with whom the agricultural interests of Canada are most closely associated, have no tariff or other protection. They compete in a free and open market with American manufacturers. This situation came about as a result of pressure brought to bear on the government by Canadian agricultural interests.

Like the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) I have always been a low-tariff man, and I still

favour the reducing of tariffs. I think some of the people living in our industrial areas have suffered greatly as a result of the high tariffs imposed in this country.

Honourable senators I feel that we should clearly understand the particular problem that seems to be troubling most honourable senators with respect to this item of $65 million. I do not think that the members of this chamber have ever refused to approve grants, by way of subsidy or otherwise, to take care of any specific item, when the facts have been clearly put before them at the proper time. This item, however, does not fall within that category. This $65 million is to be given gratuitously to a special group in this country. Let us examine for a moment the facts surrounding the situation. The contract with Britain was entered into in 1946, and it assured the Canadian farmers a certain minimum price for their grain over a specified period. It also provided for a higher price should the price on the world market increase after 1947. There could be no objection to the price fixed for the first two years. The price for the subsequent years was to have regard to the difference between the price fixed in the first two years and the world price that prevailed during that time. The farmers and the wheat pools endorsed this agreement. I suggest that when the contract was to be re-negotiated to establish a price for 1948 and 1949, due regard was had to the fact that the world price was higher in the two previous years than the contract had provided for, and that a higher price was accordingly agreed upon. I suggest also that the contract was carried out in its entirety, and that the British Government lived up to it.

It was not until a later date, after the performance of the contract, that this question of an extra payment was brought up. I submit if the farmers had any serious complaint to make when the price was being negotiated for the final two years of the contract, that was the time when they should have registered their objection.

Let us examine why they did not do so. I think the answer is a simple one. I am sure the western farmers would be glad today to enter into an agreement which would guarantee them a price of $2 a bushel for their wheat over the next two or four years. The fact is that when the price of $2 a bushel was negotiated in 1947, to be paid over the next two years, this arrangement was entirely satisfactory to the wheat farmers and to the wheat pools. Not a single voice was raised in protest until the contract was nearing its end. This method of merchandising and marketing grain was largely brought about by reason of the requests made by the western farmers and the wheat pools. The Canadian people did not force it on them. The wheat producers got from both the British and Canadian governments what the contract provided for, and I am sure they received in the last two years of the contract what they considered to be a fair price. It just happened that the world price for wheat remained above $2 a bushel, and when this contract had run out the farmers complained to the government that they had not received for their wheat the high price they could have gotten for it had it been sold on a free market. Now they are asking the Canadian people to make up the difference.

I feel that it is a bit unfair for any one group in this country to expect the Canadian taxpayers to give them an additional profit. That is really what is being done. The farmers are not being compensated for any loss they suffered.

Hon. Mr. Roebuck: There was no loss.

Hon. Mr. Campbell: The truth is that the price negotiated under this contract provided a fair profit. What we are actually doing in voting this $65 million is to pay a bonus to the farmers, and there is no obligation on the part of the British or the Canadian government, nor upon the low-wage earners of Canada, to provide money for a purpose of this kind. It is for this reason that I support the amendment proposed by the honourable senator from Ottawa.

The Hon. the Speaker: Honourable senators, the question is on the amendment of Hon. Mr. Lambert, seconded by Hon. Mr. Pirie, that the bill be not now read a third time, but that it be amended by striking out Vote No. 576 in the Schedule.

Hon. Mr. Roebuck: Honourable senators, my honourable friend from Victoria-Carleton (Hon. Mr. Pirie) and I request a recorded vote.

The Hon. the Speaker: Call in the members.

The Hon. the Speaker: Honourable senators, the question is on the amendment of the Honourable Senator Lambert, seconded by the Honourable Senator Pirie, that the bill be not now read the third time, but that it be amended by striking out Vote No. 576 in the Schedule.

The amendment of Hon. Mr. Lambert was negatived on the following division:

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Hon. Mr. Campbell: Honourable senators, I was paired with the honourable gentleman from Grandeville (Hon. Mr. Bouffard). If I had voted, I should have voted in favour of the amendment.

Hon. Mr. Crerar: Hon. senators, I was paired with the honourable gentleman from Cariboo (Hon. Mr. Turgeon), an old friend of mine, who was called home last night. I can assure you that, if I had not been paired, nothing would have given me greater pleasure than to support the amendment.

Hon. Mr. Nicol: Honourable senators, I call the attention of His Honour the Speaker to the fact that the honourable gentleman from Blaine Lake (Hon. Mr. Horner) was in his seat and did not vote.

Hon. Mr. Horner: I did not think my vote was needed.

The Hon. the Speaker: Honourable senators, the question now is on the main motion for the third reading of the bill. It is moved by the Honourable Senator Robertson, seconded by the Honourable Senator Beaubien, that the bill be now read the third time.

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

ADJOURNMENT

Hon. Mr. Paterson, for Hon. Mr. Hugessen, I move that when this house adjourns today it stand adjourned until Thursday, the 5th day of April, at 11 o'clock in the morning.

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, a Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of John Andrew Hague.

An Act for the relief of Jane Louise Welle Kennedy.

An Act for the relief of Frances Danforth Stephens Ross de Lall.

An Act for the relief of Daphne May Hodgson Frosst.

An Act for the relief of Celia Frances Cantlie Molson.

An Act for the relief of Rowland Walter Tyner.

An Act for the relief of Maeve Mary Margaret McPherson Mackenzie.

An Act for the relief of Judith Francis Cohen Besner.

An Act for the relief of Edith Mary Bentley Towler.

An Act for the relief of Patricia Galley Mulvey.

An Act for the relief of Ethel Kershaw Warren.

An Act for the relief of Petrus (Peter) Surkala.

An Act for the relief of Doris Demree McMullen.

An Act for the relief of Isabella Potts Younger Ayton.

An Act for the relief of Margaret Alice McDermid Jones.

An Act for the relief of Jacqueline Moquin Verner.

An Act for the relief of Ruth Chernofsky Shaffer.

An Act for the relief of Florence Lachovitz Michael.

An Act for the relief of Eugenia Jean Diakonuk Cuthbertson.

An Act for the relief of Ruth Moffatt Bell Lansing.

An Act for the relief of Kurt Roberts, otherwise known as Kurt Rosenbaum.

An Act for the relief of Margaret Stevenson Erskine Withenshaw.

An Act for the relief of Cecile Duguay Quenneville.

An Act for the relief of Margarette Marie Hyduk Towstuk.

An Act for the relief of Joseph Maurice Fernando Lemieux.

An Act for the relief of Donald Benedict Cullen.

An Act for the relief of Valeda Ardell Derick Thorley.

An Act for the relief of Martin Raymond Quinn.

An Act for the relief of Kathleen Beatrice Denman Blackadar.

An Act for the relief of Dora Greenwell MacKinnon.

An Act for the relief of Albert Edouard Desjardins.

An Act for the relief of Raymond Boyer.

An Act for the relief of Aline Alina Buka Allaire.

An Act for the relief of Margaret Beatrice Tynan Dossin.

An Act for the relief of Kathryn Louise Morrison Ralston.

An Act for the relief of Gerald Tudor Parrott.

An Act for the relief of Marie Leontine Juliette Henriette Giguere Fiset.

An Act for the relief of Esther Marie Henning Ober.

An Act for the relief of Elmsley Alexander Leftly.

An Act for the relief of Ruth Landan Goodman.
An Act for the relief of Yvonne Michaud Telford.
An Act for the relief of Edward Albert Flewitt.
An Act for the relief of Mary Margaret Lillian Phillips Campeau.
An Act for the relief of Mary Zientek Latkowski.
An Act for the relief of Olga Kushner Dolny.
An Act for the relief of Joseph Taite Connor.
An Act for the relief of Doris Dominiqua Sernuck Wardell.
An Act for the relief of Ann Galganov Schwartz.
An Act for the relief of Doris Mayoff Weinstein.
An Act for the relief of Jean-Maurice Martel.
An Act for the relief of Ann Astroff.
An Act for the relief of Margaret Elizabeth Audrey Midgley Bennett.
An Act for the relief of Kathleen Agnes Margaret Saddleton Pout Boon.
An Act for the relief of Bill Oleschuk.
An Act for the relief of Eileen Haswell Houghton.
An Act for the relief of Saul Samuel Goldsmith.
An Act for the relief of Bridgitte Dorothea Felicity Gutmann Lowenback Brooks.
An Act for the relief of Violet Edith Hack Findlay.
An Act for the relief of Cerna Segall Bercovitch.
An Act for the relief of Paulette Charbonneau Lanthier.
An Act for the relief of Ernest Churchill.
An Act for the relief of Jean Zelda Schacter Shmukler.
An Act for the relief of Beatrice Sullivan Lees.
An Act for the relief of Kathleen Louise Jones Robinson.
An Act for the relief of Myrtle Dorcas Perry Rogers.
An Act for the relief of Nell Gohenburg Lipson.
An Act for the relief of Roslyn Beverly Gold Browman.
An Act for the relief of Rolande Dumas Fritsch.
An Act for the relief of Edith Frances Storrier Ritchie.
An Act for the relief of Dorothy Isabel Pitcher Flipping.
An Act for the relief of Sylvia Miller Ginsberg.
An Act for the relief of Fernard Senecal.
An Act for the relief of Vincent Tutino.
An Act for the relief of Paulette Joly Foley.
An Act for the relief of Jean Eurwen Jones Shaw.
An Act for the relief of Edna Donnelly Boyle.
An Act for the relief of Norma Phoebe Mary Buchanan Baker.
An Act for the relief of Grace Gloria Ramsey Racine.
An Act for the relief of Emily Ivy Rose Cook.
An Act for the relief of Homer Leavitt Ayer.
An Act for the relief of Elma Lillian Le Drew Wells.
An Act for the relief of Bertha Ellen Bradley Grant.
An Act for the relief of Brenda Mary Powell-Tuck Buhr.
An Act to incorporate Traders General Insurance Company.
An Act respecting The Dominion Asscciation of Chartered Accountants.
An Act to amend The Farm Improvement Loans Act, 1944.
An Act to confer certain Emergency Powers upon the Governor in Council.
An Act to incorporate The Evangelical Lutheran Church of Canada.
An Act to incorporate Trans-Canada Pipe Lines Limited.
An Act respecting the Department of Defence Production.
An Act to amend The United Church of Canada Act.
An Act to amend The Canadian Wheat Board Act, 1935.
An Act to amend The Foreign Exchange Control Act.
An Act to incorporate Trans Mountain Oil Pipe Line Company.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1952.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1951.

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 Thursday, April 5, at 11 a.m.

THE SENATE

Thursday, April 5, 1951

The Senate met at 11 a.m., the Acting Speaker (Hon. Thomas Vien) in the Chair.

Prayers and Routine proceedings.

NATIONAL RAILWAYS AUDITORS BILL

FIRST READING

A message was received from the House of Commons with Bill 6, an Act respecting the appointment of Auditors for National Railways.

The bill was read the first time.

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

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

YUKON BILL

FIRST READING

A message was received from the House of Commons with Bill 188, an Act to amend the Yukon Act.

The bill was read the first time.

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

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

NORTHWEST TERRITORIES BILL

FIRST READING

A message was received from the House of Commons with Bill 189, an Act to amend the Northwest Territories Act.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Paterson, for Hon. Mr. Hugessen, presented Bill I-7, an Act to incorporate the Polish National Catholic Church of America in Canada.

The bill was read the first time.

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

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

STAFF OF THE LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE CONCURRED IN

Hon. Mrs. Wilson presented the first report of the Joint Committee on the Library of Parliament, with respect to revision of salary rates of certain employees of the Library.

The Hon. the Acting Speaker: Honourable senators, when shall this report be considered?

Hon. Mrs. Wilson: With leave of the Senate, I move that the report be concurred in now.

The motion was agreed to.

GOVERNMENT LEADER OF SENATE

ABSENCE FROM SITTING

On the Orders of the Day:

Hon. Norman P. Lambert: Honourable senators, it is a matter of real regret that the government leader in the Senate (Hon. Mr. Robertson) is not present today. Unfortunately, he is indisposed. He entered a hospital in Montreal last week-end, and was operated upon on Monday. I am very glad to be able to say, however, that reports from the hospital reveal that his operation was not a serious one and that he is expected to be restored to his usual good health in the very near future. I am sure we all sympathize with him in his illness and hope for his early recovery.

BUSINESS OF THE SENATE

Hon. Mr. Lambert: Honourable senators, before the adjournment for the Easter recess the leader of the government intimated that at the conclusion of its proceedings today the Senate would adjourn for the remainder of the month of April. Nothing has since occurred to change that program. Therefore, when the Senate adjourns today it will stand adjourned until May 1 at 8 o'clock in the evening.

PRESIDENT AURIOL'S VISIT TO CANADA

JOINT MEETING OF SENATE AND HOUSE OF COMMONS

Hon. Mr. Lambert: Honourable senators, I should like to refer briefly to the ceremony to take place in the other chamber this afternoon. In accordance with the practice on similar occasions in the past, accommodation

will be provided for senators on the floor of the house. As the ceremonies will commence at 3.30, I would suggest that honourable senators be in their seats by 3.15.

Following the joint meeting in the House of Commons, which will conclude at about 4.15 o'clock, an informal reception will take place in the chambers of the Speaker of the Senate, where the speakers of both houses and their wives will officiate. All senators and their wives are cordially invited to attend the reception and be presented to the President of France and the dignitaries associated with him.

DIVORCE BILLS

FIRST READINGS

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

Bill V-6, an Act for the relief of Ellen Agnes Evans Boisvert.

Bill W-6, an Act for the relief of Muriel Bruce Higgins Greenleaf.

Bill X-6, an Act for the relief of Real Levesque.

Bill Y-6, an Act for the relief of Mary Ruth Langlois Michael.

Bill Z-6, an Act for the relief of Betty Roseman Feigelman.

Bill A-7, an Act for the relief of Rachel Aizer Forman.

Bill B-7, an Act for the relief of Romeo Paradis.

Bill C-7, an Act for the relief of Joseph Arthur Neveu.

Bill D-7, an Act for the relief of Kathleen Harrington Courcy.

Bill E-7, an Act for the relief of Anna Goralczyk Jurewicz.

Bill F-7, an Act for the relief of Colette Clement Carrieres.

Bill G-7, an Act for the relief of Bertha Barbara Bishop Wheatley.

Bill H-7, an Act for the relief of Carl Marius Nielson.

The bills were read the first time.

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

Hon. Mr. Stevenson: Next sitting.

PRIVATE BILL

SECOND READING

Hon. Mr. Moraud, on behalf of Hon. Mr. Haig, moved the second reading of Bill T-6, an Act to incorporate The Scripture Gift Mission (Canada) Incorporated.

The bill was read the second time.

REFERRED TO COMMITTEE

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

The motion was agreed to.

THE PRESIDENT OF THE FRENCH REPUBLIC—ADDRESS TO PARLIAMENT

MOTION

Hon. Mr. Lambert: Honourable senators, I beg to move:

That the address by His Excellency Vincent Auriol, President of the French Republic, to members of both Houses of Parliament, on this day, April 5, 1951, be printed as an appendix to the Official Report of the Debates of the Senate, and form part of the permanent records of this house.

The motion was agreed to.

See appendix at end of today's report.

ADJOURNMENT

Hon. Mr. Lambert: Honourable senators, I move that when the Senate adjourns today it do stand adjourned until Tuesday, May 1, at 8 o'clock in the evening.

The motion was agreed to.

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

APPENDIX

ADDRESS

of

HIS EXCELLENCY VINCENT AURIOL
President of the French Republic

to

MEMBERS OF THE SENATE AND OF THE HOUSE OF COMMONS
AND THE GENERAL PUBLIC

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

Thursday, April 5, 1951

The President of the French Republic was welcomed by the Right Honourable L. S. St. Laurent, Prime Minister of Canada, and thanked by the Honourable Elie Beauregard, Speaker of the Senate. and the Honourable W. Ross Macdonald, Speaker of the House of Commons.

Right Hon. L. S. St. Laurent, Prime Minister, (*Translation*): Mr. President, in the lives of nations and of parliaments, as in the lives of men, there are significant and unforgettable moments. Your presence today, within this Canadian House of Commons, marks such an occasion in the life our parliament and of our country as a whole.

(*Text*):

It is a great honour, Mr. President, to welcome you today in this House of Commons Chamber on behalf of the members of both houses of the parliament of Canada. We are happy to be able at the same time to greet the charming first lady of France and the Foreign Minister of the French republic, His Excellency Mr. Robert Schuman. You may be assured, sir, that this assembly is fully representative of all the people of Canada in the warmth of our welcome.

(*Translation*):

This is the first time that we have had the honour of welcoming to our country the chief of the French government. We rejoice at your visit and we are happy also that you have made this a family occasion, as well as a political one, by bringing with you Madame Auriol, who so fittingly represents the domestic virtues, the charm and elegance of your country. We are happy also that you have brought with you Monsieur Robert Schuman, your Minister of Foreign Affairs, one of the great architects of European unity. Please allow me to associate, in the welcome we are extending to you, the names of Madame Auriol and Monsieur Schuman.

I extend this welcome on behalf of all of the people of Canada; first of all, on behalf of those of my race and yours, Mr. President, most of whom live in the great St. Lawrence valley, a valley where our common ancestors, in the belief that they were establishing a colony, founded a nation. I welcome you also on behalf of all Canadians, who, from the Atlantic to the Pacific, now make up a people bound by common national aspirations. This people is proud of the honour of your friendship, a friendship of which I received such moving tokens from you and the people of Paris, only a few weeks ago.

It is fitting that this welcome should be given you in our parliament chamber where the whole country is represented. It is here indeed that the unity of our people daily finds expression. Here, in 1914 and in 1939, legislation was passed that brought Canadian soldiers to the defence of an ideal which we felt was so eminently upheld by your country. Here, in 1949, was ratified the North Atlantic pact, which unites our two countries and ten others more intimately than ever before in time of peace. Here, measures are now being enacted that are considered necessary to deal with the new threat to our common civilization and heritage. Here, too, ways are being discussed to avoid a new conflict that neither France nor Canada is seeking, but for which we mean to be ready if it should become unavoidable.

(*Text*):

You are visiting Canada, sir, at a difficult time in the history of our two countries—a difficult time in the life of free men all over the world. We had set high hopes on the United Nations organization as an instrument of peaceful co-operation among men and governments of good will; we still hope there are in the world enough men and women of good will to assure the ultimate triumph of those high purposes. Unfortunately one of the great powers bent on extending the domination of its dictatorial masters has constantly worked to spread among its people, and among the peoples already under its domination, distrust, fear and unfriendliness toward their fellow men. This it is which has made it necessary for us to join together to build up our own military forces, not for aggressive purposes but to deter aggression by a firm demonstration of our capacity to overcome it if necessary.

You come to us, sir, after spending a few days in the United States of America. You cannot fail to have been impressed by the strength of that great country, and also by the sincerity of the peaceful aspirations of all its people. Here in Canada you will not fail to note the close, friendly relations which bind us to our southern neighbours, and also the untrammelled independence we enjoy in our own land. If our frontiers bordered on those of some grasping imperialistic neighbouring state, we might not have this opportunity of welcoming you in a free parliament as the distinguished and respected head of a free France. Canada is, I think, the best evidence, permanent and historic evidence, of the peaceful purposes of the United States.

These confident, friendly and co-operative international relations which we enjoy with our great southern neighbours we wish to share ultimately with the whole world, and in the meantime we expect to share them with all the nations of the North Atlantic community. We know we can count upon the people of France, and we wish to assure you the people of France can count upon the good will and effective co-operation of all the people of Canada.

(*Translation*):

I know that you share our convictions as to the means of warding off the danger which threatens us. This means is none other than the pooling of our forces in the face of any possibility of aggression and of any attempted domination or even intimidation.

As I have just pointed out, our generation has twice already seen Canadian soldiers fight as brothers-in-arms with French soldiers. Thousands of them rest side by side in the vast cemeteries of France.

It was not only your homeland that our Canadian soldiers went to defend, it was also their own, their physical as well as their spiritual homeland. Similarly, your own soldiers fought for an ideal greater than the defence of French territory. Neither you nor we could watch with indifference the fate of the glorious heritage which they preserved for us at the cost of their lives. Without a doubt, we wish to do everything possible to prevent a new disaster from sweeping down on our peoples, but we shall never give up the right to defend ourselves; we shall never try to escape the duty of helping to defend those who, like yourselves, are more immediately exposed than we.

Upon your return home, you may tell your compatriots that here in Canada you have met men of good will, a people anxious not only to prevent the iron curtain from falling on the shores of the Atlantic, but eager to ensure that the tricolour shall ever wave in the air of freedom, because the Canadian people realize that the free world would no longer be free if ever France or the Europe from which our ancestors came should lose their freedom.

Ladies and gentlemen, Monsieur Vincent Auriol, President of the French Republic

His Excellency Vincent Auriol, President of the French Republic: Mr. Prime Minister, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, gentlemen: My heart is deeply touched with emotion and pride.

I realize the full significance for France of the warmth of your greetings, the acclamations of your people, the supreme honour you have done us in officially welcoming us in the imposing edifice of your parliament, and, finally, of the eloquence of the words just spoken.

I am fully aware of the value of this symbol: the President of the French republic bringing to Canada the affectionate message of France on this very hill at the boundary of the provinces of Ontario and Quebec, the meeting place of forces, young and eager, English and French, the union of which has created your nation, which increases in strength and grandeur every day and constitutes an immense human treasure for the future.

(*Translation*):

Sons of the British isles, sons of France, what a magnificent example is given to the world, what a long path travelled together!

Great Britain and France—how long we struggled and fought! But in those hard and often long battles there never appeared the slightest divergence in our conceptions of life, in our forms of civilization. The reconciliation has been complete, and together we may admire today this vigorous Canadian nation which is the expression, diversified but united, of the genius of the two races.

(*Text*):

The meeting of our spirits has begotten your spirit. And this spirit, illuminated with idealism, guides you toward a magnificent future. The two ancient peoples, their rivalries forgotten, are proud to recognize something of themselves in your common fidelity, and to find themselves rejuvenated and more closely united by your extraordinary ascent. They are moved to see Montaigne and Shakespeare preside over your debates in common respect for human dignity and common love of liberty.

Mr. Speaker of the Senate, I beg you to accept, as a Canadian of French origin, the message of friendship I am bringing to the faithful guardians of the French language and culture. They prove that in a solid national unity like yours you nevertheless cherish, as we do in France, the memory of your origins, and you perpetuate the Christian and human civilization that France was the first to bring to you. Your history, as a matter of fact, is in some ways our history. As Maurice Barres has described it, "You have, as we did in France, reached the highway through bypaths, and you remain assembled beneath your banners". And those banners are always worthy of your love.

It is to you, Mr. Speaker of the House of Commons that I address my message of friendship for the English-speaking Canadians, whose origin reminds us that Great Britain, also defender of the right, knew how to "beget consciences" and carry the flag of honour everywhere. A few months ago the world mourned the loss of a great Canadian statesman and a great democrat who, even in the darkest days, always affirmed his faith in the destiny of France. I pay respectful homage to the memory of William Lyon Mackenzie King, one of the principal artisans of the common victory of the allies. As our poet Rutebeuf has said, "He was not one of those friends that the wind carries away when it howls around the door".

I greet also the Prime Minister, whose visit to Paris permitted us to admire his fine spirit and generous heart. I greet his colleagues of the government, and also, if you will permit it to an old opponent, the parliamentary opposition.

And now, gentlemen, I take this occasion to tell you that at this very hour the whole of France joins with you and with me in paying homage to the sacred memory of thousands of Canadians who, in the course of two world wars, fought and fell for the liberty of the world; and to their families and to their surviving comrades I bring our affectionate thought and grateful sympathy.

At Vimy, where a memorial reminds us of their legendary heroism, at Tilloy, at Dieppe, at Bretteville-sur-Laize, at Beny-sur-Mer and in so many other places which speak of their courage, France, whose heart beat faster when she saw them parade through her towns, now tenderly watches over their eternal rest.

Finally, to the people of Canada I express the enduring friendship of France, our gratitude for all they have done for our liberation, and also for that inexhaustible generosity which, under the impetus of national and private organizations, has been lavish in its help to relieve the misery of our people exhausted by the war and a long and awful oppression.

In this world which becomes every day smaller and smaller, and where the interdependence of nations is a fact, you have understood that our destinies are just the same, and that there are not for man, whether in the midst of storm or the calm of peace, several conceptions of virtue and honour.

Of this vital solidarity I never heard a more concise definition than that which I heard on the radio in a small mountain chalet where I had taken refuge after my confinement in prison, when I fled from the oppressor before my departure for London. "World prosperity, like security, is indivisible". They were the words of Mackenzie King. They must always be our common motto.

France, being the first country on the road of invasions and battles, knows perhaps better than anyone that security is indivisible. If she had remained alone during the war she would have definitely succumbed. And with France enslaved, all Europe would have lost everything, even hope. If our old civilization were to disappear from Europe one day, what would become of the rest of the continents of the world in the face of an erupting Asia?

No nation, therefore, has the right to leave "to chance the smallest parcel of its security, its dignity or pride." Every nation has the duty to preserve the liberty of man against all those who would or could attempt, from their own autocratic will, to impose their

fanatical ideology and thus unleash the most frightful of wars. Canada has understood this; for twice she has already given men, material and resources, an enormous and sacrificial contribution, to the victory of right and liberty.

Thus your determination has foiled the efforts of an enemy who hoped that, being far from Europe, you would not take any part in the conflict.

Certainly Great Britain could rely on your traditional loyalty, honour and courage. Certainly France could say she knew you were faithful to the motto of Quebec, "Je me souviens".

But the real truth is that the highest ideal inspired your action. You knew that liberty has no frontiers; that if anywhere in the world the light is extinguished, then the rest of the world is darker. You want to sustain the light and preserve for the nations the proud right to live in freedom and to flourish.

Thus you encounter France, because she has already experienced the horrors of war on her own soil, the sorrow of ruins because she knows what it is to endure, though temporarily, the oppression of foreign enslavement; because she experienced the mortal peril of solitude in the face of aggression she thought, like you, that our forces must be united in proper time for the founding of peace. With you, with Great Britain, with the United States, we had hoped that the charter of the United Nations, signed by all, would assure the protection of every nation by the organization of collective security, as well as the happiness of mankind by the co-operation of nations.

But the spirit of intolerance and the will to dominate has not permitted the materialization of this great hope. And the United Nations, partially paralyzed, have not been able to save countries from losing their independence again or men their liberty. Once again, one after another as before the last war, the free democracies have been smothered. Vast countries are closed and hostile to the rest of the world. Violence has reappeared; it is menacing, and even strikes. And so the great democracies enjoying civil liberties had to organize into regional defence pacts. It was with great relief that we greeted the conclusion of the pact among the north Atlantic countries, due in great part to the clairvoyant initiative of Canadian statesmen—this pact which, ratified by the unanimous vote of your parliament, has established a powerful bond between Europe and America, a bond among the peoples united by the same civilization and by the same desire and anxiety to protect and defend it.

If the aggressors of 1914 and 1939 had known that France was not alone, that Europe was not alone, they would have retreated from the criminal folly of their enterprise. History is the witness: solidarity in defence is a token of peace.

France wants neither war nor servitude. Her sole aim is peace in justice and freedom.

It is for common defence, but also for common prosperity, that France strives to create a united Europe, to build a young and coherent federation.

In the military field, a European army that will be integrated into the Atlantic bloc is the first link of collective security.

In the economic and social field, the free association of productive forces, of which the Schuman plan is the first step, has to organize collective prosperity.

Eventually, in the political field, the European council of ministers and the assembly of Strasbourg is the beginning of federal unity to which we wish to give strength and efficiency.

For the success of this great design we have silenced our resentments toward the enemy of yesterday, who nevertheless was responsible for the death by torture of the best of our citizens. Our only condition has been and remains that he shall not forget his crimes and faults; that he shall renounce plans of domination and revenge; that he shall sincerely rally to the principles of democracy.

And so we want a democratic Europe, created not through the subordination of some nations to another, but through a fruitful harmony. And this free Europe, open to all the peoples who respect the liberty of others, will associate itself with the new world so that upon this international economic and political co-operation may be built enduring peace.

Whatever it may cost us, the victory of peace is the prize.

Let us not miss any possibility of agreement, even partial, and no occasion to dissipate misunderstandings; but so long as the United Nations have not the necessary armed forces to maintain international order, we must neglect nothing in the organization of our common regional defence.

Let us not cease to proclaim the right and the principles of an enduring peace, but let us judge the sincerity of our partners by their acts and by their actual contribution to the easing of international tension.

France is not giving herself up to any naïve neutralism, and whatever sacrifices our rearmament efforts add to our already crushing burdens for rehabilitation and re-equipment, we know that no sacrifice is as heavy as that of liberty.

There is no better testimony of our resolution than the heroism of our soldiers who are fighting in Korea in the service of the United Nations, and for more than four years have been fighting in Indo-China, where it is now recognized, after much injustice, that they defend no selfish interest but the independence that France has given to the young states of Viet Nam, Cambodia and Laos. They mount guard at the gates of southeast Asia.

France is thus faithful to her traditions and the ideal of our common civilization.

Momentarily exhausted by the wounds she received while the world was unorganized, she always knows that it is in the exaltation of the spirit that great things—the proud cathedrals and lofty monuments of right—are wrought.

With Great Britain, Canada and the United States, and the free world, France shares a common faith. And the visit of the President of the French republic to your country is not only the manifestation of the enduring affection of France, but the expression of our will to work together to achieve greater liberty, greater justice and greater fraternity.

Hon. Elie Beauregard, Speaker of the Senate, (*Translation*): Mr. President of the Republic, the Canadian Senate joins with the Prime Minister in greeting you as the first citizen of France and in wishing you a most cordial welcome.

Owing to your visit among us we have the honour of paying our respects to Mme. Auriol and the pleasure of renewing acquaintance with some of the best builders of the alliance of nations and of world peace.

Even before your arrival we had heard of the message you bring to America, a mesage of co-operation and solidarity. It will help to strengthen the feeling of true democracy that Canada has inherited from its two mother countries.

The position of our country—a country in some respects so new—its abundant natural resources and its ideals of life, have caused it to occupy in the Council of Nations a place formerly held by nations of greater population.

Canada enters the scene at a time when more than ever before, Western democracies must maintain a social order mindful of the true scale of values, where money serves production, where production serves humanity and humanity itself serves an ideal that gives life its true meaning.

That objective has always been pursued by the civilizing power that is France. To-day the French people, who have witnessed, within thirty years, two invasions, two victories and, need I add, two post-war periods, remain the unconquered champions of human freedom. Not only have the French people fought alone for several years against Asiatic communism, but they remain the corner-stone of the fortress which Western democracies must build in Europe.

Four million Canadians share with the French people an inalienable heritage, based on a glorious past and a culture of universal significance. One of your historians was thinking of that past and culture when he said that England is an empire, Germany a country, and France a lady. May I be permitted to offer to that lady, the mother of letters, arts and arms, the tribute of our attachment and our admiration.

Hon. W. Ross Macdonald, Speaker of the House of Commons, (*Text*): Mr. President, the Speaker of the Senate has expressed to you in the beautiful French language our appreciation of your eloquent and inspiring address. May I add an expression of appreciation in the English language. Canada is a bilingual country, and whether we speak in French or in English we speak the language of Canada.

Canada over the years has been honoured by visits by the heads of state of several great countries, but never in its history by the President of France. Canada was discovered by a Frenchman in 1534. Our existence, therefore, has been known for 417 years, and although it could hardly be said that we have waited all those years for this visit, nevertheless I can assure you, Mr. President, that the warmth of our welcome is in direct ratio with the warmth of the 417 summers of our existence.

As we listened to your address this afternoon we recalled that when we go back to the birth of our nation we go back to France. It is interesting to note that when the first Frenchman arrived in Canada he sailed up those great waters which were to be known as the St. Lawrence, or St. Laurent and that when the first president of France to visit Canada arrived in our country he was greeted by a great prime minister bearing the same name, St. Laurent.

It was Jacques Cartier, a Frenchman from St. Malo, who first set foot in Canada and carried the cross and the fleur-de-lis to the Island of Hochelaga. It was another Frenchman, Champlain, who established the first colony in Canada and founded the city of Quebec. It was a French Jesuit priest, Marquette, who first sailed in a frail canoe

through the treacherous waters which led to the great lakes and on to the Mississippi. It was French civilization which was first implanted in Canada. Since that time we have added the customs, the traditions, the language and the literature of the British, and, in more recent years, of many other countries. In 417 years we have grown from a trading post, to a colony, to a nation. The progress which we have made would not have been possible had we not been blessed with peace. Throughout our history we have never had an extensive war within our boundaries. Geography, probably, has made that possible for us. We trust that in the future the good sense and the unselfish spirit of mankind will make that possible for France.

On behalf of the members of the House of Commons of Canada I would ask you to extend greetings to the members of the national assembly of France, and to assure them that your visit has made even stronger the ties which bind Canada and France together as friendly peace-loving nations. Vive la France—Vive le Canada—Vive le Roi—Vive le Président!

THE SENATE

Tuesday, May 1, 1951

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

Prayers and routine proceedings.

PRIVATE BILL

COMMONS AMENDMENTS

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill L-1, an Act to incorporate Canadian-Montana Pipe Line Company, and to acquaint the Senate that they have passed this bill with two amendments, to which they desire the concurrence of the Senate.

When shall the amendments be taken into consideration?

Hon. Mr. Hugessen: Next sitting.

HAMILTON HARBOUR COMMISSIONERS BILL

FIRST READING

A message was received from the House of Commons with Bill 196, an Act respecting the Hamilton Harbour Commissioners.

The bill was read the first time.

ALUMINUM INDUSTRY IN BRITISH COLUMBIA

RETURN TO ORDER

Hon. Mr. Hugessen: Honourable senators, I beg to lay on the table, by way of return to an order of the Senate dated March 13 last, copies of all telegrams, letters and correspondence, from January 1, 1950 to the present time, between the government or any member of it and the Aluminum Company of Canada, relative to the establishment of an aluminum industry in the Province of British Columbia.

EX-SENATOR FERLAND

APPOINTMENT TO THE BENCH

Hon. A. K. Hugessen: Honourable senators, perhaps, before the Orders of the Day are called, I should direct the attention of my honourable colleagues to the fact that during the adjournment of the Senate we have lost one of our members, who has been appointed a Judge of the Superior Court for the Province of Quebec. I refer to our former colleague from Shawinigan (Hon. Mr. Ferland). As honourable senators know, for six years Senator Ferland was a member of this house, and previously, for nearly eighteen years, a member of the other place. It is, I think, an almost unique occurrence for a member of this house to be named to the Bench: the last previous appointment of this kind took place, I believe, at least forty years ago. I am sure I express the sentiments of all his former colleagues when I extend to Judge Ferland our best of good wishes.

Some Hon. Senators: Hear, hear.

THE ESTIMATES

WORK OF THE FINANCE COMMITTEE

Hon. T. A. Crerar: Honourable senators, I crave your indulgence for a moment to draw attention to the matter of the examination of the estimates which was referred to the Finance Committee several weeks before the recent adjournment of the house. At that time the estimates were allocated to five subcommittees, with the suggestion that they examine the particular estimates assigned to them and be prepared, when the house reassembled, to suggest the items which might be examined into by the Finance Committee. All members of the committee received that notification. If we are to make any headway in the examination of these estimates, it is important, since the task is a very considerable one, that we get to work as soon as possible. I hope, therefore, that the subcommittees will be prepared to report to a meeting of the Finance Committee which is to be called for Thursday morning at 11 o'clock. I hope that we will be in a position at that meeting to decide what estimates we shall inquire into, and other related matters, for instance, whether there shall be a *Hansard* report of the inquiry from day to day. I am sure the house will not mind my making this suggestion at the present time.

PRIVATE BILL

FIRST READING

Hon. Mr. Turgeon presented Bill D-8, an Act to incorporate Independent Pipe Line Company.

The bill was read the first time.

DIVORCE BILLS

FIRST READINGS

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

Bill J-7, an Act for the relief of Doris Eileen Rowe Brenan Stavert.

Bill K-7, an Act for the relief of Gertrude Job Fraser.

Bill L-7, an Act for the relief of Ruth Fishman Wynn.

Bill M-7, an Act for the relief of Beatrice Vide Harriett Hunnisett Glenday.

Bill N-7, an Act for the relief of Salfeda Busko Williams.

Bill O-7, an Act for the relief of Margaret Isobel Barnett.

Bill P-7, an Act for the relief of Thelma Rosenberg Schwartz Bard.

Bill Q-7, an Act for the relief of Rollande Cecile Larocque Duquette.

Bill R-7, an Act for the relief of Etta Smolkin Shapiro.

Bill S-7, an Act for the relief of Jeanne Wigdor Millman.

Bill T-7, an Act for the relief of Capitola Jodoin Ranger.

Bill U-7, an Act for the relief of Gaston Deguire.

Bill V-7, an Act for the relief of Jean Troster Fink.

Bill W-7, an Act for the relief of Rae Goldstein White.

Bill X-7, an Act for the relief of Phyllis Eileen Paris Gibson.

Bill Y-7, an Act for the relief of Lorraine Colville Watson Anderson.

Bill Z-7, an Act for the reflief of Edward Stanley Darby.

Bill A-8, an Act for the relief of Bernard Kenneth McCormack.

Bill B-8, an Act for the relief of Mansell Reginald Jacques.

Bill C-8, an Act for the relief of John Atherton Critchley.

The Hon. the Speaker: When shall these bills be read the second time?

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

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill V-6, an Act for the relief of Ellen Agnes Evans Boisvert.

Bill W-6, an Act for the relief of Muriel Bruce Higgins Greenleaf.

Bill X-6, an Act for the relief of Real Levesque.

Bill Y-6, an Act for the relief of Mary Ruth Langlois Michael.

Bill Z-6, an Act for the relief of Betty Roseman Feigelman.

Bill A-7, an Act for the relief of Rachel Aizer Forman.

Bill B-7, an Act for the relief of Romeo Paradis.

Bill C-7, an Act for the relief of Joseph Arthur Neveu.

Bill D-7, an Act for the relief of Kathleen Harrington Courcy.

Bill E-7, an Act for the relief of Anna Goralczyk Jurewicz.

Bill F-7, an Act for the relief of Colette Clement Carrieres.

Bill G-7, an Act for the relief of Bertha Barbara Bishop Wheatley.

Bill H-7, an Act for the relief of Carl Marius Nielson.

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

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

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

Hon. Mr. Duff: No, next sitting.

Hon. Mr. Aseltine: Next sitting.

NATIONAL RAILWAYS AUDITORS BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill 6, an Act respecting the appointment of Auditors for the National Railways.

He said: This is a matter which comes before parliament annually. This bill provides for the appointment of the firm of George A. Touche and Company as auditors of the National Railways for the year 1951. Honourable senators may recall that since its inception in 1923, this firm has audited the accounts of the National Railways, except for the year 1935.

Parliament has provided for the manner in which the audit shall take place. The provision is set out in section 13 of the Canadian National-Canadian Pacific Act, 1933, as amended by the Act of 1936. In effect it provides that a continuous audit of the accounts of National Railways be made by independent auditors appointed annually by a resolution of parliament, and that they make an annual report to parliament in respect of their audit. The firm of George A. Touche and Company is well known and I do not think I need give any further explanation at this stage.

Hon. Mr. Nicol: Have they a Canadian office?

Hon. Mr. Hugessen: They have a number of Canadian offices.

Hon. Mr. Haig: They have one in my city. I would not dare go back to Winnipeg if I failed to say something in favour of this bill. One of my greatest friends in Winnipeg, a

very able man, is a partner in this firm. His only objection has to do with the size of the annual fee and I sometimes question the amount of the stipend myself. The audit is a tremendous undertaking.

Hon. Mr. Euler: Do you mean that the stipend is too large or too small?

Hon. Mr. Haig: It is $50,000 a year for auditing the accounts of the Canadian National Railways and associated companies. It is a very great responsibility for the auditors.

Hon. Mr. Lambert: And a great distinction.

Hon. Mr. Haig: I have never heard anybody question the payment in any way, and I am not at all surprised at this if the other members of the firm are as good accountants as John Parton, C.A., of Winnipeg. It is a great firm.

Hon. J. J. Kinley: Honourable senators, the Canadian National Railways have become a most important and complex factor in the economic life of this country. The House of Commons has not only a Standing Committee on Railways, Canals and Telegraphs, but a Special Committee on Railways and Shipping, and before this Special Committee there appear each session all of the top level management of the Canadian National Railways, to answer questions, to justify their statement and to explain their entire structure in detail to parliament. But in this house I do not know any way by which we can get information about the railways except perhaps by referring a bill of this kind to committee and summoning the auditors to appear there for questioning.

There is in the offing, as honourable members know, another attempt to do something about the capital structure of the Canadian National Railways. Well, this idea of blotting out a large part of the capital structure is a very convenient way of financing, but if it is done the people will have to pay for it. Do not make any mistake about that. It seems to me that this bill could very well be sent to a committee, where we could have the auditors present and find out from them some things that we would like to know about the Canadian National Railways.

Hon. Mr. Hugessen: Honourable senators, if it is the desire of the house that this bill should go to a committee, that is obviously what should be done; but if the object of sending it to committee is as my friend suggests, I would direct his attention to the fact that every session we have before us a Canadian National Railways financing bill, to authorize the raising of capital and the refunding of various securities and so on, and for the last three or four sessions it has been our habit to send that bill to the Standing Committee on Transport and Communications, where officials and employees of the Canadian National Railways are available to answer questions. I think that is a more appropriate way to obtain the information that my honourable friend desires. I fully agree that this house is just as desirous and just as much entitled as is the other house to receive full information every year with respect to the Canadian National Railways.

Hon. Mr. Kinley: I thank the honourable the deputy leader. I suggested sending this bill to a committee because the last time we had a Canadian National Railways financing bill before a committee I had some difficulty in getting information. We were told that the committee was called to consider the financing bill, not to ask questions about affairs of the Canadian National Railways; but after some discussion we were allowed a little latitude. The affairs of the Canadian National Railways are very important to this country, and the only opportunity we have of interrogating officials of the company is when we have some of the railway's legislation before a committee.

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

THIRD READING

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

Hon. Mr. Hugessen: If there is no objection on the part of any honourable senator, I would move that the bill be read a third time now.

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

PRIVATE BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill I-7, an Act to incorporate the Polish National Catholic Church of America in Canada.

He said: Honourable senators, this is a bill to incorporate a church organization in this country known as the Polish National Catholic Church of America in Canada. The form of the bill is, I think, similar in every respect to the form of a number of other bills, passed at this and preceding sessions, constituting a corporation out of the members of a certain faith.

The Polish National Catholic Church in this country is a branch of a similar organization, known as the Polish National Catholic

Church of America, and I am given to understand that the Canadian organization has six churches in this country, fairly widely distributed: three in Manitoba, two in Ontario—at Toronto and Hamilton—and one in the city of Montreal.

I do not know that there is anything more I need to say on the bill at this juncture. If it should receive second reading, I will move that it be referred to the Standing Committee on Miscellaneous Private Bills, where proponents will of course have to appear to justify the measure.

Hon. Mr. Moraud: Has the bill the approval of the Canadian Catholic authorities?

Hon. Mr. Hugessen: Do you mean the Roman Catholic hierarchy?

Hon. Mr. Moraud: Yes.

Hon. Mr. Hugessen: I have no idea, but I should think not.

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

REFERRED TO COMMITTEE

Hon. Mr. Hugessen moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 2, 1951

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

Prayers and routine proceedings.

DIVORCE BILLS

EXTENSION OF TIME FOR RECEIVING PETITIONS

Hon. Mr. Aseltine, Chairman of the Committee on Divorce, moved concurrence in the report of the committee, as follows:

Your committee recommend that the time limited by Rule 138 for filing petitions for bills of divorce, which expired on the 12th of March, 1951, be extended to Friday, 4th May, 1951.

The motion was agreed to.

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Committee on Divorce, moved the third reading of the following bills:

Bill V-6, an Act for the relief of Ellen Agnes Evans Boisvert.

Bill W-6, an Act for the relief of Muriel Bruce Higgins Greenleaf.

Bill X-6, an Act for the relief of Real Levesque.

Bill Y-6, an Act for the relief of Mary Ruth Langlois Michael.

Bill Z-6, an Act for the relief of Betty Roseman Feigelman.

Bill A-7, an Act for the relief of Rachel Aizer Forman.

Bill B-7, an Act for the relief of Romeo Paradis.

Bill C-7, an Act for the relief of Joseph Arthur Neveu.

Bill D-7, an Act for the relief of Kathleen Harrington Courcy.

Bill E-7, an Act for the relief of Anna Goralczyk Jurewicz.

Bill F-7, an Act for the relief of Colette Clement Carrieres.

Bill G-7, an Act for the relief of Bertha Barbara Bishop Wheatley.

Bill H-7, an Act for the relief of Carl Marius Nielson.

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

FIRST READINGS

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

Bill E-8, an Act for the relief of Julia Starr Melnick.

Bill F-8, an Act for the relief of William Alfred Jameson.

Bill G-8, an Act for the relief of Jean Camille Antoine Coutu.

Bill H-8, an Act for the relief of Mary Jenner Watkins.

Bill I-8, an Act for the relief of Geraldine Mae Cuffe Kennedy.

Bill J-8, an Act for the relief of Lucille Ida Fenlon Ashmore.

Bill K-8, an Act for the relief of Ela Raizman.

Bill L-8, an Act for the relief of Julia Saad Shagory.

Bill M-8, an Act for the relief of Lottie Aileen Wright Robinson.

Bill N-8, an Act for the relief of Arthur David Prosser.

Bill O-8, an Act for the relief of Edmund Vaughan Stewart.

Bill P-8, an Act for the relief of Marie Madeleine Clemence McKenzie Caron.

Bill Q-8, an Act for the relief of Meinerth Aage Arsvold Wick.

Bill R-8, an Act for the relief of Myrtle Louise Vassel Evans.

Bill S-8, an Act for the relief of Margo Clare McManus McKeown.

Bill T-8, an Act for the relief of Eli Wilson Jewer.

Bill U-8, an Act for the relief of Beulah Nellie Elliott.

Bill V-8, an Act for the relief of Terez Baranyai Jekkel, otherwise known as Therese Baranyai Jekkel.

Bill W-8, an Act for the relief of Andrew Krilyk.

Bill X-8, an Act for the relief of Harold Dimond Parsons.

Bill Y-8, an Act for the relief of Peter Seniw.

Bill Z-8, an Act for the relief of Dorothy Agnes Bell Bissonnette.

Bill A-9, an Act for the relief of Gertrude Banner Jones.

Bill B-9, an Act for the relief of Selma Schenker Wyler.

Bill C-9, an Act for the relief of Frances Helen Shulman Cohen.

Bill D-9, an Act for the relief of Agnes Mary Binnie Bullock.

Bill E-9, an Act for the relief of Marie Rose Berthe Bernard Greco.

Bill F-9, an Act for the relief of Paul Emile LeBlanc.

Bill G-9, an Act for the relief of Taras Pieluch.

Bill H-9, an Act for the relief of Joyce Margaret Wright Roxburgh.

Bill I-9, an Act for the relief of Elsie Mary Harrop Cameron.

Bill J-9, an Act for the relief of Anna Kirk Rosborough Finlayson.

Bill K-9, an Act for the relief of Marie Madeleine Pauline Parent Bjarnason.

Bill L-9, an Act for the relief of Mona Patricia Kiddie Heaney.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Committee on Divorce, moved the second reading of the following bills:

Bill J-7, an Act for the relief of Doris Eileen Rowe Brenan Stavert.

Bill K-7, an Act for the relief of Gertrude Job Fraser.

Bill L-7, an Act for the relief of Ruth Fishman Wynn.

Bill M-7, an Act for the relief of Beatrice Vide Harriett Hunnisett Glenday.

Bill N-7, an Act for the relief of Salfeda Busko Williams.

Bill O-7, an Act for the relief of Margaret Isobel Barnett.

Bill P-7, an Act for the relief of Thelma Rosenberg Schwartz Bard.

Bill Q-7, an Act for the relief of Rollande Cecile Larocque Duquette.

Bill R-7, an Act for the relief of Etta Smolkin Shapiro.

Bill S-7, an Act for the relief of Jeanne Wigdor Millman.

Bill T-7, an Act for the relief of Capitola Jodoin Ranger.

Bill U-7, an Act for the relief of Gaston Deguire.

Bill V-7, an act for the relief of Jean Troster Fink.

Bill W-7, an Act for the relief of Rae Goldstein White.

Bill X-7, an Act for the relief of Phyllis Eileen Paris Gibson.

Bill Y-7, an Act for the relief of Lorraine Colville Watson Anderson.

Bill Z-7, an Act for the relief of Edward Stanley Darby.

Bill A-8, an Act for the relief of Bernard Kenneth McCormack.

Bill B-8, an Act for the relief of Mansell Reginald Jacques.

Bill C-8, an Act for the relief of John Atherton Critchley.

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

PRIVATE BILL

COMMONS AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill L-1, an Act to incorporate Canadian-Montana Pipe Line Company.

Hon. A. K. Hugessen: Honourable senators, in the absence of the honourable gentleman from Carleton (Hon. Mr. Fogo), who is unfortunately ill and is not likely to take his place in this chamber for some time, I move concurrence in these amendments.

Honourable senators, the amendments suggested by the House of Commons to this bill are quite simple. They appear on the second page of the *Minutes and Proceedings* of yesterday, and are designed to ensure that the pipe-line of the company shall be built entirely within Canada. I am informed that the sponsors of the bill have no objection whatever to these amendments, and in order not to delay proceedings until the honourable gentleman from Carleton has returned to the Senate, I would suggest that these amendments be now concurred in.

Hon. Mr. Haig: Hear, hear.

The motion was agreed to.

YUKON BILL

SECOND READING

Hon. T. A. Crerar moved the second reading of Bill 188, an Act to amend the Yukon Act.

He said: Honourable senators, it is quite unnecessary to enter into a lengthy explanation of the principle of this bill, with which I am sure everyone here will agree.

The bill has two purposes. The first is to increase the number of members of the Yukon Territorial Council from three to five. The reason for this may be briefly stated. The older senators here will recall that following the Yukon gold rush, which commenced in 1896, the population of the Yukon Territory increased very rapidly until 1898, when it reached about 40,000. But as the placer mining declined the population declined also, and in 1921 it reached the low point of slightly over 4,000. In keeping with the falling population, and in order to lessen expense, the Yukon Territorial Council was made smaller, and for several years now it has consisted of three members. However, with the building of the Alaska Highway the population tended to go up again, and it is estimated that today there are approximately 8,600 people in the Territory. In the light of that fact it is considered desirable to increase the local representation on the Territorial Council—as I stated earlier—from three to five. About two-thirds of the present population are in the Whitehorse area, but other sections are developing, mainly around Mayo, where there is considerable metal mining. This measure will enable the Governor-in-Council to make a redistribution in the Territory and give additional representation on the council.

Hon. Mr. Euler: What salary do the members get?

Hon. Mr. Crerar: I have not that information here, but it can be obtained in committee.

Hon. Mr. King: Is the council elected or appointed by the government?

Hon. Mr. Crerar: It is an elected council.

The next amendment, clause 2 of the bill, reads as follows:

Section one hundred and twenty-nine of the said Act, as enacted by chapter seventy-five of the statutes of 1947-48, is repealed and the following substituted therefor:

"129. Except by permission of the Commissioner, no intoxicating liquor or other intoxicant shall be,

(a) manufactured, compounded, or made in the Territory, or

(b) imported or brought into the Territory from any province in Canada or elsewhere."

At present the Commissioner can permit the importation of intoxicating liquor, but manufacture of intoxicants within the Territory is prohibited. This amendment would make it possible to manufacture liquor in the Territory under the supervision of the Commissioner. I am not quite clear as to why the change is necessary, but this information also can be obtained when the bill is in committee. Probably the intention is to place the Yukon Territory on the same footing as each of the provinces, by having the manufacture and importation of intoxicants under the control of the local authorities. If the bill is given second reading, I shall move that it be referred to the Committee on Banking and Commerce.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

NORTHWEST TERRITORIES BILL

SECOND READING

Hon. T. A. Crerar moved second reading of Bill 189, an Act to amend the Northwest Territories Act.

He said: Honourable senators, this bill, like the Yukon Bill, is evidence of the march of progress in the northern part of Canada. By it the boundaries of the Northwest Territories as described in existing legislation are re-defined. The area comprises all that part of Canada—excluding the Yukon Territory beyond the northerly limits of the four western provinces and Ontario and Quebec.

There is in this area at the present time what is called the Northwest Territorial Council, which until a few years ago was composed entirely of federal civil servants. A few years ago an additional member outside of the civil service was appointed to the council by the Governor in Council. The bill before us provides that the council shall consist of eight members, three of whom shall be elected and five appointed in the manner that has governed heretofore. The bill also provides for the machinery to set up electoral districts, determines the qualifications of voters in the election of members to the Territorial Council, and states that at least two meetings shall take place within each twelve months, one of which shall be held at the seat of government—that is the City of Ottawa—and the other at such a point as may be designated by the Territorial Council and approved by the Governor in Council. For instance, it may be desirable to hold a meeting at Fort Smith, Yellowknife or Fort Simpson, depending on the particular problem which the Northwest Territorial Council has to deal with at that meeting.

The bill provides also for the remuneration of the elected members of the Council, contains a useful provision for an allowance for expenses which may be claimed as a deduction from income for taxation purposes.

Hon. Mr. Moraud: Hear, hear.

Hon. Mr. Euler: Discrimination.

Hon. Mr. Crerar: The bill sets forth the number of members which shall constitute a quorum of the Council for the conduct of business. These, generally, are the matters covered in the bill, which gives the people of the Northwest Territories an opportunity to elect some of the representatives who shall pass their ordinances. It is, therefore, a progressive step in the matter of self-government.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: When the bill has received second reading by the house, I shall move, with the consent of the acting leader (Hon. Mr. Hugessen), that it be referred to the Standing Committee on Banking and Commerce, where the government officials concerned can appear and answer such questions as to details as the members of the committee may ask.

Hon. Mr. McDonald: Perhaps the honourable senator could tell us why the members of council are not all to be elected?

Hon. Mr. Crerar: The answer to that question is something which I must pull out of the air. Heretofore the federal government has appointed all the members of the council who govern this territory where the government has had to bear practically all of the

expenditure. If that body were a fully elected council, I presume there would be a fear that it might possibly embark on further expenditures and commit the government to them. My own judgment is that at this initial stage it is wise to elect only three of the eight members. I have no doubt that within measurable time further amendments will be passed providing for an increased council and more elective members.

Hon. Mr. McDonald: Does not the argument with respect to the Yukon Territory, where all the members will be elected, also apply to this area?

Hon. Mr. Crerar: I would point out to my honourable friend that the election of members to the Yukon Territorial Council is a matter of comparatively recent growth, and that it went through precisely the same ambit as the Northwest Territorial Council is now going through. It must be remembered that it is only within recent years that there has been a Council of the Northwest Territories. The population in the area has increased substantially within, I would say, the past ten or fifteen years, due mainly to the development of the radium mines at Great Bear Lake, where there is now a substantial community. In equally recent times a community has been established at Fort Norman, where certain oil production is taking place; but more particularly within the past ten years there has been an increase in population in the Yellowknife area north of Great Slave Lake where, at the present time, several active mines are in operation.

Hon. Mr. Reid: May I ask the honourable senator a question? What is the length of time for which the elected members will hold office?

Hon. Mr. Crerar: The bill provides for a period of three years. Perhaps I should add that if a member dies during his tenure of office, the Governor in Council has the power to appoint a successor for the remainder of the term.

Hon. W. M. Aseltine: Honourable senators, this bill, which provides a step towards self-government in the Northwest Territories, is to me quite an important measure. As the territory concerned extends for a great distance north of the 60th parallel of latitude—that is, the northern boundary of the Prairie Provinces—we senators who come from those provinces are very much interested in the proposals contained in the bill.

I have a number of questions that I should like to ask, and there are a number of the provisions in the bill which bother me. For example, I should like to ask where this government of the Northwest Territories is going to sit? I think the honourable senator from Churchill said one sitting would be held in the City of Ottawa, and another would be held somewhere in the Northwest Territories. I take it that there would be two sittings every year. Is that correct?

Hon. Mr. Crerar: The bill provides for two sittings within twelve months.

Hon. Mr. Aseltine: One will be in Ottawa and the other in the Northwest Territories?

Hon. Mr. Crerar: One will be at the seat of government, which by definition is Ottawa, and the other at a point in the Northwest Territories to be fixed by the Northwest Territorial Council and approved by the Governor in Council.

As I have stated, the purpose of that provision is to facilitate dealing with local problems. The territory is quite large. Fort Smith, for instance, is just beyond the Alberta boundary; four hundred, or at least three hundred and fifty miles north of Fort Smith, is the Yellowknife district; several hundred miles to the west is the Mackenzie river and Fort Simpson. There are prospects of active mineralogical developments at the eastern end of Lake Athabaska, south-east of Fort Smith. There may be specific problems relating to each of these particular areas, and I presume the provision that meetings of the Northwest Territories Council may be held at points to be designated is to enable it more effectively to deal with matters which then require attention in a certain district.

Hon. Mr. Aseltine: I understand that at the present time all members of the council reside at Ottawa, with the exception of one member who, as all meetings are held at Ottawa, comes here to attend them. The arrangement which has just been explained marks quite a change from the present system.

One point which bothers me somewhat is this. We understand that the council will consist of eight members instead of, as previously, only five. Three will be elected. Where will the other five come from? Are they to be appointed from among the residents of the territories? Are they to be civil servants?

Hon. Mr. Crerar: I have no precise information on that point, but the likelihood is that they will be civil servants. Of the present Territorial Council, all but one are civil servants, although not necessarily civil servants living in Ottawa. One of the members is the local Commissioner in charge, who I believe is a resident of Yellowknife; another member, appointed from outside the service personnel, is, as I recall, the manager of one of the mining companies. But I assume that

four, or possibly five of the appointed members of the council will be civil servants. That is a point upon which information can be got from the minister or the deputy minister when we meet in committee.

Hon. Mr. King: The chief official is known as the Commissioner, and lives in the North?

Hon. Mr. Crerar: I understand that in addition to the eight members of the council there is a Chief Commissioner.

Hon. Mr. Aseltine: No doubt it would be interesting to honourable senators if the sponsor of this bill could tell us a little more about the present population of the Northwest Territories. How many people reside in that district, including Eskimos, Indians and others; what is its present revenue, and how much money is appropriated by the Dominion Parliament towards the government of the territories? While the honourable senator is looking for that information, I will ask him another question. I am considerably worried about section 8A, which states:

(1) Subject to subsection two, the Commissioner in Council may prescribe the qualifications of those entitled to vote at an election of members to the Council.

(2) A person is not entitled to vote at an election unless he is a Canadian citizen, has attained the age of twenty-one years and has been ordinarily resident in the Territories for a period of at least twelve months immediately prior to the date of the election.

In other words, by section 8A (2) parliament prescribes who shall be allowed to vote; but subsection (1) of the same section qualifies the subsequent subsection by saying that "the Commissioner in Council may prescribe the qualifications of those entitled to vote at an election of members to the Council".

I should like to know what, in addition to the prescription of qualifications of those entitled to vote, is to be included in the powers of the Commissioner. It seems to me that if parliament assumes to prescribe the qualifications of those to be allowed to vote, it should prescribe them all, and not leave any part in the hands of the Commissioner. To my mind we are being asked to sanction a departure from the usual practice. I wonder whether the honourable senator who has sponsored the bill can explain that feature of it? Will Indians be allowed to vote? Will Eskimos be allowed to vote? Will the Commissioner have the right to say whether an Indian or an Eskimo shall vote? The matter, it seems to me, is very important and should be fully clarified. I repeat that in my opinion the Parliament of Canada should define all the qualifications of voters and not delegate to others the power to prescribe further requirements.

As regards the cost of administering the Northwest Territories, I think it will be found that the greater part is defrayed by the federal government. The revenue from all the Northwest Territories is only about $700,000 a year; the expenditure runs to somewhere between eight and nine million dollars. If we pay the bill, why should we not prescribe who can vote, and other related matters?

Hon. Mr. Lambert: May I ask my honourable friend if this bill does not remind him in some respects of the evolution which occurred and the procedure which was followed before 1905 in what is now his province of Saskatchewan, as well as in Alberta?

Hon. Mr. Aseltine: I was not there then.

Hon. Mr. Lambert: It was at that time that the late Sir Frederick Haultain was seeking to gain responsible government for those parts of the Northwest Territories, which was finally effected through the Autonomy bill of 1905. It seems to me that the procedure in connection with the present bill is exactly the same as was followed at that time. The natural resources of Saskatchewan and Alberta did not come under the control of the provinces until 1930; but there was no attempt to deny the people of Saskatchewan and Alberta their provincial rights.

Hon. Mr. Aseltine: I do not clearly understand my honourable friend, because I do not know precisely what happened in 1905. When the Saskatchewan and Alberta acts were passed, did the government specify the qualifications of voters?

Hon. Mr. Lambert: Quite.

Hon. Mr. Aseltine: Or were they prescribed partly by the Government of Canada and partly by the then Council of the Northwest Territories? That is my point.

Hon. Mr. Lambert: Those new provinces were given full autonomy—

Hon. Mr. Aseltine: I understand that.

Hon. Mr. Lambert: —except the control of their natural resources. In 1905 and earlier years, under the very vigorous and able leadership of Sir Frederick Haultain, efforts were made to acquire these new powers; but it took a good deal of time to get them. My honourable friend from Saltcoats (Hon. Mr. Calder) could throw a good deal of light on this subject, because he lived through most of it.

Hon. Mr. Aseltine: I am not complaining about the gradual assumption of self-government by the Territories; I think that is proper; but I do not think that all eight members of the Council of the Northwest Terri-

tories should be elected. I am in favour of three being elected and the remaining five being appointed by the Governor in Council. What I am complaining about is section 8A, which sets out the qualifications of those who are allowed to vote at an election of members to the Council.

Hon. Mr. Crerar: I will attempt to answer my honourable friend's last question. Section 8A(2) defines who is not entitled to vote. That is to say, a person cannot exercise the franchise unless he is a Canadian citizen first, has attained the age of twenty-one years and has been ordinarily resident in the Territories for a period of at least twelve months immediately prior to the date of the election. I think these provisions are quite usual in a provincial franchise.

Section 8A(1) has brought criticism from the honourable senator from Rosetown (Hon. Mr. Aseltine), who thinks that it is too restrictive or perhaps too dangerous a power to be left in the hands of the Council. I take it that every Indian and Eskimo in the Northwest Territories would come under the definition in section 8A(2), which I have just outlined, but the government of the Northwest Territories might not wish to give the franchise to all its Indians or Eskimos. This measure would leave the Council free to do just as it chose; and, after all, I think the local government is the best judge of what should be done in that respect.

The next point that occurs to me is this. These districts have a very large floating population. Now, if there should be a referendum or a vote on the expenditure of money, would the franchise be limited to those who are property owners? For instance, you might have a situation where a majority of the local population, not owning any property in the district, might take part in a vote dealing with an expenditure of money that would ultimately involve the district in a heavy expenditure. These are only surmises on my part, but I take it that this limitation is placed in the Act as a precautionary measure against this sort of thing. In other words, the Territorial government will be the judge of whether or not the Indians and Eskimos should vote.

Hon. Mr. Euler: The Act contemplates that only citizens can vote. That of course is proper, but the honourable senator from Churchill mentioned the possibility of Indians and Eskimos voting. Are Indians and Eskimos regarded as citizens, or are they merely wards of the Crown?

Hon. Mr. Aseltine: We shall have to wait until we get to the Indian Act.

Hon. Mr. Crerar: I would take it that they are wards. At any rate, this is a point which we can clear up when we get the officers of the department before us. I am not a lawyer, but this question would seem to hinge on the definition of a citizen. My attention is drawn to the fact that section 8A is practically the same as the present law.

Hon. Mr. Aseltine: That does not make it any bettter.

Hon. Mr. Crerar: My honourable friend (Hon. Mr. Aseltine) raised the question of expenditures. In 1947-48 the total expenditure by the federal government in the Northwest Territories was $7,758,000. In 1948-49 it was $9,778,000. In 1949-50 it was $7,963,000. In 1947-48 the revenue accruing was over $640,000, or roughly 8 per cent of the expenditure. In 1948-49 the revenue was $719,000, and in 1949-50 it was $720,000, or approximately 9 per cent of the expenditure.

Expenditures are heavy at this time for these reasons. The department has built a power plant and transmission line on the Snare River, and it is servicing the local mines with the electrical energy necessary for their operation. I understand that the sale of this power has been placed on a sound basis. Another reason for heavy spending is that schools and public buildings have had to be constructed. I understand, for instance, that a post office was erected. Honourable senators must bear in mind that this construction work is going on approximately 800 miles north of Edmonton, and the cost of getting in material is heavy. What we are really doing here is making an investment in the development of what promises to be a rich mineral-producing area. I would say from my personal knowledge of the whole area that these expenditures, though apparently high, are really necessary. In this respect the situation here bears a similarity to the situation during the development of new areas down through our entire history.

Hon. A. W. Roebuck: Honourable senators, I wish to express sympathy for the member from Churchill (Hon. Mr. Crerar). I have listened to him on many occasions making marvelous speeches along democratic lines, but I never before found him in the position that he has been occupying today of trying to justify something which is the very antithesis of democracy. He did a good job—

The Hon. the Speaker: The honourable senator from Churchill (Hon. Mr. Crerar) having moved the motion for second reading and having spoken again, I think he has closed the debate on this motion.

Hon. Mr. Roebuck: With respect, Mr. Speaker, I thought he was not making

a speech when he rose the second time but was simply answering a question. No warning was given that if he spoke again none of the rest of us would be permitted to speak.

The Hon. the Speaker: I am simply stating the rule.

Hon. Mr. Roebuck: If he was only answering a question—

Hon. Mr. Hardy: The Speaker is on his feet.

Hon. Mr. Roebuck: I have a right to argue a matter of procedure.

Hon. Mr. Crerar: May I suggest to His Honour the Speaker that the fault is mine. I should have remained in my seat until other members who desired to speak had had their say, but I was so eager to relieve the anxieties of my honourable friend from Rosetown (Hon. Mr. Aseltine) that I rose prematurely. I hope that that fault of mine will not deprive my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) of the opportunity of making his observations.

Hon. Mr. Vien: Honourable senators, I think the point of order taken by His Honour the Speaker has been well taken, but may I point out that by unanimous consent it is always possible to give an honourable senator leave to speak after the mover of a motion has spoken the second time.

The Hon. the Speaker: Has the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) leave of the Senate to proceed?

Some Hon. Senators: Yes.

Hon. Mr. Roebuck: I thank you, ladies and gentlemen. As I said, I thought that when my honourable friend from Churchill (Hon. Mr. Crerar) was speaking the second time he was answering a question and not closing the debate. However, I will not argue the point any further. I began by expressing sympathy for my honourable friend in his attempt to do the job—and he did it very well—of supporting what I thought was the very antithesis of democracy. I would not have mentioned this had it been anybody but the member from Churchill, whom I have so often heard defend democracy in magnificent speeches.

It is true that the local government should have the right to regulate who votes locally. That is done in the Province of Manitoba and in the Province of Ontario, for instance, and it is perfectly proper that the local government should say who should be enfranchised to elect it. But the Yukon Territorial Council consists of five civil servants residing in the city of Ottawa, who are not elected, but appointed by the federal government, and three members elected from the locality. One can scarcely imagine any group that could better be described as a family compact than these five federal appointees sitting in the city of Ottawa, not in the local territory at all, and sitting by courtesy, shall I say, with three elected members. To call that a local government is surely a misnomer.

In the initial stages of a territory like this there are some things that can very well be left to an appointed council. There may be good reasons why the Council should be composed of five civil servants and three elected members, but it seems to me that the very last thing of all that should be left to a council of that kind is the power to say who shall and who shall not vote.

My honourable friend from Churchill mentions property. That is to say, those appointed people may say that only the rich or only the poor may vote. He mentions Indians and Eskimos. That is to say, he suggests that these appointees shall have the power to say that people of a certain race may vote and those of another race may not vote. Is that a matter to be left to appointees, to civil servants sitting behind baize doors in the city of Ottawa? Should they have the power to control the franchise of people thousands of miles away? He also talks about a floating population.

Well, honourable senators, give me these three things that I have mentioned—a floating rather than a permanent citizenry, the question of race—and I see no reason why religion as well should not be included—and property rights, and if I am inclined to be a family compact type of man I will see that only those who vote rightly vote at all. That is the last thing in the world that should be left in the hands of an appointed council. It would be bad enough if the regulations had to be approved by the Governor in Council instead of by the Commissioner in Council, and nothing short of approval by the Governor in Council should ever be agreed to by this house. My mind is not influenced in the slightest by the statement that this provision was in the Act which we are now amending.

Hon. Mr. Hayden: This is a new section.

Hon. Mr. Roebuck: But, if I understood the mover rightly, this is not a new provision.

Hon. Mr. Hayden: Yes, it is.

Hon. Mr. Roebuck: That does not make it any better or any worse. It should never pass this house, in my judgment, and I hope

that when we get into committee we shall amend the provision by striking out "Commissioner in Council" and substituting therefor "Governor in Council", so that at least the responsible government of Canada will exercise supervision over the decision as to who may and who may not vote. That should not be left to those who would be most seriously affected by the voting.

I compliment the senator from Rosetown (Hon. Mr. Aseltine) upon having brought this matter to our attention.

Hon. A. K. Hugessen: Honourable senators, I think that this discussion has been a very valuable one in drawing the attention of the Senate to certain provisions of this measure which obviously require further explanation in committee. I join with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) in complimenting my honourable friend from Rosetown (Hon. Mr. Aseltine) upon raising this point. Of course it may be that there is an explanation which will show that this subsection 1, which has been so criticized, is entirely innocent. From the fact that there are to be eight members on the council, of whom five are to be appointed and three elected, and the further fact that there are a number of Indians and Eskimos resident in the Territory, I should assume that in all probability the five nominated members will be chosen as, in a sense, representing those racial elements which are not directly represented; and it may well be that subsection 1 is designed to permit the Commissioner in Council to extend the franchise later on to Indians or Eskimos, as necessity may arise. But that is all a matter of speculation; it is quite obvious that we must get further information.

We are indebted to the honourable senators who have taken part in the discussion this afternoon, and I will make it my business to see that their criticisms and suggestions are brought to the attention of the permanent officials who will appear before us in committee to explain the bill, particularly the section which has been objected to.

Hon. Salter A. Hayden: Honourable members, as the discussion has been taking place I have been scanning the original statute, and there is some merit in what the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has said. I observe that section 8A of the bill, which seems to be the bone of contention, uses the words "Commissioner in Council". That obviously means the Commissioner functioning by and with the aid and advice of members of the Council, which when the proposed amendments come into force will consist of three elected members and five appointed members. But upon looking at the original Act I find that the Commissioner in Council was defined even before there were any elected members. I take it, therefore, that after the change is made, the Commissioner in Council referred to in the original statute will mean the Commissioner, functioning by and with the advice of these three elected and five appointed members.

That only adds to the difficulty which the senator from Toronto-Trinity (Hon. Mr. Roebuck) pointed out. For if we look at section 9 of the original Act, which is not referred to at all in the amendments in the bill, we find that, broadly speaking, the functions of the Commissioner in Council in relation to his legislative duties are as broad in relation to the power that he has as are the functions of the Governor in Council in relation to the power which he has. In those circumstances, we would not be accomplishing anything by dealing only with the amendments that are now before us. By passing these amendments we would simply be perpetuating an existing rule of law under which the Commissioner in Council, with a majority made up of non-elective persons, could prescribe the basic qualifications of those who should vote.

I am inclined to agree with the senator from Toronto-Trinity (Hon. Mr. Roebuck) and the senator from Rosetown (Hon. Mr. Aseltine) that, so long as complete self-government within the scope of the provincial field is not given to the Northwest Territories, an elective body should have the final say with respect to the right to vote. Unless there are explanations which have not come before us in the hurried consideration of this matter this afternoon, further amendments will be involved. I think, therefore, that in committee we will have a bigger job than we now foresee.

Hon. Vincent Dupuis: Honourable senators, I have for many years studied the various aspects of the Northwest Territories, especially the rights held by the Hudson's Bay Company, and I have often asked myself whether it was not time for the whole matter to be reviewed. If there ever was a time when the whole question should be thoroughly studied, in my opinion it is now. This country is in reality becoming a nation, and there should not be a Crown within the Crown.

I am quite prepared to give full credit to the Hudson's Bay Company for what it has done in the past, but that organization has so many rights and privileges which no Canadian citizen has that I think it is time the whole subject was reviewed.

Honourable senators are often under the impression that public opinion prompts this house to show greater activity. This is an opportunity for the members of this high chamber to prove that something can be done by them. I humbly suggest, therefore, that the whole question of the rights of the Hudson's Bay Company in the Northwest Territories should be studied by a special committee of this house.

Hon. Thomas Vien: Honourable senators, I agree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), who drew our attention to the inadvisability of conferring unrestricted and dictatorial powers upon an administrative commission, and I also concur in the remarks made by the honourable senator from Toronto (Hon. Mr. Hayden) to the effect that we could not adequately deal with this amending bill without reference to the basic statute the bill purports to amend. Then, would it not be expedient to enlarge the order of reference so as to enable the committee properly to consider all that is involved?

Some restrictions should be placed on the powers of a commission created to administer these far-off territories. At least, as suggested by the honourable senator from Toronto-Trinity, any regulation or quasi legislation passed by the Commission should be subject to the supervision and approval of the Governor-General in Council.

The honourable senator from Rigaud (Honourable Mr. Dupuis) made reference to the century-old powers and privileges of the Hudson's Bay Company. May I recall to the honourable senator that the company has rendered great services to this country. True, we have passed the feudal stage, and we no longer grant such powers and privileges; but in 1905, when the provinces of Alberta and Saskatchewan were created, parliament took the proper course: it compensated the Hudson's Bay Company; in fact, some of the rights of the Hudson's Bay Company had previously been acquired by the Government of Canada. If we ever convert the Northwest Territories into an organized province, if any of the vested rights of the Hudson's Bay Company are in our way, we ought to follow the same procedure. Nobody should be compelled to give up private property except in the public interest, and only after receiving adequate compensation.

The Hudson's Bay Company is a very respectable and historic organization. It has rendered good service in the past, and is still serving a good purpose. If and when the time comes that privileges granted centuries ago should be abolished, this can be done in due course, by expropriation, with compensation or otherwise, by mutual agreement.

Hon. Mr. Dupuis: May I ask the honourable senator not to distort my thought, as I never said that the Hudson's Bay Company should be deprived of its rights without compensation. I only suggested that a committee of this house should study the whole question again. As regards the matter of compensation, there has been compensation for the loss of vested rights in other provinces. In 1854, when seigniorial rights were abolished, the Province of Quebec compensated the seigniors. I assumed that the committee which I suggested would consider the adoption of a similar course.

Hon. Mr. Vien: I hope I have not distorted my honourable friend's views; nothing was further from my thoughts. However, I have given him the occasion to clarify his statement, and he has made it clear that we fully agree.

Hon. Mr. Roebuck: Would the honourable senator tell us what connection or relationship there is between the Hudson's Bay Company and this Council, or how this bill touches the Hudson's Bay Company or the company touches this bill?

Hon. Mr. Vien: I cannot see any relationship whatsoever. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) raised the point that this territory should be administered democratically; that the Governor in Council should supervise and curb the powers granted to the commission by this amending bill. I entirely agree with him. But the honourable senator from Rigaud (Hon. Mr. Dupuis) went further; he suggested the abolition of the rights granted centuries ago to the Hudson's Bay Company.

Hon. Mr. Dupuis: On a point of order, I must rise again and state that I never said, thought or suggested, directly or indirectly, that any rights should be taken away without compensation. I merely said that these questions should be studied by a committee of this house. There should be some compensation if they are entitled to it. The committee which will be formed will study the matter.

Hon. Mr. Euler: Everything that has been said for the last half hour is out of order.

Hon. Mr. Vien: I do not think that I stand corrected in any way. I simply stated how, in my opinion, the Hudson's Bay Company's rights should be dealt with if it became necessary to abolish them. I did not suggest that the honourable senator from Rigaud (Hon. Mr. Dupuis) had stated that the company's vested rights should be taken away

without compensation. All I did was to draw to the attention of the house the necessity of proceeding in an orderly fashion.

Can we properly organize the Northwest Territories? We should be anxious to give these people their civil and political rights. Are they ready to exercise them? Are they capable of doing so?

The honourable senator from Churchill (Hon. Mr. Crerar) has given the Senate valuable information, and is, I am sure, anxious to give the population of these Territories all the advantages of responsible government; but that cannot be done before they are found capable of exercising the political and civil rights that we enjoy in the rest of Canada.

Hon. Mr. Roebuck: And are interested.

Hon. Mr. Vien: And are interested. It might be useful to refer the whole matter to a standing committee. And again, perhaps would it be a more regular procedure for the committee to ask for an extension of its order of reference if, after studying this bill, it came to the conclusion that the basic Act should also be referred to it.

Hon. John T. Haig: I had not intended to take any part in this debate. In a moment of weakness I requested the honourable senator from Rosetown (Hon. Mr. Aseltine) to read this bill and make such representations about it as he saw fit. I had no idea that it would raise such a tempest in this chamber, and I warn the house that I shall never make the same mistake again. The Act of 1905, as I recall it, contained all necessary provisions for conducting elections. At that time there was a representative government in the Northwest Territories. It was elected by the people.

Hon. Mr. Lambert: It was just an assembly.

Hon. Mr. Haig: It was the government. All one needs to do is to read the history of the Territories prior to the Act of 1905. The people elected their own premier and their own government, and spent their own money. The main issue in the Northwest Territories at the time was how much money they could get from the federal government to spend.

Hon. Mr. King: The Territories including Alberta and Saskatchewan.

Hon. Mr. Haig: Yes, Alberta and Saskatchewan.

I want to congratulate the honourable member for Churchill (Hon. Mr. Crerar) on having made a very skilful speech. I must admit that, like the honourable member from Toronto-Trinity (Hon. Mr. Roebuck), I did not know how he was going to skirt around the provision for electing three men and appointing five. He did it well; he made a great fight for it. His ability to do that job indicates to me that, had he taken up the vocation of the law, he would be one of the country's eminent counsel. I do not think the suggestion of the honourable member for De Lorimier (Hon. Mr. Vien), that the previous act also be referred to committee for investigation and report, is a practicable one. But what we ought to do, what is fundamental to do, is to see that the bill shall define who can and who cannot vote for the election of members of the Council. We should say whether we think, for instance, that Indians or Eskimos, non-landowners or any other group, should have the right to vote in these elections. After all, we pass the laws here, and it is most unfair to put the onus on the Council, no matter who its members are, to decide who shall or shall not vote. A great deal of complaint is made throughout this country that the members of the Canadian Senate are not elected. We justify our position by claiming that the men who appoint us are themselves elected, and thus have the right to make appointments. I congratulate the honourable senator from Rosetown (Hon. Mr. Aseltine) for going to the crux of this whole question: should we not define in the Act who can vote and who can not vote. If we find through experience that there should be a wider franchise, well and good.

The honourable senator from Churchill (Hon. Mr. Crerar) made a good case for his bill, and I am willing that it be sent to committee. I must say also that I enjoyed the speech made by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck).

In conclusion, I would suggest that the boundaries of the provinces of Manitoba, Saskatchewan and Alberta be extended to include the Northwest Territories. I do not know whether the Prairie Provinces would agree to this, but I think it would give the people now living in the Northwest Territories a better form of government. Regardless of the capabilities of the civil servants who are now appointed to the Council, I think the provincial legislatures would be better able to administer the affairs of these people because they are closer to them. For instance, the boundaries of Manitoba already extend beyond The Pas, Flin Flon and Churchill. I particularly offer this suggestion to the honourable senator from Rigaud (Hon. Mr. Dupuis). I must say that I was somewhat hurt by his reference to the Hudson's Bay Company. The Canadian headquarters for this company are in Winnipeg, and I would go

so far as to say that to my knowledge it is the most reputable firm in Canada.

Hon. Mr. MacKinnon: It has no special privileges.

Hon. Mr. Howden: The privileges of trade and government granted by the ancient charter of the Hudson's Bay Company were taken over by the Dominion of Canada many years ago.

Hon. Mr. Haig: Quite true, and that is why I am objecting to the question even being raised.

Honourable senators, if a special committee is set up to inquire into this whole matter, I think serious consideration should be given to the proposal to extend the present boundaries of the three Prairie Provinces to include the Northwest Territories.

Hon. Mr. Crerar: I shall not keep the house at any length, but I want to refer to an interesting point raised by the honourable leader opposite (Hon. Mr. Haig). I think it would be an error to define in this statute who should have the right to vote in the Northwest Territories. It would be a case of an outside authority dealing with a matter which is largely one of local concern. I am sure that a tremendous outcry would have been raised had anyone ever suggested that the provisions for provincial franchise be directed by Ottawa. I admit the force of what my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) has said, and I am aware of the support his criticism has received from other members of the house. The point raised is a most interesting one. This Territorial Council is a form of local government, just as much as are the Legislatures of Saskatchewan, Manitoba or Ontario.

Hon. Mr. Kinley: Who pays the bill?

Hon. Mr. Crerar: The objection is that the majority of members of this Council are civil servants. That has always been the case. For many years Dr. Charles Camsell served as Commissioner of the Northwest Territories. I do not think there could have been found in the whole of Canada a man who was more trustworthy or who had a wider knowledge of the area which he was administering than Dr. Camsell. His advice naturally carried great weight.

Honourable senators, we are engaged here in a sort of transition period, and I hope that before many years have passed the Northwest Territories will have complete local self-government, without any interference from Ottawa. I would remind the house, however, that in the last three years the federal government has made necessary expenditures of over $25 million in the Northwest Territories, so it is quite understandable that the federal authorities should wish to retain for a time at least some measure of control over such expenditures. Apart from the purely theoretical question, I submit this is a practical consideration that is entitled to be given some weight. I can assure my honourable friend from Toronto-Trinity that my explanation of this bill does not lessen in any degree my faith in the democratic principle.

Hon. Mr. Roebuck: I am quite satisfied of that, sir.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

CANADIAN SHIPS IN FOREIGN TRADE

NOTICE OF INQUIRY

Hon. Mr. Duff: Honourable senators, I have been very patient in listening to my free-trade friend from Churchill (Hon. Mr. Crerar) and others discussing this important matter of the Northwest Territories, and now I wish to give notice of an inquiry for Friday. I am rising on the Orders of the Day, and I think I am in order.

Hon. Mr. Haig: Honourable senators, on a point of order, has the honourable gentleman permission of the house to proceed?

The Hon. the Speaker: As objection has been taken, I must rule that unless the honourable gentleman from Lunenburg (Hon. Mr. Duff) has leave of the Senate, he may not proceed.

Hon. Mr. Duff: Mr. Speaker, I submit that I am not out of order. We are on the Orders of the Day.

Hon. Mr. Haig: No, we are not.

Hon. Mr. Aseltine: We are away beyond that point.

Hon. Mr. Duff: As I said before, I have been very patient in listening to my friend from Churchill—and there is nobody in the house for whom I have more respect—and my friend from Rosetown (Hon. Mr. Aseltine) and others talking about the Northwest Territories, and the Indians and their squaws and so on, and I think I should be allowed to give notice of this inquiry.

The Hon. the Speaker: Has the honourable gentleman permission to proceed at this stage?

Some Hon. Senators: Yes.

Hon. Mr. Duff: I could postpone the notice of inquiry until tomorrow or next week, for that matter, but I think it is in order for me to present it now. My inquiry is as follows:

1. How many ships of Canadian registry are in the foreign trade, giving name, tonnage and route?
2. How many government departments are concerned in the supervisoin of said ships?
3. What is the cost of said organization per year?
4. What is the cost of each ship to the government?

That is a very simple inquiry, honourable senators.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from Wednesday, March 21, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. C. J. Veniot: Honourable senators, in venturing to take part in the present debate, I may say immediately that it is not my intention to weary you with a long dissertation; nor do I intend to review any of the excellent speeches which have been made so far. Rather, I wish to limit my remarks to one phase of the resolution, namely, the composition of the Senate.

Practically everything that could be said on the merits and demerits of the Senate has already been presented in one form or another, and it would serve no useful purpose and add nothing to the discussion if I were to examine or repeat some of the arguments previously advanced. There remains, however, something important to be said about the composition of the Senate.

We are all one-minded concerning the necessity of an upper chamber as a proper balance-wheel in the government of the nation. We are also agreed concerning the aims and intentions of the Fathers of Confederation when they decided upon the establishment of the Senate. The trend of discussion has also indicated that there is unanimity upon another point, namely, that there is at present—and there has been for some time —an underlying, undefined, hidden factor, which is inspiring and inflaming unjustified criticism against the Senate.

Hon. Mr. Duff: Quite right.

Hon. Mr. Veniot: But we are not agreed on what this factor is, nor on what methods should be employed to counteract this criticism.

I submit that it may be stated with a reasonable amount of correctness that one of the chief factors in the criticism levelled at the Senate is the fear which lurks in the minds of a great part of the Canadian public that the number of government supporters in the Senate may become so overwhelmingly large that the opposition party may become practically extinct. Thus, in the public mind, the Senate would become a one-party institution, and lose entirely the spirit of fair-mindedness and the judicial character which was intended for it by the moulders of confederation.

If you will review the clamour for Senate reform which has surged at certain periods in the last fifty years you will find that the criticism always reached its maximum intensity when government forces, either Liberal or Conservative were at their peak and the opposition element was depressed to its lowest level.

The Fathers of Confederation never meant the Senate to be what it is today—a one-sided, top-heavy body. Macdonald, Cartier, Brown and others never visualized a Senate composed of 90 per cent Liberals and 10 per cent Conservatives, or *vice versa*.

I admired the generosity and the magnanimity of the honourable leader of the opposition (Hon. Mr. Haig) when, at the beginning of this debate, he asserted that in his estimation the Senate, in spite of all criticism, continues to maintain a spirit of impartiality and to function as a judicial body when it considers legislation. He made that statement as a tribute to the fair-mindedness of his fellow senators of all political colours, notwithstanding the fact that he and his followers are outnumbered nearly ten to one by Liberal appointees.

All of us are in agreement with him on this particular point, but nobody will ever convince me that popular opinion throughout Canada is of the same frame of mind. Say what you like on this score, the public of Canada will never be made to believe that ninety Liberal senators will completely divest themselves of their political affiliations and leanings when discussing legislative measures introduced in the Commons by a Liberal government. The same trend of thought permeates the public mind when Conservatives are in the driver's seat and the Liberals are in opposition.

I therefore realize what was in the minds of the honourable senator from Vancouver South (Hon. Mr. Farris) and the honourable senator from Grandville (Hon. Mr. Bouffard) when they suggested that one-third of the senators should be appointed by the provinces.

The same thought no doubt inspired the honourable leader of the government (Hon. Mr. Robertson) when he suggested that a portion of the Senate should be elected by the people. We can all see that the gist of their thoughts and of their planning is aimed at restoring public confidence in the Senate—by changing the political complexion or physiognomy of the upper chamber, by transfusing new blood into its ranks, by having a greater variety of political representation in its make-up. They realize—and we all should admit the fact—that in the public mind our present Liberal top-heaviness is not a healthy situation, and is not conducive to instilling confidence in the Senate among the rank and file of the nation.

The public at large will continue its present attitude of mistrust of the Senate so long as this body continues to be lopsided in its political composition, as it is at the present time, whether the swamping majority be Liberal or Conservative.

I am sure that every member of this house is convinced of the need of maintaining at all times an opposition of sufficient numerical strength to not only reassure the public concerning the honesty of purpose of the Senate and the sincerity of its intentions with regard to all legislation, but also to stimulate healthy discussion and throw plenty of light on every question presented to us.

The big question is, how can we remedy the present anomalous situation? What can we do to restore public confidence?

As a preface to the suggestion I have to submit, may I relate an incident concerning the appointment of a New Brunswick senator? In the latter part of July, 1935 my late father, who was then a member of the opposition, in the House of Commons, telephoned me one evening asking me to come to his home to discuss with him a matter of importance which had suddenly cropped up. When I joined him a few minutes later he handed me a letter from the Right Honourable R. B. Bennett, then Prime Minister of Canada, in which the leader of the government asked him if he would be good enough to help him solve a dilemma which confronted him. He wrote somewhat as follows:

> As a leader among the Acadians you are in a better position than I to judge which one of the gentlemen whose names I submit to you is best qualified to represent the Acadians of New Brunswick in the Senate as successor to the late Senator Pascal Poirier, who was so highly thought of by everybody who knew him. I shall abide by your recommendation and make the appointment as you suggest, well knowing your deep interest in the welfare of your fellow Acadians and the public-spiritedness which always animates you.

It did not take long for us to make a choice from the panel of names submitted, and a letter was despatched that same night to the Prime Minister recommending J. Antoine Leger, of Moncton, who formerly had been Secretary-Treasurer of the Province of New Brunswick. Fifteen days later Leger was summoned to the Senate.

I do not think many appointments to the Senate have been made under similar circumstances. Here is the case of a Conservative Prime Minister asking one of his bitterest political opponents, but one whom he knew to be a square shooter, to practically make an appointment to the Senate for him. It is a worthy example of two political antagonists setting aside their partisan differences and placing the welfare of their country first and foremost in the selection of a man who would best serve the nation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Veniot: Some years later, when I related to Senator Leger the circumstances which surrounded and influenced his call to the Senate, he said: "You know, your father and I have always been political opponents, but I always had for him a great regard and deep liking. Now I know the reason why!"

I come now to the suggestion which has been in my mind for some time. I submit that by constitution or by other arrangement—preferably by other arrangement, if it could be had—the Senate should be so composed that at all times not less than one-fourth of its membership shall constitute an official opposition party. I further suggest that if and when the number of senators in the opposition drops below the one-fourth level, it shall be the privilege and the duty of the official leader of the opposition in the Senate, associated with the official leader of the opposition in the Commons, to recommend to the Governor General in Council—in other words to the Prime Minister—a panel of names of persons qualified to enter the Senate to fill the ranks of the opposition in the Senate so as to maintain it at the determined level.

Furthermore, there are four senatorial divisions, three of which are each entitled to 24 senators; and one, the Maritimes division, which since the inclusion of Newfoundland in confederation has been entitled to have 30 senators. I therefore suggest that the opposition leaders should not recommend the appointment of more than one-fourth of the total number of senators in any one division, or more than one-fourth of the number of senators in any particular province; otherwise, it might be possible to appoint the entire

opposition party in the Senate from one province or from one senatorial division, which would not be desirable

I know that in making these suggestions, I am treading on the partisan toes of several of my friends; but I also know that the plan meets with the approval of men who are broad-minded enough to place the interests of their country foremost.

There is nothing in the constitution of the country which prevents a Prime Minister from asking leaders of opposition parties to recommend to him a panel of names from the ranks of their supporters for appointment to the Senate, from which panel the Prime Minister in turn could make recommendations to the Governor General. The most difficult problem to my mind would be to determine what is a reasonable opposition. Should that number be 25, or should it be 30, out of 102 senators? That can be worked out later.

Several proposals have been made to bring about a change in the political complexion of the Senate. But the suggestion I have just submitted seems to offer the simplest and least complicated method. It eliminates the objections to an elective portion of the Senate. It does away with possible new sources of friction, which might occur between central and provincial governments if provinces were to make appointments to the Senate. Finally, it preserves the original method of appointment adopted by the Fathers of Confederation, and prevents the Senate from being "packed"—if I may use the word—with appointees from any one particular political party.

I do not pretend that the proposal is a cure-all for the problems which confront the Senate; I do, however, maintain that some change along these lines is necessary if we are to hold the confidence of the people of Canada and make the general public feel that the Senate is at least constituted in such a way that it can more efficiently fulfil the task which was assigned to it by the Fathers of Confederation.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: Honourable senators, I move the adjournment of the debate.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 3, 1951

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

Prayers and routine proceedings.

PRIVATE BILLS

EXTENSION OF TIME FOR FILING PETITIONS

Hon. Charles L. Bishop, for the Chairman of the Standing Committee on Standing Orders, presented and moved concurrence in the second report of the committee.

The report was read by the Clerk Assistant, as follows:

Your Committee recommend that the time limited which expired 12th March, 1951, be extended to by Rule 110 for filing petitions for private bills, Friday, May 11th, 1951.

The report was concurred in.

FRASER RIVER BASIN

ORDER FOR RETURN

Hon. Mr. Reid moved:

That an Order of the Senate do issue for a copy of the latest Interim Report or Annual Report of the Dominion-Provincial Board, Fraser River Basin.

The motion was agreed to.

BUSINESS OF THE SENATE

On the orders of the day:

Hon. Mr. Hugessen: Honourable senators, it would be a matter of convenience if we were to determine now the sittings of this house in the immediate future. We shall probably reach the end of our order paper this afternoon, and as there is not much legislation before us I intend to move, at the conclusion of this sitting, that the Senate adjourn until next Tuesday at 3 o'clock in the afternoon. A great deal of work awaits our committees, particularly the Standing Committee on Finance, which is about to inquire into the estimates. There will be a meeting of that committee immediately the Senate rises on Tuesday afternoon.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill J-7, an Act for the relief of Doris Eileen Rowe Brenan Stavert.

Bill K-7, an Act for the relief of Gertrude Job Fraser.

Bill L-7, an Act for the relief of Ruth Fishman Wynn.

Bill M-7, an Act for the relief of Beatrice Vide Harriett Hunnisett Glenday.

Bill N-7, an Act for the relief of Salfeda Busko Williams.

Bill O-7, an Act for the relief of Margaret Isobel Barnett.

Bill P-7, an Act for the relief of Thelma Rosenberg Schwartz Bard.

Bill Q-7, an Act for the relief of Rollande Cecile Larocque Duquette.

Bill R-7, an Act for the relief of Etta Smolkin Shapiro.

Bill S-7, an Act for the relief of Jeanne Wigdor Millman.

Bill T-7, an Act for the relief of Capitola Jodoin Ranger.

Bill U-7, an Act for the relief of Gaston Deguire.

Bill V-7, an Act for the relief of Jean Troster Fink.

Bill W-7, an Act for the relief of Rae Goldstein White.

Bill X-7, an Act for the relief of Phyllis Eileen Paris Gibson.

Bill Y-7, an Act for the relief of Lorraine Colville Watson Anderson.

Bill Z-7, an Act for the relief of Edward Stanley Darby.

Bill A-8, an Act for the relief of Bernard Kenneth McCormack.

Bill B-8, an Act for the relief of Mansell Reginald Jacques.

Bill C-8, an Act for the relief of John Atherton Critchley.

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

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill E-8, an Act for the relief of Julia Starr Melnick.

Bill F-8, an Act for the relief of William Alfred Jameson.

Bill G-8, an Act for the relief of Jean Camille Antoine Coutu.

Bill H-8, an Act for the relief of Mary Jenner Watkins.

Bill I-8, an Act for the relief of Geraldine Mae Cuffe Kennedy.

Bill J-8, an Act for the relief of Lucille Ida Fenlon Ashmore.

Bill K-8, an Act for the relief of Ela Raizman.

Bill L-8, an Act for the relief of Julia Saad Shagory.

Bill M-8, an Act for the relief of Lottie Aileen Wright Robinson.

Bill N-8, an Act for the relief of Arthur David Prosser.

Bill O-8, an Act for the relief of Edmund Vaughan Stewart.

Bill P-8, an Act for the relief of Marie Madeleine Clemence McKenzie Caron.

Bill Q-8, an Act for the relief of Meinerth Aage Arsvold Wick.

Bill R-8, an Act for the relief of Myrtle Louise Vassel Evans.

Bill S-8, an Act for the relief of Margo Clare McManus McKeown.

Bill T-8, an Act for the relief of Eli Wilson Jewer.

Bill U-8, an Act for the relief of Beulah Nellie Elliott.

Bill V-8, an Act for the relief of Terez Baranyai Jekkel, otherwise known as Therese Baranyai Jekkel.

Bill W-8, an Act for the relief of Andrew Krilyk.

Bill X-8, an Act for the relief of Harold Dimond Parsons.

Bill Y-8, an Act for the relief of Peter Seniw.

Bill Z-8, an Act for the relief of Dorothy Agnes Bell Bissonnette.

Bill A-9, an Act for the relief of Gertrude Banner Jones.

Bill B-9, an Act for the relief of Selma Schenker Wyler.

Bill C-9, an Act for the relief of Frances Helen Schulman Cohen.

Bill D-9, an Act for the relief of Agnes Mary Binnie Bullock.

Bill E-9, an Act for the relief of Marie Rose Berthe Bernard Greco.

Bill F-9, an Act for the relief of Paul Emile LeBlanc.

Bill G-9, an Act for the relief of Taras Pieluch.

Bill H-9, an Act for the relief of Joyce Margaret Wright Roxburgh.

Bill I-9, an Act for the relief of Elsie Mary Harrop Cameron.

Bill J-9, an Act for the relief of Anna Kirk Rosborough Finlayson.

Bill K-9, an Act for the relief of Marie Madeleine Pauline Parent Bjarnason.

Bill L-9, an Act for the relief of Mona Patricia Kiddie Heaney.

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

THIRD READINGS

The Hon. the Speaker: When shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate now.

Hon. Mr. Duff: No, tomorrow.

Hon. Mr. Haig: I would ask the honourable senator from Lunenberg (Hon. Mr. Duff) not to object to the third reading of these bills at this time. We are anxious that they be sent to the House of Commons so as to ensure that they will be dealt with before the close of this session. If we postpone the third reading of these bills until we reassemble next week it may cause difficulty.

Hon. Mr. Duff: I consent to third reading now.

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

HAMILTON HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. G. P. Campbell moved the second reading of Bill 196, an Act respecting the Hamilton Harbour Commissioners.

He said: Honourable senators, this bill amends the Hamilton Harbour Commissioners Act of 1912. The purpose of the bill is to extend the powers of the Harbour Commissioners, to enable them to acquire lands for amusement purposes and to erect thereon such facilities as may be considered necessary. When the commission was created, in 1912, it was granted all the general powers given to other harbour commissions in the country, namely, power to acquire lands and to develop them for harbour purposes, together with the necessary facilities. Last year the City of Hamilton decided it was advisable that the Harbour Commissioners should acquire certain lands for recreational purposes, and it petitioned the Department of Transport to have the Act amended so as to permit this. After investigation and consideration the department approved of the amendment, in the form of the bill now before us, which has already been passed by the other house.

The extra powers proposed to be given to the Commissioners are clearly set out in clause 2 of the bill, which reads as follows:

> 2. The Hamilton Harbour Commissioners, hereinafter called "the Corporation," in addition to all other powers vested in them, may conduct, on the lands of the Corporation in the City of Hamilton and in the township of Saltfleet, amusements, recreation grounds, playgrounds and public bathing beaches, or arrange with others to conduct the same, and may charge or receive compensation for the use of and admission to such grounds and beaches and enjoyment of such amusements, and may permit others to conduct and operate such amusements, recreation grounds, playgrounds and public bathing beaches, and to make charges therefor either wholly for themselves or partly for themselves and partly for the Corporation, or wholly for the Corporation, as the Corporation may think proper.

Clause 3 of the bill gives the corporation—that is, the Harbour Commissioners—power to spend money for the building of such facilities as may be considered necessary, and to borrow money for this purpose. And

subclause 2 of clause 3 makes all the provisions of the general statute passed in 1912 applicable to the powers granted under this measure.

As the bill is so simple I would suggest that, with leave of the Senate, it be adopted without reference to a committee.

Hon. Mr. Aseltine: Can the honourable member say how much money the commissioners intend to spend under this bill?

Hon. Mr. Campbell: No estimate has been made to date. The Harbour Commissioners, like all other similar bodies, would have control over the amount to be spent.

Hon. Mr. Aseltine: Who furnishes the money?

Hon. Mr. Campbell: It will be raised by the City of Hamilton. The procedure followed is the same as that followed in other cities which have a separate Harbour Commission charged with the administration of lands; that is, the commission, with the approval of the municipal corporation, issues securities against the lands.

Hon. Mr. Crerar: May I ask the honourable gentleman who explained the bill if it gives the harbour commissioners authority to lease these lands to some body, such as the City of Hamilton?

Hon. Mr. Campbell: The powers go that far. After the lands are acquired and the facilities erected, the commissioners may operate them themselves—as I believe is done in the City of Toronto—or they may operate them jointly with the City of Hamilton, or with any individual selected for that purpose. The terms of the agreement would of course be negotiated between the representative of the Harbour Commissioners and the people who were entering into such a joint arrangement for the operation of the facilities.

Hon. Mr. Lambert: May I ask my honourable friend if the Hamilton harbour board is not entirely under the jurisdiction of the National Harbours Board, with headquarters in Ottawa?

Hon. Mr. Campbell: No.

Hon. Mr. Lambert: As I understand it, the position of the harbour commissions was changed in 1935. At one time there was a harbour commission for each harbour, but now all are controlled by the National Harbours Board. Does that arrangement not apply to Hamilton?

Hon. Mr. Campbell: That is not the case so far as Hamilton and Toronto are concerned. I may say to the honourable gentleman that under the provisions of the original Act one commissioner is appointed by the Corporation of the City of Hamilton and two commissioners are appointed by order of the Governor in Council. The majority of the commissioners come under the control of the federal authorities.

Hon. Mr. Roebuck: Did I understand the honourable gentleman to say that the local commission operates amusements, bathing beaches, and that sort of thing, at Sunnyside in the City of Toronto?

Hon. Mr. Campbell: The development of the facilities at Sunnyside is vested in the harbour commission. As far as the bathing beaches in Toronto are concerned, they are operated by either the City of Toronto or by the harbour commission. The other facilities are leased out to various individuals; but, as I say, the development of the area is under the jurisdiction of the Toronto Harbour Commissioners.

Hon. Mr. Quinn: In answering the senator from Ottawa (Hon. Mr. Lambert) the honourable gentleman referred to a harbour commission. I should like to repeat somewhat the same question as was asked. Is there a harbour commission for Hamilton?

Hon. Mr. Lambert: Yes.

Hon. Mr. Quinn: I do not quite follow the discussion. The honourable senator from Ottawa has stated that the commissions were abolished in 1935.

Hon. Mr. McKeen: Not all of them.

Hon. Mr. Campbell: The National Harbours Board has control over certain national harbours, such as Montreal, Halifax, St. John's and the coastal harbours.

Hon. Mr. McKeen: And Quebec and Vancouver.

Hon. Mr. Campbell: Under the Hamilton Harbour Commissioners Act passed in 1912 the harbour was vested in that body. The full powers are set forth in the Act, and the administration has since been under the control of the Hamilton Harbour Commission, consisting of one member appointed by the Hamilton City Council and two members appointed by order of the Governor in Council.

Hon. Mr. Hardy: It is very much the same as the City of Toronto Harbour Commission.

Hon. Mr. Campbell: The same thing.

Hon. Mr. Crerar: I should like to get a little more information. I take it that the corporation—that is, the Hamilton Harbour Commission—is the creature of the federal government; that is to say, it owes its corporate existence to legislation passed by parliament?

Hon. Mr. Campbell: That is right.

Hon. Mr. Crerar: To what extent is the government responsible for the acts of this board, set up under federal legislation, in the matter of operating amusements, ball parks and so on? Supposing, in the operation of these amusements, some accident happens and there is loss of life, is there any responsibility on the part of the federal government?

Hon. Mr. Campbell: None whatever. The Act is really an Act of incorporation, which forms the body and gives it powers, as does every Act of incorporation.

Hon. Mr. Crerar: Then it is really a private bill?

Hon. Mr. Campbell: Yes. It vests the land in the Harbour Commissioners, with full powers to administer, borrow on, control and operate all these lands. There is no responsibility whatever so far as the Dominion Government is concerned.

Hon. Mr. Crerar: Does the federal government appoint two of the commissioners?

Hon. Mr. Campbell: Yes. Under the provisions of the act of 1912, two of the commissioners are appointed by the Governor-in-Council.

Hon. Mr. Roebuck: In case of a deficit, where is the board to go to get it liquidated? If some of these amusements lose money instead of making it, will the City of Hamilton provide the deficit, or can the commissioners apply to the Dominion Government?

Hon. Mr. Campbell: Well, they have no recourse to the Dominion Government. I suppose this corporation is in exactly the same position as many others; they have to provide for their financing by borrowing from the public. I am not very familiar with the type of financing that has already been done in Hamilton, but I know the situation as far as Toronto is concerned. There, the commissioners do their financing by public offerings of securities approved and endorsed by the City of Toronto, and the City of Toronto will provide money from time to time as it is required. I assume that in the case before us the same procedure will be followed. If a deficit results from the commission's operations, it will be defrayed from the general revenues derived from Hamilton harbour—from sales and leases of land, and so forth. But there is no responsibility so far as the Dominion Government is concerned to meet deficits, if any arise.

Hon. Mr. McKeen: By way of information I may say that Vancouver has two harbour boards; one, the National Harbours Board, which took over the former Vancouver Harbour Board; and a harbour board on the North Fraser River, which is run by representatives of the Dominion Government. In addition, there is a harbour board at New Westminster. These boards make certain charges in the form of harbour dues, and pay for the facilities from the dues they collect and from the proceeds of leases of land. In the case of Hamilton the administration will be by a private body, instead of by the National Harbours Board. I will not inquire as to which is the more desirable.

Hon. Mr. Roebuck: I am doubtful about this legislation. Under this bill it is sought to incorporate a company with powers to run amusements, recreation grounds, playgrounds and public bathing beaches. That is the vital element in this bill: the purpose of the company is to run amusements. The only ground on which we can interest ourselves in the Hamilton harbour is the item in the British North America Act which places harbours under the jurisdiction of the Dominion Government. In this case, on the excuse of there being a harbour and a harbour board, we are invited to go into the amusement business and incorporate a company for that purpose. The City of Hamilton has always been pretty good at that kind of thing. For some years I was a member of the Hydro Commission, which inadvertently became the owners of the Hamilton Street Railway. It was wished on to the commission when that body purchased the DeCew Falls for its power facilities. The City of Hamilton stood aside and let us run their street railway at a deficit year after year. We could not get anybody to take it off our hands. To me this bill is reminiscent of that experience. The City of Hamilton is getting the Dominion Government, or a corporation incorporated by the Dominion Government, to run its amusements for it. Personally I do not like the project. It may be all very well to develop these harbour lands along the lines suggested by the honourable senator from Toronto (Hon. Mr. Campbell), and perhaps lease them to somebody else who may conduct on the lands of the corporation amusements, recreation grounds, playgrounds and public bathing beaches; but to give to a dominion corporation power to go into the amusement business, with all its liabilities and risks as well as possibilities of dividends, does not greatly appeal to me, and I would not approve of the passing of this bill without reference to a committee. I think we ought to make careful inquiry with regard to what it is intended to do, how the corporation's powers can be exercised, and whether,

instead of giving them the right to conduct an amusement establishment, we should not limit them somewhat.

Hon. Mr. Campbell: In answer to the honourable senator from Toronto, I would point out that there is nothing new whatever in these proposals.

Hon. Mr. Haig: On a point of order, and in the light of something that happened yesterday, I think that you, Mr. Speaker, should call to the attention of the house that the honourable gentleman who has just risen to speak is closing the debate. It should be understood that if he speaks now, the debate will be closed. As he has started out, the impression may be created that he is just replying to the honourable member from Toronto-Trinity (Hon. Mr. Roebuck). Perhaps in a minute or two I or some other senator may want to say something, and we would then be shut off.

The Hon. the Speaker: I must point out at this time that if any other honourable senator wishes to speak on this matter he should do so now; otherwise, when the honourable member for Toronto (Hon. Mr. Campbell) rises to speak he will close the debate on the motion.

Hon. Mr. Reid: May I ask the honourable senator a question. The bill does authorize the corporation to spend money. If the corporation goes ahead and provides the amusements herein referred to, which in my experience is a new departure for a harbour commission—and I have had something to do with the Westminster Harbour Commission—and if it makes profits, to whom will those profits go; or if it incurs deficits, will it apply to the Dominion Government to borrow money, or how will they be financed?

Hon. Mr. Campbell: I thought I answered that question. As far as possible deficits are concerned, they will be met from the general revenue. There is no obligation whatever upon the Dominion Government to make up any deficit.

Hon. Mr. Roebuck: There may be a moral obligation.

Hon. Mr. Campbell: None whatever. And as far as profits are concerned, the general Act provides that they shall go either to the harbour commissioners or to the Corporation of the City of Hamilton.

Hon. Mr. Roebuck: In view of the fact that the deficits are payable from the assets of the corporation, do we face the possibility of the sheriff taking over the harbour of Hamilton?

Hon. Mr. Campbell: I am sure my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) is not serious—

Hon. Mr. Roebuck: Quite serious.

Hon. Mr. Campbell: —because it is the responsibility of the City of Hamilton, and I have great confidence in the financial ability of that city to meet its obligations.

Hon. Mr. Roebuck: How would it be an obligation of the City of Hamilton under this bill?

Hon. Mr. Campbell: Honourable senators, the purpose of this bill is simply to amend the existing legislation in order to give the Hamilton Harbour Commissioners the specific power to acquire these lands for the conduct of amusements, recreation grounds, playgrounds and public bathing beaches. This amendment has not been sought by the Harbour Commissioners themselves but by the Corporation of the City of Hamilton. The city council has passed a resolution seeking to have the Harbour Commissioners Act amended in such a way as to give the Hamilton Harbour Commissioners the power to acquire these lands and carry out this proposed scheme of development.

Hon. Mr. Vien: Would the honourable senator please explain why the City of Hamilton would choose this procedure instead of creating parks, and so on, under its own municipal authority?

Hon. Mr. Campbell: I cannot answer that question specifically; but what is being done follows the pattern adopted by the City of Toronto so far as harbour-front lands are concerned. The lands along the waterfront are vested in the Harbour Commissioners, and rather than make re-investments the Harbour Commissioners retain the lands and develop them.

The Hon. the Speaker: Honourable senators, the question now is on the motion for the second reading of this bill. Is it your pleasure to carry the motion?

Hon. Mr. Roebuck: On division.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Campbell: As some question has been raised about this bill, I would move that it be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. J. G. Turgeon moved the second reading of Bill D-8, an Act to incorporate Independent Pipe Line Company.

He said: Honourable senators, it is not necessary for me to say that when this bill has been given second reading, I shall move that it be referred to the Standing Committee on Transport and Communications, where I am sure it will receive careful examination.

Honourable senators, I am quite anxious to hear the honourable member from Peterborough (Hon. Mrs. Fallis) speak this afternoon in the general debate on Senate reform, so I shall not detain the house very long in explaining the bill now before us. There are one or two points, however, that I should mention.

So far as oil is concerned, the general market in the Vancouver-New Westminster-Fraser Valley area is sufficiently large to amply justify the construction of a pipe-line from the oil fields of Alberta to the Pacific Coast. It is proposed that the pipe-line shall start at Edmonton Terminal, which is twelve miles from Edmonton, and that its over-all length shall be approximately 720 miles. It will run through Yellowhead Pass and Kamloops and then follow the Canadian National and Canadian Pacific railway lines and, in some places, the main highway to Port Mann and Port Moody. From the Vancouver-New Westminster area it will run south into the northwest portion of the United States. As I said before, the market in the part of British Columbia concerned will justify the expenditure of the sixty odd million dollars that will be required to build the 720 mile pipe-line, and the company will be left with sufficient capital to carry on its business. It is hoped that before long new refineries will be constructed in the Vancouver and Fraser Valley areas.

Hon. Mr. Vien: Will this company be a common carrier?

Hon. Mr. Turgeon: Yes. Under the laws of Alberta an oil-carrying company must be a common carrier; and since this pipe-line will cross provincial boundaries there is no doubt whatever that it will be a common carrier, and that its facilities to the Pacific Coast will be available to all purchasers of oil.

Hon. Mr. Vien: What is the particular significance of the word "Independent" in the name of the company?

Hon. Mr. Turgeon: I understand that it is merely a part of the name, and that it has no particular significance. I hope the committee that will deal with this bill will meet next Wednesday, and I know that the sponsors of the bill will be glad to answer any questions at that time.

Hon. Mr. Vien: Is this company related to any oil company or is it independent in that respect?

Hon. Mr. Turgeon: It is not independent of any oil company because, naturally, those who are interested in the production of oil are those who are likely to be interested in the transmission of oil. I may say that those interested in the Federated Oil Company are the ones most interested in the Independent Pipe Line Company. To all intents and purposes this is a Canadian company with a purely Canadian group financing the construction of the pipe-line.

Hon. Mr. Lambert: Could my honourable friend tell me whether the Independent Pipe Line Company plans to run its line through the same territory as that of the Trans Mountain Oil Pipe Line Company? If this is so, will both companies use the same pipe-line as a common carrier?

Hon. Mr. Turgeon: That is a matter on which naturally they will have to get together. I would imagine that at first only one company would receive authority from the Board of Transport Commissioners to construct a pipe-line; and as every oil pipe-line would be a common carrier, all oil producers would be able to use the facilities of whatever company secured the right to build. So far as this particular company is concerned, there is a definite provision within the bill itself that the construction of the pipe-line must be within Canadian territory right through to the points indicated, Port Mann and Port Moody; so under this legislation the line would have to reach the New Westminster-Vancouver area before the company could start to build towards any market in the south.

Hon. Mr. Lambert: Has my honourable friend any estimate of the required volume of oil that will pass through that line?

Hon. Mr. Turgeon: As honourable members know, the Conservation Board of Alberta permits only a certain production—at present, roughly 200,000 barrels daily. However, the present market is about 150,000 barrels daily, leaving some 50,000 barrels of oil per day available for transmission, whichever company may happen to handle it; and besides there will be increased production in the future. I was an Albertan before I went to British Columbia, and I am hopeful that Alberta oil production will increase so greatly in the very near future as to give this country a great deal of relief from its present necessity of spending foreign currency. I do not

think that there will be any difficulty in getting from Alberta sufficient oil to supply not only the market in British Columbia but part of the market in the northwest portion of the United States.

Hon. Mr. Reid: I have one question to ask the honourable senator, but first may I say that I think parliament never before had such an epidemic of pipe-line bills. While of course we welcome certain oil pipe-lines, in my humble opinion there are going to be a lot of "squeeze plays" among the various companies in their eagerness for business, because it seems evident that there will not be room for all the pipe-lines that have been approved by parliament. My question is this: What economic justification is there for taking the pipe-line across from Port Mann to Port Moody? Port Mann is growing fast at present and may well be the hub of a great city extending from Vancouver to the boundary, a city the equal of Chicago, I believe.

Hon. Mr. McKeen: Will it take in Vancouver?

Hon. Mr. Reid: It will keep on growing until it takes in Vancouver.

Hon. Mr. Euler: That is a pipe dream.

Hon. Mr. Reid: It may be, but I believe that if you go out there and see the rapid development you will agree with me. Port Mann is the distributing centre at the head of the finest fresh water port in Canada, where ships could load oil for transport to Vancouver and the Fraser Valley as well as to the United States. I cannot understand why the line should be taken from there across to Port Moody.

Hon. Mr. McKeen: I would suggest to my honourable friend from New Westminster (Hon. Mr. Reid) that if he wants to induce the government to dredge the river he had better get the business at Port Mann. The big oil tankers draw from thirty-one to thirty-two feet of water, and with the present depth of the channel they would, as sailors say, smell the bottom. In order to enable these large ships to enter the port the channel would have to be dredged.

Hon. Mr. Reid: That is one more reason why the line should end at Port Mann.

Hon. Mr. Turgeon: Perhaps I should add that both Port Mann and Port Moody will benefit through the passing of this measure. As the honourable senator from New Westminster (Hon. Mr. Reid) knows, there is at present no oil refinery in New Westminster. There are oil refineries adjacent to the city of Vancouver itself—they are of small capacity, it is true, but still they are refineries—and the sponsors of this bill intend to provide a transmission line so that oil will be available to existing refineries and any others that may be constructed as a result of the development in Alberta. I understand that when the oil is carried by pipe-line to Port Moody it can be supplied to the refinery from the end of the line by gravity, at a much lesser cost than if a pumping station had to be built and operated. I also understand that, because of the lay of the land and so on, if a refinery is established at New Westminster it will be a very simple matter to bring oil there from Port Mann. But if a refinery is built at New Westminster, that will not prevent the continued flow of oil to Port Moody in order to supply the present refineries in Vancouver.

As to my honourable friend's comment on the large number of pipe-line bills, I would point out that two or three years ago parliament passed general legislation providing that no company could apply to the Board of Transport Commissioners for permission to build a pipe-line without first having secured a charter from parliament.

Hon. Mr. Reid: But the purpose of that general legislation was to control the number of companies applying for charters; and we are not controlling them.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Iva C. Fallis: Honourable senators, I regret very much that because of unavoidable circumstances it was not possible for me to participate in this debate earlier. So many speeches have been made on the subject, from almost every conceivable angle, that I must confess it is with some diffidence that I rise at this late stage to make my small contribution.

In the early stages of the debate the honourable senator from Winnipeg (Hon. Mr. Haig) gave us a very clear-cut picture of why the Senate was first established and what

duties and obligations were entrusted to it by the Fathers of Confederation. He stressed the fact that all through the years that followed those duties and obligations had been faithfully discharged. With that conclusion I think all members are in agreement. But as the debate progressed it became increasingly apparent that there is a very sharp division of thought in this chamber. We are not all agreed as to where we go from here.

There are perhaps two distinct schools of thought. The members who belong to the first group sincerely and conscientiously believe that if we as senators discharge our duties in the future as conscientiously as we have in the past, that is all that is necessary, and we should not pay too much attention to outside criticism. There is a second group which reasons something like this: Times have changed; conditions have changed in the past few years; conditions which the Fathers of Confederation could not have foreseen now pertain in this chamber. They argue that if this body is to fulfil its duty to the country as a whole, certain changes should be made to make it more representative of public opinion. Personally, I find myself in agreement with the thought and the principle advanced by the second group, but not at all in agreement with most of their arguments.

When I look over the chamber as it is constituted today, in my opinion it presents two major defects. The first is that there are not enough women here.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: The second is of course that there are too few members in the opposition ranks. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) in the course of a very fine speech which he made in this debate, made the statement—which of course is absolutely true—that it is entirely the prerogative of the Prime Minister of this country to make appointments to this chamber, and that he, the honourable senator, did not propose to give advice or make suggestions until he was asked. Well, I am very grateful that the senators who followed were not as modest as was the senator from Toronto-Trinity, for they all immediately began to make suggestions and to give advice, and by so doing established a precedent for me.

While I would not for one moment presume to give advice to anybody in authority, I do not see that it is at all amiss for this house or any member of it to make suggestions. This is being done all the time by people outside the chamber, by individuals and by organizations; so why not by those of us inside who would be most affected by any change that might occur?

Hon. Mr. Hugessen: Hear, hear.

Hon. Mrs. Fallis: As an illustration, may I cite the recent resolution sent to the Prime Minister by the National Council of Women, a body which represents tens of thousands of women from coast to coast in this country. That resolution contains three recommendations, two of which I have already mentioned, namely, that more women should be appointed to this house and that the government should take some immediate steps to strengthen the opposition in this house. As honourable senators know, I have more than once in this chamber referred to the valiant battle which was waged by leaders of Canadian women in order to gain them admission to this house. Now more than twenty years after the decision handed down by the Privy Council determining that women were eligible to sit in the Senate, what is the result? We have two women members. And probably at this moment some honourable senator saying softly under his breath, "And that is just two too many". Frankly, honourable senators, I am surprised—no, I am baffled—as to why a country like Canada, which prides itself on being so progressive in many ways, lags so badly in the recognition of its women. India, the Scandinavian countries, Britain, and nearly every European country, could set us an example. Yet we call ourselves progressive. That presents a question which to me is very difficult to answer. I do not know whether any of my male colleagues have an answer for it or not.

As the debate progressed, some of the speakers stressed very strongly the need for a wider representation of all phases of public opinion in this house. Why not start with the women, and give them greater representation? By doing so you would be giving representation to a great body of public opinion. I very freely admit that the two of us who are here have no cause for complaint; we have been very well treated indeed.

Hon. Mr. McKeen: There is only one lady member in the House of Commons.

Hon. Mrs. Fallis: But we would like to see our membership in the Senate increased.

For years after my appointment to this house, while speaking at women's organizations of various kinds I have dozens of times been asked: "How do the two women senators fare in the august red chamber? Are you received on terms of equality, or are you more or less ignored when it comes

to the real work of the Senate"? My answer has always been the same: "I can truthfully say that from the day I entered the Senate"—now almost sixteen years ago—"I have never seen any signs of sex discrimination."

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: The women senators take their place in committee work and in the debates on the floor of the house just the same as their male colleagues, and like their male colleagues they must stand or fall on their merits. When it comes to the real work of the Senate, most of which is done in the committees, I am sure the honourable senator from Rockcliffe (Hon. Mrs. Wilson) will bear me out when I say that the women are never overlooked.

Hon. Mr. Haig: Hear, hear.

Hon. Mrs. Fallis: I recall the long session of 1950 when I was serving on the joint committee of both houses on the old age security question and at the same time was a member of nine standing committees of this house. Many times I wished in my heart that my leader had not been quite so generous when he was handing out the work. But I suppose that is really proof that all are treated equally in this house.

The honouable senator from Winnipeg (Hon. Mr. Haig) mentioned the fact that since he came to this house 92 vacancies have occurred; and there have been, I presume, about 80 new appointments. Those statistics apply to me also, because I was sworn in on the same day that he was. I ask you frankly, honourable senators, does it not seem passing strange that in a period of almost sixteen years, during which time some 80 vacancies have been filled, no place was found in this house for even one more woman? No one in this house, I am sure, will deny that the women of Canada have given a good account of themselves in the business and professional life of the country, in the field of education and in high administrative positions to which they have been called by various governments; and I venture to suggest that they could make a worthwhile contribution in this chamber, if they were given an opportunity to do so.

I now come to the second recommendation in the resolution submitted by the National Council of Women, and that is, that steps should be taken immediately to strengthen the opposition in this house. Some honourable senators have intimated, either in speaking in the debate or privately, that because this is supposedly—I say supposedly—a non-partisan body, the relative strength of the opposition does not make any difference. I think one honourable senator even went so far as to intimate that it would be all to the good of the country, or at least that it would not make any particular difference to it, if the entire membership consisted of Liberals. I am definitely not in agreement with that viewpoint, and I venture to assume that the great majority of the people of Canada are not in agreement with it. I know that there are members of this house who conscientiously hold that opinion, but I do not think such a condition would be a healthy one.

Remember this: as senators you are looking at this problem from an inside vantage point. As members, you have studied the record, you are familiar with the history of the Senate, you know what senators have done, you know what they are doing in committee work, you know they are fulfilling their obligation. But to the people outside this chamber these considerations do not mean anything. They look at the Senate and say, "There is a house of 102 members, and 11 of them are members of the opposition. It is all one-sided; therefore it is of no use to this country, and the sooner some change is made, the better. If no change, why have it at all?" I hear that argument repeatedly. I do not think we can shrug it off, or say that we need pay no attention to what the outside public says. After all, the outside taxpayers pay our indemnity, and I think they have some right to say how this chamber should be constituted.

Having said that much, I should like to ask at this point, apart from the sentiments of the public at large, do not the majority even of those in this chamber agree that adequate numerical strength of opposition groups in any governmental body makes for greater interest and greater vitality in the functioning of that body?

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: While to this point many of you may agree with me, we have very divergent views as to the remedy. As briefly as possible I am going to run over the three alternatives which have been suggested to the house.

The honourable senator who is the government leader in this house (Hon. Mr. Robertson) in introducing the motion suggested that a proportion of the membership might be elective. There are a few senators who believe in an elected house, but for reasons stated by the honourable leader of the opposition (Hon. Mr. Haig), the majority do not. That it would lead to constant

political controversy with the other house is, I think, one of the strongest objections against such a proposal. But, outside of the house, a certain section of the press and a significant percentage of public opinion think that this house should be elected. I am not going to argue the issue here, before honourable members who on the whole do not believe in an elected Senate. I should just like to call attention in passing to one point, because I have seen it mentioned in the press and I have heard it over and over again in talking to individuals. People have said to me, "Your house should be elected, so that it will be representative of the people. Look at the Senate of the United States, the most powerful body of political opinion in that country; consider the great influence and prestige which it enjoys because the membership is elected"—and they begin to compare the publicity which the Senate of the United States receives with the publicity which we receive. The comparison so made is, of course, always to our disadvantage. Well, it has always been my understanding and, I am sure, that of other senators here that the great prestige which the Senate of the United States enjoys is not primarily because it is elected, but because under the constitution of the United States wide and sweeping powers are placed in the hands of the Senate, powers which in this country rest with the Prime Minister and his government. We all know that the Foreign Relations Committee of the Senate is the most powerful body of political opinion in the United States. I venture to say that if, in these days of international crises, the Senate of Canada were given the wide and sweeping powers which the Senate of the United States enjoys, we too would be the more publicized branch of parliament—and it would not matter whether we were elected or appointed. On the other hand, if the Senate of Canada were elected without its powers being widened, then I say we would simply become a second and inferior House of Commons—inferior because, although like the House of Commons we would be elected, we would not possess their powers, so that the whole purpose for which we were created would be destroyed.

The second alternative suggestion was that so ably put forth by the honourable senator from Vancouver South (Hon. Mr. Farris) and the honourable senator from Inkerman (Hon. Mr. Hugessen), namely that a certain percentage of the members of the Senate should be appointed by the provinces. These two honourable gentlemen are outstanding members of the legal profession, and one should hesitate to tangle with them. But there is an old saying that some people will rush in where angels fear to tread, so I am going to say that definitely I cannot go along with them on the question of having appointments made by the provinces.

Hon. Mr. Duff: Hear, hear. Very sensible.

Hon. Mrs. Fallis: And this I say for two or three reasons. One is that the Senate is a branch of the federal parliament, and I do not think it was ever the intention of the Fathers of Confederation that the Senate should become a sounding board for all the provincial factions across the country. The provinces have their legislatures, and their representatives in the House of Commons and in the Senate if they need any further advice or any further assistance. But, more than that, I have most carefully examined the speeches of the two honourable senators, and the proposals they made, and I cannot see that they offer any solution of our problem.

Things often sound well in theory; but let us take a practical look at them. For the sake of argument let us assume that the constitution has been amended, and that the provinces now have the right to appoint one-third of the members of this chamber. How much difference would that make in the house? At the present time the three Maritime Provinces and Newfoundland have provincial Liberal administrations; therefore those provinces at the present time would appoint Liberals to the Senate. Manitoba and British Columbia have coalition governments, with Liberals sitting in the driver's seat: there would be little change there. This would mean that six provinces out of ten would still be appointing Liberals. Well, a Liberal is a Liberal; and whether he were appointed by a province or by the dominion it would not make much difference. "A rose by any other name—"

Hon. Mr. Duff: They are all good fellows.

Hon. Mrs. Fallis: We find that the government which has been elected by the majority of the people in Saskatchewan is a CCF government, and one of the main planks in its policy is the abolition of the Senate. I do not see how in any kind of decent consistency that government could ever appoint anybody to the Senate.

Hon. Mr. Haig: Don't trust them.

Hon. Mrs. Fallis: If they did not make the appointments, it would mean that seven provinces would be appointing Liberals to the Senate, because the appointments from Saskatchewan would be referred to the Liberal government at Ottawa. I do not object to anybody coming to this chamber just because he or she is not a member of the Liberal or the Conservative party. I do

object on other grounds. The members of the CCF party, from the leader down, never miss an opportunity when speaking in the House of Commons, or anywhere in this country, of holding the Senate up to ridicule and abuse, and of declaring that it is an unnecessary branch of parliament and a needless expense to the taxpayers of Canada. They claim that if they were ever in a position to do so they would abolish the Senate.

Hon. Mr. Duff: Cross-country fakers.

Hon. Mrs. Fallis: I hold one opinion very strongly in regard to this house. All of us see defects in it; we see ways in which it could be improved; but I hold that no one, be he Liberal, Conservative, CCF or what have you, should be a member of this house unless he sincerely believes that the Senate is a necessary part of the government of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: If any member of this house believes otherwise, he or she has no right to be sitting here and accepting an indemnity from the Canadian taxpayers. That being the case, what useful purpose could be served by bringing into this house men or women who do not believe in it, and whose avowed policy is to abolish the Senate at the first opportunity; men and women whose theme song from the beginning would be "I come to bury Caesar, not to praise him"? That is another reason why I think we should be very careful in considering these proposed changes.

The honourable senator from Inkerman (Hon. Mr. Hugessen) made the statement, which is quite correct, that if the policy which he advocated of appointment by the provinces had been in effect during the last six years it would have made a difference in the personnel of this house of ten members, including the CCF, the Social Credit party, the Union Nationale and others. The official opposition would have been strengthened by four members over a period of six years. Well, frankly speaking, I do not think that is good enough. I do not think it is worth making an amendment to the constitution for merely that number. I know that the honourable senator might say, "But we are thinking of the future, and changes may come in due time". That is quite true, but it could change the other way. It is possible but not probable that every province in this country could have a government that was of the same political stripe as the federal government, and then where would the amendment be? You still would have all Conservatives—

Some Hon. Senators: Oh, oh.

Hon. Mrs. Fallis: —or Liberals, as the case may be. So from a practical point of view I do not think that the addition of four or five or even ten members to opposition ranks in the Senate over a period of six years would affect our activities to any appreciable extent. Certainly it would do nothing to meet the mounting criticism against a one-party Senate. That is my chief objection.

I come now to the last alternative, and the one in which I am most interested. The first speaker in this debate to give any clue to this point was the honourable senator from Vancouver South (Hon. Mr. Farris). I should like to quote from his speech of February 19, and I would refer honourable senators to these remarks which are to be found on page 123 of *Hansard*:

> Now what remedies should be carried out? I think an obvious remedy would be for the Prime Minister for the time being to declare that from now on there shall be an entirely different policy, and that he will make his appointments regardless of party affiliations.

Having said that, the senator immediately intimated that this had never been done and that it probably never would be done. He hastily shied away, and "passed by on the other side". And that was that. Yesterday the honourable senator from Gloucester (Hon. Mr. Veniot) gave a concise and clear-cut statement of how this could be brought into effect. Conservatives and Liberals do not always think along the same lines, but what that honourable gentleman had to say yesterday was entirely in line with my own ideas. To my way of thinking he presented us with a simple solution that would require no amendments to the British North America Act—a solution that could be adopted immediately because there are some vacancies in this house. If his proposal were carried out it would mean that the opposition could be strengthened at once, and it would guarantee a stability for both parties in the years to come. It would ensure that never again could the present situation arise in the history of the Senate. I should like to commend the honourable gentleman from Gloucester, and tell him that I was thinking along exactly the same lines. He has my wholehearted support in his resolution. I know some people will say, "Oh, well, you have to think about practical politics". Well, I was a practical politician once myself; but are we not non-partisan in this chamber? Have we not shed our political affiliations? There should be no objection on that score. Personally, I cannot see a particle of difference in principle. While

the honourable senator from Vancouver South said something to the effect that it was unlikely that any prime minister would ever make appointments to the Senate regardless of party affiliation, he then went on to approve appointment by the provinces.

I said a moment ago that a Liberal was a Liberal, no matter whether he was appointed by a federal or a provincial administration, and that a Conservative is a Conservative, whether he is appointed on the recommendation of the leader of the opposition in the House of Commons or of the Conservative Premier of Ontario. I cannot see how any difference would arise. But I do think that the solution offered by the honourable senator from Bathurst (Hon. Mr. Veniot) is practical and should have the support of every non-partisan member of this house, which of course includes us all.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: I have spoken longer than I intended to, but if I sit down without mentioning the proposal for retirement at a certain age I would be accused of taking advantage of a woman's privilege in avoiding the issue. Shortly after this debate started I had a conversation in the corridor one day with a senator who is strongly opposed to the age retirement proposal, and he asked me what I thought about it. I said: "Well, it is one of the things upon which I have no very definite opinion. I think there is much to be said on both sides. I agree that there is some absenteeism on the part of older members, but if we retired those over a certain age and replaced them by persons of forty or forty-five who have businesses and professions to look after, I wonder if there would not be just as much absenteeism as at present. It seems to me that once again it all depends upon whether you regard the question from the inside vantage point or from the outside. On the inside, I do not think that adoption of the proposal would make a great deal of difference to the actual work and activities of the Senate; but on the outside, it would make a tremendous difference in public opinion."

My friend to whom I spoke in the corridor also asked me what stand I would take if this proposal for retirement because of age were put to a vote. I replied that if I had to register a vote I would vote for it, although I have an open mind on the question. He said: "That is all very well for you, because you would not be affected if the proposal were adopted." I then informed him that I am one of the veteran members of this house, that according to my identification card I am No. 17 in seniority. He retorted: "Oh, I didn't mean that. The proposed retirement age is 75, and no woman would ever admit being 75 until she was at least 90."

Some Hon. Senators: Oh, oh.

Hon. Mrs. Fallis: I am definitely opposed to the suggestion that the resolution should be sent to a committee. The powers that be already have authority to bring about the changes which I think should be made. I cannot see that any very useful purpose would be served by referring this question to a committee, and on the other hand a great deal of harm might be done.

In closing may I be allowed to revert to my opening statement, and most respectfully to urge that if any form of wider representation is adopted for this house, the women of Canada should not be overlooked.

Some Hon. Senators: Hear, hear.

Hon. Mr. Beaubien: Honourable senators, on behalf of the honourable gentleman from De Salaberry (Hon. Mr. Gouin) I move adjournment of the debate.

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

The Senate adjourned until Tuesday, May 8, at 3 p.m.

THE SENATE

Tuesday, May 8, 1951

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

Prayers and routine proceedings.

STAFF OF THE SENATE

SEVENTH REPORT OF INTERNAL ECONOMY COMMITTEE

Hon. Norman McL. Paterson presented and moved concurrence in the seventh report of the Standing Committee on Internal Economy and Contingent Accounts.

The report was read by the Clerk Assistant as follows:

Your committee recommend that Harvey Armstrong, Assistant Chief Clerk of Committees, Senate, be appointed Chief Clerk of Committees, Senate, effective June 1, 1951.

Hon. Mr. Roebuck: Has Mr. Arthur Hinds resigned?

Hon. Mr. Paterson: Yes.

The motion was agreed to.

EIGHTH REPORT

Hon. Mr. Paterson presented the eighth report of the Standing Committee on Internal Economy and Contingent Accounts.

The report was read by the Clerk Assistant.

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

Hon. Mr. Reid: Tomorrow.

OLD AGE PENSIONS

PROPOSED AMENDMENT OF B.N.A. ACT—MOTION FOR ADDRESS TO HIS MAJESTY

Hon. A. K. Hugessen: Honourable senators, I should like to have the consent of the house to move a resolution, copies of which I think have been circulated among and are on the desks of all honourable members. The resolution is as follows:

That a humble Address be presented to His Majesty the King in the following words:

To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867.

Whereas the Senate and Commons of Canada, in Parliament asembled have submitted an Address to His Majesty praying that His Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same as follows:

1. The British North America Act, 1867, is amended by adding thereto, immediately after section ninety-four thereof, the following heading and section:

"Old Age Pensions

94A. It is hereby declared that the Parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law, present or future, of a provincial legislature in relation to old age pensions."

2. This Act may be cited as the British North America Act, 1951, and the British North America Acts, 1867 to 1949, and this Act may be cited together as the British North America Acts, 1867 to 1951.

Hon. Mr. DuTremblay: Honourable senators, I do not object to the principle of the resolution, but I would like to have an explanation regarding that part of it which says " . . . no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law—"

The Hon. the Speaker: I must call the attention of the honourable senators to the fact that I have not yet put the motion. When the motion has been put, I shall allow the mover to say a few words about it. The question is on the motion of the honourable senator for Inkerman (Hon. Mr. Hugessen).

Hon. A. K. Hugessen: Honourable senators, this resolution relates to the question of old age pensions in Canada. Honourable senators are fully aware of the numerous discussions on old age pensions that have taken place over the past few years between the authorities of the dominion and those of the various provinces and of the work that has been done in this parliament, notably by last year's Joint Committee of the Senate and the House of Commons. The general result of these discussions appears to be that it is now desired to introduce a scheme under which the dominion will take charge of a scheme of old age pensions for persons of seventy years and over, while the dominion and the provinces will jointly evolve a scheme of contributory pensions for persons between the ages of sixty-five and seventy years.

At the present time the British North America Act confines to the provincial authorities the direct jurisdiction over old age pensions, and as matters now stand the only way in which the dominion can take any part in an old age pension plan is by voting money as a contribution to the cost of

schemes administered by the provinces. This, in fact, is what the dominion has done for a considerable period of years. To permit the dominion itself to evolve a scheme of old age pensions such as is now suggested for pensioners of seventy years and over, it is necessary to apply to the Parliament of Great Britain for an amendment to the British North America Act, and that is the reason for the resolution which I have just had the honour to move.

Perhaps I should say a word in explanation of why I have asked the house to consider this resolution immediately. The time-table calls for quick action. It was at half-past eleven last Friday morning that the dominion and the ten provinces finally agreed upon the text of the amendment to the British North America Act which is embodied in the resolution. On Friday afternoon the Prime Minister gave notice in the other place of his intention to introduce on the following Monday a resolution similar to this one. Yesterday afternoon that resolution was introduced in the other place and was adopted with a minimum of discussion. Today the resolution comes before this body, and it is suggested that it would be most helpful if it could be passed this afternoon.

The reasons for the urgency are two. The first is that, as I said a moment ago, action is required from the British Parliament; and I do not need to enlarge upon the possibility at almost any moment of a dissolution of the British Parliament and a general election. It is desired to have this legislation considered by the British Parliament before any such contingency arises. The second reason is that if the British Parliament sees fit to act upon this joint address, it is the intention of the Canadian Government, as announced by the Prime Minister in the other place, to introduce old age pension legislation in this parliament before the end of the present session. If the Senate adopts this resolution today, I think we can take it for granted that the British Parliament, without quibbling in any way, will adopt the resolution as soon as it is placed before them. That has been our experience with the British Parliament in matters of this kind.

I have already said that this resolution represents the joint agreement of the dominion and all ten of the provincial governments. I would now point out that it is merely permissive. There are no details in this resolution as to any particular scheme of old age pensions that may later be submitted. These details will be set out in the bill which the government hopes to introduce later this session.

I am well aware of the great interest honourable members take in all questions of social security, and I am particularly conscious of the excellent work done by the Senate members of the Joint Committee on Old Age Pensions which sat a year ago, and which made a most valuable report. I am going to suggest to honourable members, however, that we follow the precedent set by the other place, and that at this stage we refrain from extensive discussion of any particular scheme of old age pensions. It is to be thoroughly understood, of course, that the adoption of this resolution will not commit any senator to any particular scheme of old age pensions, and that all of us reserve the fullest and freest right of discussion and criticism when the legislation itself comes before us.

Honourable senators, with these few words I move the adoption of the resolution which I read a few moments ago.

Hon. Mr. DuTremblay: Honourable senators, I do not object to this resolution, and I think it should be passed this afternoon; but I should like to ask a question on the following part of section 94A.

> . . . but no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law, present or future, of a provincial legislature in relation to old age pensions.

I should like to know why this appears in the resolution. Is it to reaffirm the provincial law?

Hon. Mr. Hugessen: I intended to say a word about that in my original explanation, in view of the remarks of my honourable friend from Repentigny (Hon. Mr. DuTremblay) a few moments ago. I think this part of section 94A is merely included for the protection of the provinces in the event that any particular province should itself want to enter a field which is already occupied to some extent by the dominion. It will be a matter of concurrent jurisdiction, such as exists in relation to certain other subjects, say agriculture, for instance. The federal parliament might evolve a system of old age pensions of $40 a month commencing at the age of seventy, and a certain province, owing to special circumstances within that province, might wish to add something itself, say an extra $10 a month.

Hon. Mr. Reid: We do that in British Columbia.

Hon. Mr. Hugessen: Yes. I think that is the only object of putting this section in here. It is to give concurrent jurisdiction, and to prevent shutting out the provinces in case any of them wish to do what I have just suggested.

Hon. W. D. Euler: I have no objection to this resolution, but I should like to get some definite information. We have now abolished appeals to the Privy Council, and I think we have the right to amend our own constitution. If we are to continue the practice of appealing matters of this kind to the parliament of another country—I am not going to say a foreign country—then I would say that all this talk about Canadian autonomy is just so many words. Frankly, I do not like the idea that the Canadian parliament, once having declared its power to amend its own constitution, should be prevented in any way from carrying out that principle. I do not like the thought that the Canadian parliament should be compelled for any reason to go to the Parliament of Great Britain for any powers. We ought to have these powers ourselves. If there is a dispute, or a matter in which all the provinces are concerned, some other means should be developed by which we can come to an agreement. We should not have to go to the Parliament of Great Britain.

Hon. Mr. Haig: I think the honourable senator from Waterloo (Hon. Mr. Euler) has missed the point.

Hon. Mr. Euler: I have not.

Hon. John T. Haig: The federal and provincial governments have been trying for some months to reach an agreement as to how our constitution should be amended to deal with questions on which there is joint or concurrent jurisdiction. This resolution has been brought forward only because agreement has not yet been reached, and the government is anxious that the matter of old age pensions be dealt with at the earliest possible date. If we have to wait until we have the power to amend our own constitution, it may be a matter of a year or even longer before we can deal with the question of old age pensions.

Hon. Mr. Euler: Either my honourable friend from Winnipeg (Hon. Mr. Haig) missed my point or I did not make myself clear. I am not objecting to this resolution. I know that this procedure is necessary because we have not reached the point where we can deal with it in any other way; but I do think that we should find some other method in the years to come.

Hon. Mr. Farris: It is being worked out now.

Hon. Mr. Euler: All right; but I want to be assured that the old method of having to go to the British Parliament is not retained.

Hon. Mr. Haig: I thought it was well understood that the whole of the Parliament of Canada is most anxious that the provinces and the dominion should reach an agreement as to how our constitution should be amended. I do not think there is any question about that. But I think we might as well recognize that in some provinces there is a question, not only as to how the Act should be amended but as to what method should be used to protect their rights or their supposed rights. My honourable friend has had a lot of experience, and he knows that that is a very difficult thing to work out.

However, I did not get up to speak especially on that point. I join with the deputy leader of the government (Hon. Mr. Hugessen) in hoping that we shall be able to adopt this resolution today, so that it may be sent to the United Kingdom Parliament at once for confirmation, and thus make it possible for the provinces and the dominion to confer at an early date in working out the details of the pension legislation to be submitted to the various legislatures. I understand the Prime Minister to have announced that if this resolution is adopted at once there is no reason why a conference for this purpose could not be held on the 21st of May.

I have had some difficulty with a point that was brought to my attention by the senator from Ponteix (Hon. Mr. Marcotte). He pointed out that about a year ago the Senate adopted a resolution requiring that in any future constitutional change requiring the consent of the provinces assent should be indicated by the legislatures. In the present instance I do not think the Ontario Legislature has consented. The premier of that province has said that if this resolution is adopted by parliament he will call a session of the legislature to ratify it. I believe that it has been ratified by the legislature of my own province of Manitoba, and also by the legislatures of Saskatchewan and Alberta, but I cannot say whether there has been ratification by the legislatures of Quebec and the other provinces. My recollection is that the governments of those provinces have approved of the resolution, but that so far it has not been submitted to the legislatures.

I entirely agree with the point raised by the senator from Ponteix (Hon. Mr. Marcotte), that a year ago we were unanimously of the opinion that whenever in future the consent of a province was required for a constitutional amendment, that would mean the consent of the legislature, not merely the consent of the provincial government. I think it is safer and generally better to have the consent of the legislature, for it is the official voice of the people of the province. I cannot imagine that any government would give consent to a constitutional change without feeling that it had the support of a majority in the legislature, but really the legislature itself ought

to go on record in these matters. However, I agree that we should not do anything that might interfere with provincial support of federal policy, and therefore, although I am wholly in sympathy with the point raised by the senator from Ponteix, in the present circumstances I would waive any personal objection on that ground.

Hon. J. W. de B. Farris: Honourable senators, of course I am not opposing this resolution. I take it that the leader of the opposition (Hon. Mr. Haig) is not opposing it either.

Hon. Mr. Haig: No, no.

Hon. Mr. Farris: He is merely protecting himself as to future policy.

Hon. Mr. Haig: That is it.

Hon. Mr. Farris: There is one question that I wish to put to the deputy leader of the government (Hon. Mr. Hugessen) about the word "affect". It has been suggested that this means that if a province wishes to supplement a federal Act, it should have the power to do so. But as I read it, I am inclined to think that it goes a great deal further than that. Reference has been made to the existing dual jurisdiction in agriculture. In the courts, judges and lawyers often use the expression "occupancy of the field," and the present law is that if the dominion occupies a field it keeps the provinces out. But this proposed amendment seems to provide for the reverse of that. I think it means that a province, if it wishes, may have primary occupancy of the field and exclude a federal Act. My question is this: If the proposed amendment to the British North America Act is adopted and a general Act on Old Age Pensions is passed by parliament, what will happen if some province wishes to escape from the provisions of that Act and enacts legislation entirely inconsistent with it? My understanding is that the provincial jurisdiction would oust the federal jurisdiction and have primary occupancy of the field.

Hon. Arthur Marcotte: Honourable senators, before proceeding to make a few remarks, I wish to put a question to the deputy leader (Hon. Mr. Hugessen). Can he state how the consent of the provinces—which was needed in this case—was given; and what kind of consent it was?

Hon. Mr. Hugessen: Well, to be perfectly frank with my honourable friend, it was only as I came into the house this afternoon that I received the correspondence which passed between the Minister of Justice and the premiers of the various provinces. That correspondence terminated only last Friday, and I do not know that anyone would have had a chance as yet to examine it. However, it is probably fair to say that, as remarked by the honourable leader opposite (Hon. Mr. Haig), in most instances the consent obtained was that of the provincial government. I believe that is right in so far as my own province, Quebec, is concerned; I do not think the legislature has formally approved of this.

Hon Mr. Marcotte: Oh, yes.

Hon. Mr. Hugessen: Has it?

Hon. Mr. Marcotte: Yes. I am going to give some information which will help the deputy leader (Hon. Mr. Hugessen) as well as my own leader (Hon. Mr. Haig). It is true that the correspondence between the federal government and the various provinces has just been tabled here, but as I was anxious to find out how many provinces had given effect to the Senate's declaration of last year that consent to constitutional changes should be given by the legislature rather than by the provincial government, I spent part of last night in reading the correspondence. I can tell my honourable friends that the legislatures of five provinces have passed resolutions endorsing this proposed amendment to the British North America Act. These five provinces are Quebec, Saskatchewan, Manitoba, Alberta and British Columbia. That means that for the other five provinces the consent to the proposed amendment has been given, not by their legislatures, but by their premiers. I am not going to raise any strong objection to that at this time, for I do not wish to do anything to delay passage of the resolution before us, but I think provincial governments should take warning that we meant just what we said last year. After all, this body, the principal branch of our parliament, decided that a certain procedure should be followed whenever a constitutional amendment was required, and we have the right to insist upon that procedure being followed. As I say I obtained the correspondence yesterday afternoon and spent half the night going over it. From a review of the correspondence and from my general knowledge of events since the conferences were held, I know that there is consent by the provinces. For that reason I do not object to this resolution, although the way in which it has been reached is not precisely the way in which we insisted it should be reached.

My friend from Vancouver South (Hon. Mr. Farris) raised the important point of concurrent jurisdiction. When a matter is dealt with by two jurisdictions it may lead to trouble. The provinces have not entirely abandoned their right to legislate in the matter of old age pensions. They have abandoned half of their rights in the matter

in order to give the federal government power to pass this legislation. To my mind, that is one of the most dangerous things that has been done for many years. As honourable senators will recall, in speaking to my resolution last year I pointed out that in the past premiers had come to parliament and said that the consent of the provinces had been obtained when, in fact, it had not been. The government, even in 1871, had to admit that it had been doing wrong, and promised to cease. Still we find the same thing happening today.

Hon. Mr. Hugessen: I think my honourable friend is historically inaccurate on that point. What happened in 1871 was that the federal government, without reference to the federal parliament, demanded from the British government an amendment to the British North America Act.

Hon. Mr. Marcotte: My friend is quite correct, and I apologize. But what I have in mind is that the Senate itself has declared that consent of the provinces should be complete. We have the right therefore, in keeping with the dignity and integrity of this body, to insist that these things should be done properly.

In order to protect the mover of the resolution (Hon. Mr. Hugessen), and also my leader on this side (Hon. Mr. Haig), I should like to have certain parts of the correspondence tabled today incorporated in the record of our debates this afternoon. In that way honourable senators will become familiar with matters of which they may not have knowledge.

We need not be afraid of what may be done in England. England will not disappear, nor will the Parliament of Canada. I will go much further and say that this resolution is absolutely unnecessary. The same result could be obtained by amending just two clauses of the present Old Age Pensions Act.

It is perhaps not for me to say what the procedure should be. My point is that this house, having unanimously adopted a resolution, should insist on that resolution being observed. A warning should be given to the provinces that when they come to the Dominion Parliament for something which requires their consent, the consent given should be a proper consent.

Hon. Arthur W. Roebuck: Honourable senators, I should like to join with the senator from Vancouver South (Hon. Mr. Farris) in calling the attention of the house to the inadequacy of the phraseology of this proposed amendment. My honourable friend pointed out certain difficulties with regard to priorities. I call attention to the clumsiness and uncertainty of the phraseology of the amendment. The purpose of this clause, no doubt is to give to the dominion the power to legislate in this connection without affecting the validity of legislation passed by the provinces. But it does not say that. The amendment contains these words:

> . . . but no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law, present or future, of a provincial legislature . . .

The operation of a law is a physical matter, and a law passed by the dominion will affect the operation of a law passed by a province upon the same subject, for the law passed by the dominion will take from the taxpayer a certain amount of money, thereby making the operation of the provincial law that much more difficult. A dominion law on the subject will affect the operation of a provincial law on the same subject, but it need not affect the validity of the provincial law. It is "operation" and not "validity" that is legislated about in this amendment. It is all right to leave in the word "operation", if there is added the word "validity". Two things should be covered if this amendment is to escape being considered by the courts.

First, it should be stated that this section 94A shall not affect the validity of a provincial law, which is quite a different matter from saying that any law passed under this amendment shall not affect the operation of a provincial law. What is meant is that this amendment to the British North America Act shall not affect the power of the provinces to pass a law on the subject which shall be as valid as that which they can pass today. But the section does not say that; in fact, this section may take away the right of the provinces to pass such a law. All that is preserved in this amendment is the operation of a law which the provinces may pass, if they have the power to pass such a law after the Imperial Parliament has passed this amendment, which is doubtful.

Hon. Mr. Marcotte: Any future law.

Hon. Mr. Roebuck: Very true, provided that the provinces have the right to pass a future law, after this section has been added to the British North America Act. This is not made clear. I should like to be in a position at a later date, when this section is considered by the Supreme Court of Canada, as I think it undoubtedly will be, to say "I told you so". This amendment does not preserve the validity of provincial legislation on this subject, nor does it preserve the power of the provinces to pass such legislation after this section has been added to the British North America Act. The amendment in a rather futile way says that an Act of this parliament shall not affect

the operation of a provincial Act, which is a physical matter and beyond legislation to accomplish. It will affect the operation, no matter what we say. And second, I think that this amendment should be changed also so that no law passed by the Dominion of Canada shall affect the validity of provincial legislation of the same character. Both points should be covered; first, the amendment itself and, second, a law passed by the Dominion parliament under authority of the amendment. Neither should be allowed to affect the validity of provincial legislation on this particular subject.

The section before us appears to be clumsily drawn. To begin with, the first five words "It is hereby declared that" have no value whatever, and could be deleted without changing the meaning of the amendment in the slightest degree. The section should commence "The Parliament of Canada may", etc. That matter is not important, but it does demonstrate the sloppiness of the draftsmanship. The other things I have mentioned are of real importance. I predict that the section will end up in the courts for interpretation both upon the point raised by the honourable senator from Vancouver South (Hon. Mr. Farris) and upon the point which I have raised, namely that the validity of provincial legislation has not been preserved.

I suppose it is too late to give effect to these matters, and we must pass this legislation and send it on. We have been given no opportunity to change the phraseology. I am sorry that it is in such shape as it is. I do not care whether the provincial authorities have mulled it over or not. We are as able to read the legislation as they are—perhaps a little more able. My reason for regretting the wording is that I am greatly interested in this prospective legislation. Being myself a young man of some maturity, I look forward to it, not so much, I assure you, for myself as for the very many other persons who will benefit by it. We are developing in Canada a very kindly state. I hope that this legislation will be carried very shortly; that it will be on a scale, both here and in the provinces, that is comprehensive and generous enough to satisfy our people, and that it will carry Canada forward still another step in the path of social kindliness and social progress.

Hon. Mr. Horner: Could you not move an amendment?

Hon. Mr. Roebuck: It would be of no use. If we adopt an amendment it will have to go to the Commons, and, if approved there, to the provinces, to obtain their assent. Five of them, I understand, have consented by legislative action to the proposal before us. I think it would be better to pass it, badly phrased as it is, but I would not like to see it go through the Senate without some of us, at least, having called attention to the inadequacy and the clumsiness of the phraseology. Then we can at least say later on, "I told you so", although we gave it our approval.

Hon. Mr. Hayden: Do I rightly understand the honourable senator's argument as being this, that because the provinces are joining to invest the federal parliament with a jurisdiction it does not now enjoy, they are, through the form in which their agreement is conveyed, yielding up their own jurisdiction to deal with the same subject-matter?

Hon. Mr. Roebuck: I do not think the consent of the provinces has anything to do with it. This little clause we have before us will, through an Act of the Imperial Legislature, confer upon the dominion the powers stated therein, and it will confer those powers as part of the British North America Act. It will have its effect quite aside from anything we say, anything that has been said by the legislatures or anything that has been repeated in the Commons. It will be the interpretation of that clause which will count; then a part of the British North America Act, in reference to all other clauses of the Act; and since the validity of the legislation now passed or which may in future be passed by the provincial legislature has not been preserved in this section, I fear—and it is my judgment—that such validity has been seriously interfered with. Its validity may not remain when this clause is passed.

Hon. Mr. McDonald: Must not the attorneys-general of the provinces have agreed to this?

Hon. Mr. Haig: They might be wrong.

Hon. Mr. Roebuck: I do not know that, and if they agreed, I would not be very much concerned. I have been an attorney-general myself, so I may speak that way. Nor should any other member of this house be much concerned about the judgment of others. We are the people who are now acting in regard to this legislation, and it is our judgment that is important. I look at it through my own eyes, not through the eyes of any other authority.

Hon. Felix P. Quinn: Honourable members, I am a layman, having no association with the legal fraternity; but after hearing the remarks of the honourable member for Toronto-Trinity (Hon. Mr. Roebuck), I think

that if, as he has stated, the clause is awkwardly drawn and requires revision, it would be better to risk even a somewhat considerable delay than to expose our ignorance to the British Government.

Hon. T. A. Crerar: The legal point, or perhaps I should say points, raised by my honourable colleagues from Vancouver (Hon. Mr. Farris) and Toronto-Trinity (Hon. Mr. Roebuck) are a little beyond my depth, and I offer no observations upon them. But it does seem to me that we are engaged at the moment on a rather important piece of business.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: What we are doing is asking for an amendment of the constitution of our country. It seems rather singular that, in a matter of this importance, so great is the haste that we have not had an opportunity to examine the correspondence which has passed between the federal government and the provincial governments. This correspondence was tabled only this afternoon, and we were informed that it was concluded as recently as the end of last week. For my part I wish to protest against the circumstances which make this speed necessary.

Apart from the points raised by my legal colleagues, my reading of this amendment brought this thought to my mind. At the present time the provinces have the sole right constitutionally to deal with old age pensions. It is true that by virtue of a conditional agreement made some years ago between the Dominion Government and the various provincial governments, the dominion is contributing 75 per cent of the total amount paid for old age pensions. But, as I have intimated, payment of the grants depended upon the terms of that agreement. As I read this amendment, the federal powers are to be enlarged; that is, the provinces have agreed that it shall be within our jurisdiction to set up a system and pay old age pensions without violation of the constitution. So, as I apprehend it, we are going to have this situation: the federal government will have the power, quite irrespective of the provinces, to pay old age pensions; and also the provinces, irrespective of the Dominion Government, will have power to pay old age pensions. If my conclusion is correct, it raises a rather interesting point. There will be two jurisdictions dealing with one matter.

Is this change in the constitution to be confined to the subject of old age pensions? For instance, the provinces today have exclusive rights in the matter of property and civil rights and in the matter of contract. This amendment to our constitution is being sought as a result of a meeting between representatives of the provinces and the federal government—not because of a general consultation with the Canadian people—and it may mean that the federal government may at some future time be given the power to deal with matters of civil contract. I have my doubts about the wisdom of this method of procedure.

It is quite clear from the remarks of the acting leader (Hon. Mr. Hugessen), that the necessity for speed rests in the need for getting this resolution disposed of by the parliament at Westminster so that we can proceed with an old age pension under federal authority. If the representations in the press accurately forecast what that legislation will be, then I think before the end of this session the Senate will be considering a matter involving a federal expenditure of some $250 or $300 million, and we shall be asked to find the means of making these payments. When this legislation is finally adopted, I, like many others here, shall be in the happy position of drawing an old age pension. This pension would also go, for instance to my honourable friend from Waterloo (Hon. Mr. Euler)—

Hon. Mr. Euler: The government would only take it away from me.

Hon. Mr. Crerar:—or my honourable friend from Vancouver South (Hon. Mr. Farris), who may be receiving an income of $30,000 or $35,000 a year. Then we would be in the delightful position of employing a staff of civil servants to keep the accounts and distribute pension cheques to all people over seventy, irrespective of their need. Then another staff of civil servants would be kept busy figuring out how much of that money should be returned to the federal treasury. This whole procedure does not strike me as being sensible, especially when this country is today paying out well over $1 billion a year in the way of social security and pension schemes at all levels of government.

It does seem that we are going about this whole business in a very blithe fashion. I may be old-fashioned, but it appears to me that nothing is of greater importance than our constitution and the changes we make to it. We are told that this matter was only consummated a few days ago with the provinces, and that we must hurry and get it through so that the parliament at Westminster can deal with it before a general election is called in Great Britain. Well, this all strikes me as unnecessary haste.

I have not passed any opinion on the general subject of pensions, except to say that I do not

see the sense of paying pensions to people who have utterly no need for them—probably on the suggestion of some intellectual theorist who thinks that this is the way to do it, and because he wants to brag elsewhere that Canada is a country where everyone who reaches the age of seventy receives a pension.

While I shall not oppose this resolution, I shall look forward with interest to the legislation that will come down to carry the pension scheme into effect. I give warning that there is not a single member in this chamber who will escape another impost on his or her income in order to carry this measure through.

Hon. William Duff: Honourable senators, I am sure that we are all interested in this important matter; but what I cannot understand is why, in the face of all the criticism that has been levelled at the Senate about rushing through business, we should be asked to deal hurriedly with one of the most important matters that could come before us. We are being asked to put through a resolution this afternoon that would have the effect of amending our constitution. I am opposed to this haste. As my honourable friend from Churchill (Hon. Mr. Crerar) said, I think we should have an opportunity to study the correspondence between the federal government and the provincial representatives.

What is all the rush about? Why are we so anxious to put this matter through? It looks to me as though somebody is frightened of something—unless, of course, there is something in what the leader of the government (Hon. Mr. Robertson) and the deputy leader (Hon. Mr. Hugessen) said in their speeches about Senate reform. Perhaps they intend to give senators an old age pension at the age of seventy-five because they are anxious to get us out of here. As far as I am concerned I am going to stay here as long as God permits, and nobody will put me out.

I think it is a mistake to speed this resolution through. A delay of a day or two would not make any difference. If this matter is so important, why was it not introduced two or three months ago? Why should my honourable friend from Inkerman (Hon. Mr. Hugessen) come here this afternoon and say in effect, "Oh, well, it only got the consent of the Premier of Nova Scotia last Friday"? It has been suggested that a delay in placing this resolution before the British Parliament would probably have serious results because of the possibility of a general election in Great Britain in the near future. Well, what if the present British Government did fail? The people of that country would have a better government under Winston Churchill, so why worry on that account?

I think we should give careful consideration to any resolution that would result in amending our constitution. If parliament introduces legislation which would have the effect of asking me and my wife to accept $960 a year, I will tell them exactly where to go. I am not going to take it. I am not going to be on any pauper list. I am going to be independent as long as I live. Nobody is going to bamboozle me and say that when I have reached the age of seventy-five I will have to get out of the Senate and accept $480 a year as an old age pension.

Honourable senators, I think we should have an opportunity of reading the correspondence in this matter and we should wait until at least tomorrow afternoon before passing this resolution.

Hon. Salter A. Hayden: Honourable senators, at the risk of being repetitious, I want to say one or two things about this resolution.

The resolution itself embodies this very simple proposition: by the process of an Address from both houses of the Parliament of Canada to the Imperial Parliament, the Parliament of Canada is to acquire power to legislate in future in the field of old age pensions. If and when the Imperial Parliament agrees to this resolution and amends the British North America Act accordingly, it will then be open to the Parliament of Canada to enact legislation establishing some scheme of old age pensions. The provinces are not vacating this field, but apparently they agree that the dominion shall share jurisdiction in it with them.

Are we to say to the provinces that we do not want jurisdiction to deal directly with old age pensions, and that therefore we refuse to join in an Address asking the Imperial Parliament to confer that jurisdiction upon the Parliament of Canada? Surely, when a bill providing for a scheme of old age pensions comes before parliament there will be enough intelligence in the combined membership of the Senate and the House of Commons to study the measure and decide whether we should enter upon the scheme, and if so to what extent. That will be the proper time to consider questions relating to any additional impost that it may be necessary to make upon the incomes of the people. At the moment we have no plan of old age pensions before us; we have nothing but a resolution which could lead to the conferring upon the federal parliament of authority to legislate in that field.

A question that does give me a little concern is the one that was raised by the senator from Vancouver South (Hon. Mr. Farris). In a number of fields the dominion and the provinces have authority to legislate. The deputy leader (Hon. Mr. Hugessen) referred to agriculture. It is true that the province can legislate in relation to agriculture and the dominion can legislate in relation to agriculture, but there is a special provision in the British North America Act that when concurrent jurisdiction in agriculture has to be exercised, the dominion jurisdiction shall prevail over the provincial. But let me put this question to honourable senators. Suppose in due course the federal parliament passes a law providing that every person upon reaching the age of seventy shall be entitled to an old age pension, without submitting to a means test. Then suppose that one of the provinces passes a law reading something like this: "No person resident in this province on reaching the age of seventy shall be entitled to receive an old age pension without a means test." On the face of it there would be a conflict—as lawyers say, a repugnancy. In those circumstances which would prevail, the provincial or the federal authority? On my reading of this proposed amendment to the British North America Act, I think the last authority would be in the province; that if provincial legislation said that a resident of the province could not enjoy a certain benefit which federal legislation gave him, the situation would have to be resolved in favour of the province. It seems to me the meaning of the exception in this proposed amendment is simply this, that where there is a repugnancy between the two jurisdictions in the field of old age pensions, the provincial legislation shall prevail.

But at the same time there is a bigger point. In any broad consideration of the question of old age pensions, knowing that there are people vitally concerned—people who for the most part may have but a few years to live after reaching the qualifying age—how can we say that the question is not an important one? And as to this proposal to authorize the federal parliament to occupy the old age pensions field along with the provinces, which are already occupying it, how can it be said that in principle it is not a good thing to bring to bear upon the question the combined wisdom of all the legislative bodies in Canada, trusting to these bodies to see to it that sympathy for people who may qualify for enjoyment of a pension does not run away with good judgment as to what the public purse of Canada can support? But that is a matter that can be dealt with when we have before us a proposal to take the second step, legislation by the Parliament of Canada. At present we are concerned only with the first step, the resolution, and I submit we should not confuse one step with the other.

Hon. John J. Kinley: Honourable senators, being a lay member of the house, I of course approach this question with diffidence. Though I have had some experience in a provincial legislature as well as in both houses of parliament, I must say that this proposed new section 94A of the British North America Act does give me a little concern. In my opinion it changes our constitutional relations with the provinces in a very important manner. The honourable gentleman who has just spoken (Hon. Mr. Hayden) mentioned agriculture as a field in which parliament and the legislatures have jurisdiction. Section 95 of the British North America Act says:

> In each province the legislature may make laws in relation to agriculture in the province, and to immigration into the province; and it is hereby declared that the Parliament of Canada may from time to time make laws in relation to agriculture in all or any of the provinces, and to immigration into all or any of the provinces; and any law of the legislature of a province relative to agriculture or to immigration shall have effect in and for the province as long and as far only as it is not repugnant to any Act of the Parliament of Canada.

That is the law with regard to legislation on immigration and agriculture. Furthermore, our constitution, as I understand it, gives the federal authority the right of disallowance. And also in certain circumstances legislation by the Parliament of Canada prevails over provincial legislation. But in the proposed amendment to the British North America Act we find this provision:

> . . . no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law, present or future, of a provincial legislature in relation to old age pensions.

That simply says, in effect, that if any dominion legislation in relation to old age pensions should conflict with provincial legislation on the same subject, the provincial legislation shall prevail.

I think anyone will admit that that is a change. It may be a change that has been contemplated, for we are entering the provincial jurisdiction of property and civil rights, and the provinces should prevail. We are now entering a new field, as it were. In an important matter of this kind I am pleased to hear my legal friends in this house say what was in my own mind; it gives me some confidence in what I have said. I think we could very well delay consideration of this resolution until we meet in committee tomorrow morning, and continue the debate in the house in the afternoon.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: Before the acting leader (Hon. Mr. Hugessen) closes the debate, I should like to ask one question. But before doing so I wish to say that everyone in this house this afternoon could not help being impressed by the many speeches made, particularly those by members of the learned profession. It is all very well to warn the country or the government; but if there is anything wrong with this legislation it will soon be too late to correct it. It will not be enough to say to the people of this country, "I warned you".

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Reid: I think my question to the deputy leader should be answered, and that he should also reply to the statements made by the member for Toronto-Trinity (Hon. Mr. Roebuck), the senator from Vancouver South (Hon. Mr. Farris) and my friend from Toronto (Hon. Mr. Hayden). My question is: Have the various provinces had presented to them this resolution in the form in which we have it before us this afternoon, or have they merely consented to an amendment to the British North America Act?

Hon. Mr. Duff: Where is the money coming from?

Hon. A. K. Hugessen: If no other honourable senators desire to speak, I shall close the debate.

In the first place, may I attempt to answer the question just asked by the senator from New Westminster (Hon. Mr. Reid)? The whole correspondence between the Minister of Justice and the premiers of the provinces was printed as an appendix to the *Hansard* of the other place of Friday last, May 4. It is therefore not entirely fresh ground. I am unable of my knowledge to say positively that the provinces have agreed in terms to this particular resolution that we have before us this afternoon, but I should think it outside the realm of possibility that they have not done so. After all, what they are agreeing to is an amendment to the British North America Act modifying their rights; and if I know anything of the attorneys-general of the provinces, I would think that they would have been bound to have placed before them this very resolution and this very amendment to the British North America Act. Otherwise they would obviously not be in a position to know the precise extent to which the rights of their provinces were being affected. Without any question, I think that what is before the house this afternoon by way of this joint resolution and the proposed amendment to the British North America Act embodied in it, is the very text of what was agreed upon by the governments of the ten provinces.

As I said a few minutes ago, the correspondence which I tabled earlier this afternoon in this house was printed as an appendix to the *Hansard* of the other place last Friday. I am very glad to accept the suggestion of the honourable senator from Ponteix (Hon. Mr. Marcotte) that the correspondence should be added as an appendix to our discussion of this afternoon, and when this resolution has been disposed of I shall move to that effect.

I was most interested in what the senator from Ponteix said in relation to his resolution which was unanimously adopted by this house last year. I am quite certain that in future cases of this kind all provincial authorities will comply with the requirements that this house laid down as a result of my honourable friend's resolution. As he has said, fifty per cent of them have done so on this occasion. He can therefore congratulate himself that on the first occasion on which his resolution has been put to the test it has been fifty per cent effective.

With regard to the suggestion made by several honourable senators that this resolution should be referred to a committee, or that it should be withdrawn for re-consideration, I would submit that this amendment has been debated and agreed to between the federal authorities and the attorneys-general of every single one of the ten provinces. I may say that I am not using this as an argument why we should not consider it very carefully. I am simply pointing out that if we now propose to re-consider the whole thing, we are going to throw it all back to the provinces and to the dominion. That will probably mean that there will be no resolution and no amendment to the British North America Act for some months to come, and I venture to suggest to the Senate that, although the amendment could perhaps have been more aptly phrased, we should really think twice before taking such a drastic step following the months and months of discussion that have taken place.

Hon. Mr. Duff: But why, may I ask my honourable friend, could the matter not stand until tomorrow or the next day? Why the hurry?

Hon. Mr. Hugessen: What advantage will there be in letting it stand until tomorrow? I do not want to press anybody but, I ask, can we do anything more effective tomorrow than we can do today, assuming that we do not want to throw the whole thing back into the melting pot between the dominion and the provinces?

Hon. Mr. Howden: May I ask the deputy leader whether this amendment compromises in any manner whatsoever either the federal power or the provincial powers? I cannot see that it does.

Hon. Mr. Hugessen: I was about to attempt to deal with that question. In doing so I am rather at the mercy of the house, for I have two most formidable opponents, the senator from Vancouver South (Hon. Mr. Farris) and the senator from Toronto-Trinity (Hon. Mr. Roebuck), both of whom have had a great deal more experience in constitutional matters than I have had. But let me draw the attention of the house to this fact. The honourable senator from Vancouver South suggested that the wording of the section would mean that the provinces would be able to push the federal authorities out of the field of old age pensions. The honourable senator from Toronto-Trinity suggested precisely the opposite, namely, that by agreeing to this amendment the provinces were abandoning their own rights with respect to old age pensions.

Hon. Mr. Farris: One of us must be right.

Hon. Mr. Hugessen: I suggest that neither of you is right. Speaking for myself, and without the immense experience that these honourable senators have had on constitutional matters, I think they are both wrong. I think that the words "shall affect the operation of any law, present or future, of a provincial legislature in relation to old age pensions" mean just what they say. What they mean to my mind is that if the dominion now passes an old age pensions Act, and there is an old age pensions Act, in effect in a province, whatever is passed by this parliament shall not affect what is already in force in the province in question. Frankly, from a practical point of view, I do not think it makes a great deal of difference, and for this reason. My honourable friend from Vancouver South suggests that the provinces can come in and wipe the dominion out of the field of old age pensions. Let us say that within a few months the Dominion Parliament passes legislation to confer pensions of $40 a month on people of seventy years of age. It would be a rather strange provincial government that would invite its legislature to prevent the people of the province from getting that pension. I think the real explanation of this wording is the one that I attempted to give when I first spoke this afternoon, namely, that if any province chooses to supplement the over-all dominion pension, its right and liberty to do so are reserved. After all, this wording which has been criticized here this afternoon has been approved by all the provinces. I venture to suggest, first, that delay until tomorrow or the day after tomorrow will not be by any manner of means effective; and second, that we should take whatever risk there may be that this legislation is not properly drafted. My honourable friend says that it will go to the Supreme Court. Well, I suppose that at one time or another every single section of the British North America Act has been before the Supreme Court, and it is quite conceivable that this one will go there too. But bearing in mind what has taken place—the months and months of discussion which have preceded the resolution now before us for consideration—I suggest to my honourable friends that the part of wisdom would be to adopt the resolution.

The Hon. the Speaker: On the question of procedure: I should say that what is before us is not a bill, it is a motion; consequently it cannot be returned to the other house. That house has disposed of it, and it cannot be renewed at this session. If the Senate does not pass the resolution in the form in which it has passed the Commons, it will mean that the whole matter will be turned down for this session, at least.

As to the second point, whether the resolution should be delayed until tomorrow: Since the debate will have been closed by the second speech of the mover, I believe the only way it can be delayed is for the mover to ask that the debate be adjourned until tomorrow. Otherwise we will have to proceed on the motion.

Some Hon. Senators: Question.

The motion was agreed to.

CORRESPONDENCE BETWEEN MINISTER OF JUSTICE AND PREMIERS OF THE PROVINCES —MOTION TO PRINT

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

That the correspondence between the Minister of Justice of Canada and the premiers of the several provinces of Canada, during the period March 6, 1951, and May 4, 1951, inclusive, with respect to an amendment to the British North America Act, 1867, in connection with old age pensions, be printed as an appendix to the *Official Report of Debates of the Senate.*

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

Hon. Mr. Quinn: May I ask the acting government leader why, if this correspondence has been printed in *Hansard* of the other house, we should go to additional expense, trouble and waste of time and money to have it printed in our records?

Hon. Mr. Duff: Hear, hear. A waste of money.

Hon. Mr. Marcotte: To print it would cost very little, and at the same time it would be in our own records.

Hon. Mr. Quinn: It is in the records of the House of Commons.

Hon. Mr. Marcotte: I doubt whether any honourable senator other than myself even read the debates of the other place.

The motion was agreed to.

See appendix at end of today's report

TRANS-CANADA HIGHWAY IN BRITISH COLUMBIA

INQUIRY

Hon. Mr. Reid inquired of the Government:

1. What portion or portions of the Trans-Canada Highway in British Columbia have been agreed upon by the Dominion and on which the Federal Government will contribute fifty per cent of the cost?

2. On the route suggested or proposed by the Provincial Government, what—

(a) is the total mileage of highway already constructed;

(b) is the estimated amount of money which will be contributed by the Federal Government to the Provincial Government for the highway or highways already constructed as part of the Trans-Canada Highway;

(c) is the estimated cost of the uncompleted portion or portions of the Trans-Canada Highway in British Columbia?

3. Have any representations been made to the Federal Government for a contribution towards the outlays of expenditure on the Pattullo Bridge as part of the Trans-Canada Highway? If so, what amount has been requested?

Hon. Mr. Hugessen: I have a reply to the questions of the honourable senator, as follows:

1. The federal government will contribute not more than 50 per cent of the cost of the Trans-Canada Highway in British Columbia as designated in Schedule A of the Trans-Canada Highway Agreement. Under the agreement the designated route extends from the west boundary of Yoho Park at Leanchoil, British Columbia via Golden, Revelstoke and Kamloops to Vancouver and on to Vancouver Island from Nanaimo to Victoria.

2. (a) The total mileage of the route is 692, but to date only short sections have been constructed to the standards required.

(b) No estimate of the cost of the sections of highway already constructed as part of the Trans-Canada Highway and on which federal contribution will be based is yet available.

(c) Preliminary estimate of cost of new construction is $63,000,000.

3. No claim has yet been received by the federal government from the province.

DIVORCE BILLS

FIRST READINGS

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

Bill M-9, an Act for the relief of Irmgard Magdalena Hetzel Lichtenstein.

Bill N-9, an Act for the relief of Anna Boronow Walter.

Bill O-9, an Act for the relief of Ann Smith Couldrey.

Bill P-9, an Act for the relief of Phoebe Ross Kidd.

Bill Q-9, an Act for the relief of Alice Ann Gordon Lewis.

Bill R-9, an Act for the relief of Evelyn Serchuk Desjardins.

Bill S-9, an Act for the relief of Vivian June Pomeroy Walker.

Bill T-9, an Act for the relief of Vivian Edna Bartlett Tribe.

Bill U-9, an Act for the relief of Jeannine Lafleur Leatherdale.

Bill V-9, an Act for the relief of Bertram Kenneth Kidman.

Bill W-9, an Act for the relief of Louis Elie Yon.

Bill X-9, an Act for the relief of Doris Mary Thompson Lummis.

Bill Y-9, an Act for the relief of Estelle Tetreau Latour.

Bill Z-9, an Act for the relief of Mona Fern Barton Kirkman.

The bills were read the first time.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

CORRESPONDENCE BETWEEN THE MINISTER OF JUSTICE AND PREMIERS OF THE PROVINCES WITH RESPECT TO OLD AGE PENSIONS CONSTITUTIONAL AMENDMENT

Note: We were not supplied by the Honourable Mr. Duplessis with an authorized translation of his letters of March 11, 1951, and April 18, 1951. We desire to emphasize that the unofficial translations which have been prepared here have not been authorized by the Hon. Mr. Duplessis and to that extent are not binding on him.

ALBERTA

Office of the Premier

Edmonton, March 6, 1951.

The Honourable Stuart S. Garson, K.C.,
Minister of Justice and Attorney General
of Canada,
Ottawa, Canada.

Dear Mr. Garson:

I am in receipt of your letter of the 28th ultimo enclosing copies of the submissions made by the Premiers of the various provinces in relation to the proposed amendments to the British North America Act.

I am in agreement with your first suggestion that a new section 95a be enacted reading as follows:

"95a. In each province the Legislature may make laws in relation to old age pensions within the province; and it is hereby declared that the Parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions made by a provincial legislature."

While there is no doubt that at the present time the Legislature of each province has the power to make laws in relation to old age pensions, nevertheless I can see no objection to repeating the power in section 95a even though redundant, in order that no argument can be raised that it was intended to take this power away.

I have no further suggested amendments to head 2 of section 92.

Yours very truly,

(sgd.) Ernest Manning
Premier

ONTARIO

Office of the Prime Minister and President of the Council

Toronto, Ontario, March 7, 1951

The Honourable Stuart Garson, K.C.,
Minister of Justice and Attorney General of
Canada,
Ottawa, Ontario.

Dear Mr. Garson:

Your letter of February 28th received.

For reasons which you have very clearly stated, and with which we are in complete agreement, you propose a new section 95A to be in either of the following forms,—

"In each province the legislature may make laws in relation to old age pensions within the province; and it is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions made by a provincial legislature."

or

"It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province."

Either one of these forms is satisfactory to us. If, therefore, the government of Canada or any of the provinces have a preference for one of these forms it will be quite satisfactory to us.

We trust that the amendment will be effected as soon as possible and the legislation proceded with as agreed upon.

Sincerely yours,

(Sgd.) Leslie M. Frost

PROVINCE OF BRITISH COLUMBIA

Office of the Premier

Victoria, March 8, 1951

Honourable Stuart Garson, LL.D.,
Minister of Justice and Attorney General,
Parliament Buildings,
Ottawa, Canada.

My dear Mr. Garson:

I have for acknowledgment your letter of February 28, together with enclosures relating to the proposed constitutional amendments dealing with old age pensions and the indirect sales tax.

I have had our attorney-general and his officials examine your correspondence thoroughly and we have come to the view that the draft in respect of old age pensions to be found on page 3 of your communication satisfactorily deals with this question. It is felt that it grants the necessary power to the parliament of Canada to make laws in relation to old age pensions while at the same time fully preserving provincial rights in dealing with the same question.

In relation to the sales tax amendment, we are satisfied that the amendment suggested by you is quite sufficient for all practical purposes. This amendment, as I gather from your correspondence, is as follows:

"2. The raising of revenue for provincial purposes by:

(a) direct taxation within the province, and

(b) indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the province and sales of goods grown, produced or manufactured outside the province."

With kindest personal regards,

Yours faithfully,

(Sgd.) Byron I. Johnson
Premier

ST. JOHN'S, NEWFOUNDLAND
Office of the Premier

March 9, 1951.

The Honourable Stuart S. Garson, K.C.,
Minister of Justice and Attorney General,
Ottawa, Canada.

Dear Mr. Garson:

Thank you for your letter of the 29th ult. with reference to constitutional amendments in which you enclose copies of correspondence from the various Provincial Premiers.

I have discussed this matter with the Attorney General and it has come before Cabinet. As far as Newfoundland is concerned we are prepared to accept what you refer to as your third draft (on page three of your letter), reading—

"It is hereby declared that the Parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any Province made by the Provincial Legislature of such Province."

but if the other Provinces prefer it we would agree to your new draft section 95A (page two of your letter) reading as follows—

"In each Province the Legislature may make laws in relation to old age pensions within the Province; and it is hereby declared that the Parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions made by a Provincial Legislature."

With respect to the proposed amendment of section 92 (2) it seems to me that the point made by Premier Macdonald may be well taken, and that the amendment with reference to indirect taxation might well be included in section 92 as a new enumerated head (2) (a). Newfoundland, however, will accept the ruling of yourself and your advisers in this matter.

Yours faithfully,

(sgd.) J. R. Smallwood
Premier

Translation

PROVINCE OF QUEBEC
Office of the Premier

Quebec, March 11, 1951

The Honourable Stuart Garson, K.C., P.C.,
Minister of Justice,
Ottawa, Ont.

Dear Mr. Garson:

The Quebec Legislature resumed its parliamentary work on January 24 last and, for the past couple of weeks, we have been at the most active and engrossing stage of our legislative programme.

Your letter dated February 28 respecting the Canadian constitution and old age pensions was delivered at my office March 2 and I was unable to take cognizance of same before yesterday. Thanks for the information your letter imparts to me and for the copy of the correspondence relative to these important problems which accompanied it.

In the course of the Canadian intergovernmental conference held at Ottawa at the beginning of December, 1950, the federal goverment made statements and proposals to the representatives of the provinces with reference to these constitutional amendments and old age pensions.

The federal authorities wisn to assume the full payment of old age pensions from age 70 and this without the "means test", provided it be possible for it to recoup itself for such outlays by means of a constitutional amendment conferring on Ottawa a jurisdiction which at the present time is exclusively provincial. Furthermore, the federal government undertakes to contribute, with the provinces, in a proportion of 50 per cent, to the payment of an old age pension of $40.00 per month, granted with "means test", to Canadian citizens from age 65.

For the purpose of helping the provinces secure supplementary revenues in order to meet the additional expenses occasioned by the provincial contribution of 50 per cent to payment of pensions starting at age 65 and up to age 70, the federal authorities suggested a constitutional amendment granting the provinces a limited power of indirect taxation.

You forwarded to me with your letter of January 2 last two federal drafts of constitutional amendments, namely: (I indicate with capital letters the amendments in question)

"A" 1. Add a new subsection to section 95 in the following terms:

"(2) Notwithstanding anything in this Act, the Parliament of Canada may make laws in relation to old age pensions."

"B" 2. Re-enact head 2 of section 92 to read as follows:

"2. The raising of revenue for provincial purposes by

(a) direct taxation within the province, and

(b) indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the province and sales of goods grown, produced or manufactured outside the province."

On January 20, you wrote me to make alterations to the federal draft relative to the 3 per cent indirect tax.

These draft amendments were submitted to the council of ministers and, afterwards, to the Quebec Legislature during the session presently being held.

We have made known on several occasions the decision of the present government of Quebec to co-operate with the federal authorities in the establishment of an improved old age pensions system that will be as complete as possible in the circumstances. Actually, on many occasions, we have expressed the desire of the government of the province to co-operate with the federal authorities in the establishment of just and proper old age pensions as from age 65.

The government sought and obtained from the Legislature the authorization to conclude a friendly agreement with the federal authorities in respect of these matters. We have come to the following conclusions:—

We deem the first draft amendment—amendment "A" unacceptable for numerous reasons, of which there are two special ones: in the first place, because it confers on Ottawa an exclusive power in a field exclusively reserved to the provinces; then, because the terms of Section 95 with which this draft amendment would be linked, grant, in certain cases, a federal priority we deem inopportune in the circumstances.

With reference to the second draft amendment which your letter of February 28 brings us, we believe there would be cause to alter it. This new draft reads as follows:—

"C" "It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province."

It seems to us that in constitutional matters it is necessary to proceed cautiously and in a clear and precise manner. The Canadian constitution is a fundamental document the importance of which by far transcends ordinary conventions and effects of which have repercussions a long time in the future.

We consider that this constitutional amendment should mention expressly that the matter has to do with old age pensions starting at age 65 and over. Besides, this federal draft amendment indicates the federal power to legislate "from time to time" and does not make this important mention in respect of provincial legislation. This difference in the wording could give the unfortunate impression that the provincial powers are limited to the present provincial legislation. In our opinion, it would be proper that the expressions "from time to time" apply to the provincial legislative power.

Do you not thing it would be proper, to avoid any possible doubt in the future, to indicate definitely that the matter has to do, in respect of old age pensions starting at age 70, with pensions of at least $40.00 per month, granted without "means test"?

There would also be cause, in our opinion, to consider in this amendment, the fact that the provincial taxpayers and the federal taxpayers are the same persons so as to avoid any possible injustice with regard to the provinces which, each and every one, are vitally interested.

Furthermore, we consider that this constitutional amendment should exist by itself so as to indicate clearly its special character and that, at all events, it should not form part of Section 95 which grants certain priorities to the federal body, something we could not reasonably accept.

With reference to the draft amendment respecting the new provincial power of indirect taxation, amendment marked "B" in this letter:—

As you are aware, we have expressed the desire and opinion on many occasions that, the fiscal or financial power being a necessary corollary to the exercise of the administrative and legislative power, the provinces have the right to possess, in a precise, clear and definitive manner, all the sources of revenue indispensable to the performance of their obligations as well as to the exercise of their rights and this, not only with a view to the present but also with a view to the future, for to govern is to foresee.

On the other hand, as this aspect of the problem is one of the very vast scope, and we wish to co-operate in the rapid enactment of appropriate and just old age pension legislation, we shall limit our remarks, at the present time, to the draft submitted.

It follows from the correspondence that the federal is not disposed to acknowledge to the provinces an indirect retail sales tax exceeding 3 per cent.

As a further manifestation of our desire to co-operate and subject to our rights and to our suggestions in respect of the exact delimitation of the provincial and federal fiscal and financial powers, we will make no objection to this constitutional financial amendment provided it is more clear, more effective and more capable of application. We acknowledge the expediency of forestalling any possible discrimination between the provinces and, in the circumstances, of subordinating the application of this power to the retail trade.

However, it seems to us that the expression "goods", in the suggested amendment, may open the door to multiple conflicts of interpretation and, in short, render illusory a good portion of the new rights conferred by this amendment. We believe it would be proper to grant to the provinces the right to apply an indirect sales tax in the retail sales field, "at the retail sale level". This expression appears to us more clear, more just and better suited than the expression "sale of goods". We understand the expediency of the distinction you make with respect to goods sold at the retail level for consumption or use in one province by a citizen of that province.

It goes without saying that all precautions should be taken so that the new constitutional amendment should not have the effect of calling in question the power of the provinces of imposing sales and education taxes, that are imposed in the province of Quebec, to quote but one example.

In a word, you can rest assured, as we have proven on numerous occasions, that it is the sincere desire of the province to co-operate in a friendly and loyal spirit, with the federal authorities in the expeditious formulation and application of a just and appropriate system of old age pensions, starting at age 65.

On several occasions, yourself and the Prime Minister, the Right Honourable Mr. St. Laurent, have acknowledged and proclaimed the bilingual character of our country, and that is why in a matter of this importance, we deem proper that the opinion of the province of Quebec be conveyed in the language of the immense majority of the population of our province.

With my sincere regards,

(sgd.) M. L. Duplessis

NOVA SCOTIA
The Premier, Halifax

March 12, 1951

Hon. Stuart Garson, P.C., M.P.,
Minister of Justice and Attorney General,
Ottawa, Canada.

Dear Mr. Garson:

Let me thank you for your letter of February 28 and for the proposed amendment to the B.N.A. Act mentioned therein.

So far as Nova Scotia is concerned, I may say that we think that there is agreement between us on the purpose of amendment and generally upon the method of amendment.

The amendment proposed in your letter used the phrase "in Canada" instead of the phrase at present used in section 95 "in all or any of the provinces". I am not sure whether the new phrase is to be taken to mean that any dominion law in relation to old age pensions must be uniform in its application and operation throughout Canada. In fact, the operation of old age pension laws has varied. Thus I think that when Prince Edward Island began to pay old age pensions, they fixed the maximum monthly payment at $15 instead of $20 which was the maximum in all or most of the provinces. However, I believe that a great deal can be done in such matters by regulations agreed to jointly by the dominion and any province, and perhaps the point which I raise in this paragraph is not of great significance.

I doubt whether the concluding clause is essential in order to assure concurrent powers to Canada and the provinces. I refer to the clause which reads: "but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions made by a provincial legislature". I would suggest, therefore, that this clause be deleted, but if the general desire is to have some such clause in the amendment, I should like to suggest the following words be used: "but no law made by the parliament of Canada in relation to old age pensions shall detract from the legislative competence of a provincial legislature in relation to old age pensions".

As to the amendment with regard to the imposition of indirect taxes by the province, I note that your letter does not suggest any redraft of the original proposal.

I should like, however, to repeat, what I have already said in my memorandum which accompanied my letter of January 19. That was that the amendment constitutes the sole source of the provinces' power to impose an indirect tax. It ought, therefore, to the sufficiently wide in its terms to authorize any tax which it is contemplated the provinces should have a right to impose.

Yours very truly,

(Sgd.) A. L. Macdonald

The Government of the Province
of New Brunswick

THE PREMIER
Fredericton

March 12, 1951

Hon. Stuart Garson,
Minister of Justice,
Ottawa, Canada.

Dear Mr. Garson:—

I received in due course your letter of February 28 relating to constitutional amendments which have been under study respecting old age pensions and a provincial sales tax.

This letter will deal only with the first proposed amendment. I feel this division of the matter is justified inasmuch, as pointed out in my letter of February 2, the two matters are "quite distinct one from the other and capable of separate action".

Some confusion seems to have developed in certain quarters where an opinion or view has developed that the sales tax amendment was part and parcel of the old age pension plan which was under study at the December Federal-Provincial Conference. All governments there represented are fully aware that there is no relation or connection between the two and that the old age pension plan can go forward without any sales tax amendment.

In order, however, to emphasize this point I am referring herein only to the old age pension amendment and shall make the proposals regarding a sales tax amendment the subject of another letter to follow shortly.

Having in my letter to you of February 2 agreed to the proposed amendment relating to old age pensions originally proposed we are quite prepared to accept either of the alternative amendments set out in your letter of February 28. We have no preference in the matter and either of the latest proposals which receives the assent or concurrence of the other provinces will have our approval.

Yours sincerely,

(Sgd.) John B. McNair

The Government of the Province
of New Brunswick

THE PREMIER
Fredericton

March 13, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Canada.

Dear Mr. Garson:

Yesterday I replied in part to your letter of February 28, relating to amendments to the British North America Act, respecting old age pensions and a provincial sales tax.

For reasons then stated I dealt only with the first mentioned amendment. Herein I shall state our views on the proposed taxation amendment, a matter entirely distinct and separate from the other.

Your letter of February 28 suggests that the federal government is inclined to stand by the principles of the sales tax amendment as previously indicated in your letter of January 2 and January 20.

As pointed out in my letter of February 2, our interest in such a constitutional amendment rests upon the advantage that an indirect sales tax at the retail level is considered to possess over a consumers tax such as is now operating in several of the provinces, which involves a direct levy on the purchaser at the time of the retail sale.

When last year the legislature of this province adopted a consumers' tax much of the opposition to it centred around the features of it connected with its collection. It was to meet the alleged objectionable features of this form of taxation that this government has been supporting the proposal for a change in the constitution under which our present levy could be imposed in another form—that is as an indirect sales tax at the retail level.

In passing it may be observed that some who were then expressing criticism of our present tax because of the bothersome collection methods involved would now appear to be sympathetic to the opposi-

tion being voiced against the constitutional amendment which has since been proposed and which if adopted would serve to overcome their former objections.

While we are still interested in an amendment to the constitution which would permit us to abolish our present tax and replace it by an indirect sales tax we see no advantage for this province in the present federal proposal.

To meet the needs of this province and its municipalities the rate of our new tax last year was fixed at four per cent. By adopting this rate the legislature was able to provide extensive exemptions, the most important being the complete exemption of food and fuel. To replace this tax by an indirect sales tax at three per cent, the maximum rate which would be permitted under the amendment, would doubtless mean the elimination of all exemptions.

There is reason to feel that behind this proposal to limit in the amendment the jurisdiction of the provinces to fix the tax rate is the thought that any indirect sales tax imposed by a province under its authority should be applied right across the board to all retail sales without any provision for exemptions, even in matters as vital to the average citizen as food and fuel. The government of this province is not prepared to adopt any such plan. In fact we are definitely opposed to such notions.

It is difficult to regard the attitude of the federal government on this point in any other light than a determination to dictate to the provinces their policy in taxation matters. We fail to see why it should concern the dominion whether a provincial indirect sales tax should be two per cent, three per cent or any other percentage. As a matter of principle it seems to us that if the legislatures are vested with jurisdiction in any field, large or small, they alone should determine how their powers should be exercised.

So on the one hand we are opposed in principle to the amendment in the present form. On the other hand we attach no value to it from the practical point of view. As stated it could have no operation in this province unless the indirect taxation authorized by it were applied without exemptions, a course to which as stated we are opposed. The only other solution would be to have both forms of taxation in use which no one would want.

Notwithstanding what has been written we will be glad to be kept informed of the views of the other provinces on this matter and any developments connected therewith. If all the other provinces agree to the constitutional amendment in the form proposed by you we would feel very strongly constrained to agree thereto in the interest of co-operation and goodwill.

Yours sincerely,

(sgd.) JOHN B. McNAIR

SASKATCHEWAN
Premier's Office

Regina, March 20, 1951

AIRMAIL

The Honourable Stuart Garson, K.C.,
Minister of Justice and Attorney General,
Ottawa, Ontario.

Dear Mr. Garson:

Enclosed please find a copy of the Votes and Proceedings of the Legislative Assembly of Saskatchewan for Friday, March 16. You will notice that the Assembly has given its approval to both of the constitutional amendments which have been under discussion. The wording of both amendments is such that the Lieutenant-Governor in Council can give its approval to the constitutional amendments as presently drafted or to any amended wording which may result from further discussions providing, of course, that the basic principles remain unaltered.

A radio broadcast intimated some time ago that you might call a conference of the provincial Premiers to discuss the exact wording of the proposed constitutional amendments. If such a conference is in prospect I would appreciate hearing from you regarding the probable date it is likely to be held.

Yours sincerely,

(sgd.) T. C. Douglas

Encl.

Extract from Votes and Proceedings of the legislative assembly of the province of Saskatchewan, No. 32, Friday, March 16, 1951.

"Moved by the Hon. Mr. Douglas (Weyburn), seconded by the Hon. Mr. Fines:

"That this assembly approves in principle the amendment to the British North America Act proposed by the government of Canada following the Federal-Provincial Conference held in December, 1950, designed to provide that while the legislature may make laws in relation to old age pensions within the province, the parliament of Canada may make laws in relation to old age pensions in Canada, and authorizes the Lieutenant Governor in Council to approve any amendment incorporating such principle or to approve any amended wording suggested by the government of Canada and deemed to embody such principle.

"A debate arising, and the question being put, it was agreed to unanimously.

"Moved by the Hon. Mr. Douglas (Weyburn), seconded by the Hon. Mr. Fines:

"That this assembly approves in principle the amendment to section 92 of the British North America Act proposed by the government of Canada following the Federal-Provincial Conference of December, 1950, under which, in addition to the powers already possessed by the province, the province shall have power to raise revenue for provincial purposes by,

'Indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three percentum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the province and sales of goods grown, produced or manufactured outside the province, and not so as to discriminate between sellers or classes of sellers of the same class of goods';

and authorizes the Lieutenant Governor in Council to approve the amendment in the above words or to approve any amended wording suggested by the government of Canada which provides for indirect taxation within the province.

"A debate arising, and the question being put, it was agreed to on the following recorded vote:

YEAS

Messieurs

Douglas (Weyburn)	Brown
Wellbelove	Gibson
Bentley	Swallow
McIntosh	Thair
Brockelbank	Darling
Fines	Howe
Lloyd	Douglas (Rosetown)

Sturdy	Kuziak
Williams	Denike
Gibbs	Walker
Heming	Willis
Dewhurst	Larsen—25.
Stone	

NAYS

Messieurs

Benson	Korshinski
Tucker	Cameron
Lopston	Banks
McCormack	Horsman
Danielson	Deshaye
Blanchard	McCarthy
Trippe	Maher—15.
Egnatoff	

SASKATCHEWAN

Premier's Office

Regina, March 22, 1951

The Hon. Stuart Garson, K.C.,
Minister of Justice and Attorney
General of Canada,
House of Commons,
Ottawa, Ontario.

Dear Mr. Garson:

In my letter dated February 5, 1951, I stated:

"We are satisfied that the wording which you have suggested for the two proposed constitutional amendments will carry out the spirit and intent of the dicisions arrived at during the Federal-Provincial Conference of last December."

As far as the proposed amendment to the British North America Act respecting old age pensions was concerned, we were satisfied with the suggested wording. For this reason we undertook to submit the proposed amendment to the legislature as soon as possible with our complete endorsation and support.

With respect to your comments, we agree with the opinion expressed in your letter of February 28, 1951, that the effect of the amendment originally proposed was not to give the government of Canada sole jurisdiction in the field of old age pensions legislation. While we are of the opinion that the first draft amendment with respect to old age pensions would leave the provinces jurisdiction to deal with old age pensions, we do not see why either of the redrafts set out on pages two and three of your letter would not be satisfactory. Of the two redrafts, the second set out on page three of your letter would be preferable as it makes it clear that the provinces had jurisdiction previously, and will continue to have jurisdiction in the field of old age pensions legislation.

In view of your suggestion that the redrafts of the proposed amendment respecting old age pensions be considered, and in view of the conclusions we arrived at after studying your suggestions, we decided that it would be advisable to redraft the resolution submitted to the legislature on February 8, 1951. The resolution as redrafted appears on page two of the votes and proceedings of the legislative assembly of Saskatchewan, number 32, Friday, March 16, 1951, as follows:

"Moved by the Hon. Mr. Douglas, (Weyburn), seconded by the Hon. Mr. Fines:

That this assembly approves in principle the amendment to the British North America Act proposed by the government of Canada following the Federal-Provincial Conference held in December, 1950, designed to provide that while the legislature may make laws in relation to old age pensions within the province, the parliament of Canada may make laws in relation to old age pensions in Canada, and authorizes the Lieutenant Governor in Council to approve any amendment incorporating such principle or to approve any amended wording suggested by the government of Canada and deemed to embody such principle."

This motion was agreed to unanimously. A copy of the votes and proceedings containing this motion and a record of the vote was forwarded to you with my letter of March 20, 1951.

We are of the opinion that both redrafts of the amendment to the British North America Act as proposed in your letter dated February 28, 1951, embody the principle approved in the above resolution and are satisfactory. As indicated above, we prefer the second redraft set out on page three of your letter. In accordance with the wishes of the legislative assembly, we would be prepared at any time to discuss any other amendment incorporating the principle set out in the resolution of the legislative assembly.

Yours sincerely,

(Sgd.) T. C. Douglas

CANADIAN NATIONAL TELEGRAPHS

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Hon Stuart S Garson
Minister of Justice Ottawa Ont

Your letter February twenty-eight concerning constitutional amendments re old age pension and indirect sales tax has been fully considered by Manitoba government stop Premier Campbell's letter to you January thirty-one indicated our acceptance of old age pension proposals enclosed with your letter January two failing general approval of alternative proposals set out in his letter stop Our alternative proposals not being generally acceptable we confirm approval of your proposals stop No objection here to either form of new section 95 A but prefer last alternative in your letter February twenty-eight stop Government resolutions of concurrence in constitutional amendments for both old age pensions and three per cent indirect sales tax on today's order paper of Manitoba legislature.

C Rhodes Smith Attorney General

Identical letter sent
to all Premiers.

Office of the Minister of Justice
CANADA

Ottawa, April 3, 1951

The Honourable L. M. Frost, K.C.,
Premier of Ontario,
Parliament Buildings,
Toronto, Ontario.

Dear Mr. Frost,—

On February 28, 1951, I wrote to you forwarding two alternative drafts to the first old age pensions amendment draft which I had forwarded to you in my letter of January 2, 1951. In my said letter of February 28, I also dealt with representations which had been made by a number of the provincial premiers concerning the matters referred to in my letter of January 2, 1951.

I now enclose, herewith, the replies to my said letter of February 28, 1951, which I list as follows:

Letter from Premier Jones, dated March 2, 1951;

Letter from Premier Manning, dated March 6, 1951;

Letter from Premier Frost, dated March 7, 1951;
Letter from Premier Johnson, dated March 8, 1951;
Letter from Premier Smallwood, dated March 9, 1951;
Letter from Premier Duplessis, dated March 11, 1951;
Letter from Premier Macdonald, dated March 12, 1951;
Letter from Premier McNair, dated March 12, 1951;
Letter from Premier McNair, dated March 13, 1951;
Letter from Premier Douglas, dated March 20, 1951;
Letter from Premier Douglas, dated March 22, 1951;
Telegram from Hon. C. Rhodes Smith, K.C., dated April 2, 1951.

It is to deal with the points which have been raised in these enclosed communications, the last of which I received only yesterday, that my present letter, dated April 3, 1951, is being written.

The enclosed letters show that the governments of Alberta, British Columbia, Ontario, New Brunswick, Newfoundland, Saskatchewan and Manitoba have accepted either the second or third drafts of the old age pensions amendment. The government of Prince Edward Island prefers either the first or the third draft.

The government of Nova Scotia seems willing to accept either the second or the third draft, subject to their being satisfied with regard to the "but" clause in the draft. The Honourable Mr. Macdonald suggested that this should be revised to read:

"But no law made by the parliament of Canada in relation to old age pensions shall detract from the legislative competence of a provincial legislature in relation to old age pensions." The purpose of this "but" clause is to make it clear that any federal old age pensions laws would not override any provincial old age pensions laws. We think that if the Nova Scotia wording is adopted and if parliament legislates in a field where the province may also legislate, one of two results may follow: First, parliament may oust the jurisdiction of the province; or, second, in the event of repugnancy, the act of parliament may override a provincial act. Nova Scotia's proposed draft deals with the first possibility, but leaves the second untouched. Thus, if there is a repugnancy, the act passed by parliament will override the provincial act—the very thing that we are seeking to avoid. We therefore would prefer our own original language as follows:

"But no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province."

The government of Quebec rejects the first draft of the old age pensions amendment and comments only on the third draft. We take it from the Hon. Mr. Duplessis' letter of March 11, 1951, that the third draft is preferable to the Quebec government provided certain changes in the third amendment are made, as follows:

1. The Honourable Mr. Duplessis objects to the fact that parliament is given power to legislate "from time to time" whereas this phrase is not used in the reference to provincial laws. Upon consideration, this point seems to be well taken. We see no objection to striking out the phrase "from time to time" in the third draft. This would leave parliament in the same position as the provincial legislatures in this regard.

2. The Honourable Mr. Duplessis takes the position that the old age pensions constitutional amendment should stand by itself and should not form part of Section 95. In this connection it will be noticed that we have numbered the old age pensions constitutional amendment as Section 95A, that is, as a section quite distinct and apart from Section 95. We would have no objection to emphasizing this distinction still further by having inserted in the British North America Act a heading "Old Age Pensions" just above the proposed new Section 95A.

3. The Honourable Mr. Duplessis thinks that the amendment should mention that it concerns old age pensions as from the age of 65 years and over; and that

4. It would be advisable to point out clearly that with regard to the old age pensions from the age of 70, what it intended is a pension of $40.00 per month without a means test.

The views of the other provincial premiers are invited with reference to the Hon. Mr. Duplessis' suggestions Nos. 3 and 4. We think that these are two points upon which there should be concensus of opinion before the wording in the draft constitutional amendment is amended to take care of them.

I would accordingly submit for your approval a redraft of the third draft to read as follows:

"Old Age Pensions

95A It is hereby declared that the parliament of Canada may make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province".

Re: Sales Tax Amendment

The present draft amendment reads as follows:

"2. Re-enact head 2 of section 92 to read as follows:

"2. The raising of revenue for provincial purposes by

(a) direct taxation within the province, and

(b) indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the province and sales of goods grown, produced or manufactured outside the province, and not so as to discriminate between sellers or classes of sellers of the same class of goods".

The provinces of British Columbia, Alberta, Saskatchewan, Newfoundland, Prince Edward Island and Manitoba have agreed. New Brunswick still continues its objection to the fixing of the rate at 3 per cent and still suggests 4 per cent, but says:

"If all the other provinces agree to the constitutional amendment in the form proposed by you we would feel very strongly constrained to agree thereto in the interests of cooperation and goodwill".

The Honourable Mr. Macdonald of Nova Scotia repeats the observations made earlier. They were to the following effect:

1. That it would be preferable to leave the present 92(2) as it stands and to add a new head for the new taxing power. Provided it meets with the approval of the other provincial governments, we in Ottawa would have no objection to framing

the amendment in this way and accordingly would suggest that a new head could be added under section 92 to read as follows:

"2A. The raising of revenue for provincial purposes by indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the provinces and sales of goods grown, produced or manufactured outside the province and not so as to discriminate between sellers or classes of sellers of the same class of goods."

2. That the exemption of goods sold for shipment outside the province should be in the discretion of the provincial legislature, on the ground that if this limitation is included no province would then be in a position to levy a tax in respect of interprovincial transactions. This has been carefully considered but we feel that the exception is necessary in order to confine the taxing power to taxation within the province.

3. That section 121 of the British North America Act might be enough to prevent discrimination against goods produced or manufactured outside the province. It may be that section 121 has this effect but we feel that it would be desirable to put the matter beyond doubt.

4. That services, combinations of services and materials and intangible things such as electricity, are not included in the section, and that there might be difficulty in dealing with products that are sold at retail and then incorporated in a manufactured product that is also sold at retail. These matters were dealt with in my letter of February 28.

The Honourable Mr. Frost of Ontario has made no comment.

The Honourable Mr. Duplessis comments that Quebec would have no objection to this sales tax amendment "provided it be made clearly more effective and more susceptible to application"; and that this could be done by conferring a power to impose an indirect sales tax in the retail sales field at the retail sales level. Perhaps I should say in this connection that in one of our original drafts we did refer to a retail sales tax, but exception was taken by one of our tax experts concerning the use of the expression "retail". The dictionary meaning of "retail" is simply to sell in small quantities, and it was not felt that this was clear enough. We then spelled out more specifically the type of sales to which we were referring, namely, a sale to a buyer for the purpose of consumption or use and not for resale. In doing this we adopted the language which was used in the Quebec Sales Tax Act. That act imposes a tax on a purchaser "at the time of making a purchase at a retail sale" but it does not rest with the dictionary meaning of the term "retail", but goes on to define "retail sale" as meaning "a sale to a purchaser or user for the purpose of consumption or use and not for resale". We still think that the Quebec language which we have adopted is the best suited for the purpose of this constitutional amendment.

In conclusion may I invite your comments upon, and I hope your agreement with

1. the latest draft of the constitutional amendment regarding old age pensions on page 3 of this letter;

2. the latest draft re provincial indirect retail sales tax on page 4 of this letter.

In these two latest drafts we have tried to incorporate the views of all provincial governments in a manner acceptable to all provincial governments.

This letter is being sent out at the earliest possible date after I had heard from all of the provincial governments. I am asking all the provincial premiers to give these matters prior attention. The constitutional amendments which may be agreed upon will have to be secured from the parliament of the United Kingdom. There are reasons why it is desirable to secure any wise amendments upon which we may agree as soon possible.

Yours very truly,

(Sgd.) Stuart Garson

PROVINCE OF MANITOBA
Office of the Premier
Winnipeg

April 7, 1951

The Honourable Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Canada.

Dear Mr. Garson:

I attach for your information copy of letter dated April 6 received from Harry Dunwoody, together with copies of Votes and Proceedings Nos. 41 and 42 referred to therein. You will note that certified copies of these resolutions have been forwarded to the Secretary of State for Canada.

Kind regards.

Sincerely,

(sgd.) Douglas Campbell

Encl.

WINNIPEG
Clerk of the Legislative Assembly

April 6, 1951

Hon. D. L. Campbell,
Premier of Manitoba,
Legislative Buildings.

Dear Sir:

Constitution of Canada, amendment of

Two Resolutions were agreed to by the legislature of Manitoba:

1. On motion of Hon. Mr. Schultz, that "This House concurs in the proposal to amend the constitution of Canada to provide that the parliament of Canada may make laws in relation to old age pensions. This appears at page 3 of votes and proceedings No. 41, dated April 2, 1951, copy of which is enclosed.

2. On motion of Hon. Mr. Smith that "This House concurs in the proposal to amend the constitution of Canada to provide that a provincial legislature may enact legislation to impose indirect taxation. This appears at pages 4 and 5 of votes and proceedings No. 42, dated April 3, 1951, copy of which is enclosed.

This is to inform you that certified copies of these Resolutions have been made and forwarded through the usual channels to the Secretary of State for Canada.

Yours truly,

(sgd.) H. H. Dunwoody
Clerk, Legislative Assembly

Enclosures.

HHD/E

Votes and Proceedings,
Legislative Assembly of Manitoba,
No. 41 dated 2nd April, 1951.
p. 3.

Hon Mr. Schultz moved that this House:

1. Concurs in the proposal to amend the constitution of Canada to provide that the parliament of Canada may make laws in relation the old age pensions, and

2. Authorizes the Honourable, the President or other member of the executive council, to discuss with representatives of Canada and the provinces, the form and method by which such amendment could most appropriately be made and to express the concurrence of Manitoba in any amendment which satisfactorily achieves this purpose.

And a debate arising,

And Hon. Mr. Schultz, and Messrs. Willis, Hansford, Kardash, Gray, McDonald and Prefontaine having spoken,

And the question being put,

It was agreed to.

Votes and Proceedings,
Legislative Assembly of Manitoba,
No. 42 dated 3rd April, 1951.
PP 4-5

The house resumed the adjourned debate on the proposed motion of Hon. Mr. Smith, that this house:

1. Concurs in the proposal to amend the constitution of Canada, to provide that a provincial legislature may enact legislation to impose indirect taxation within the province with respect to retail sales at a rate not exceeding 3 per cent of the sale price, and

2. Authorizes the honourable the president or other member of the executive council, to discuss with representatives of Canada and the provinces, the form and method by which such amendment could most appropriately be made and to express concurrence of Manitoba in any amendment which in his opinion satisfactorily achieves this purpose.

And the debate continuing,

And Messrs. Willis, Anderson, McGirr, Hansford, McDowell, Hon. Mr. Campbell, Messrs. Gray, Roblin, Harrison, Clement, Kardash, Hyrhorczuk, Swailes, Solomon, Hawryluk and Hon. Mr. Smith having spoken,

And the question being put,

It was agreed to on the following division:

YEAS

Anderson	McDonald
Bardal	Miller
Bell	Mitchell
Campbell	Mooney
Chester	Morton
Christie	Robertson
Clement	Rungay
Greenlay	Schultz
Hamilton	Shuttleworth
Hillhouse	Smith
Hyrhorczuk	Solomon
Jobin	Thompson
Lucko	Trapp
MacCarthy	Turner—29.
Marcoux	

NAYS

Argue	Hansford
Bend	Harrison
Gray	Hawryluk
Kardash	Roblin
McDowell	Seens
McGirr	Shewman
Morrison	Stinson
Olive	Swailes
Renouf	Willis—18.

Premier's Office
PRINCE EDWARD ISLAND

April 9, 1951

The Honourable Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Ontario.

Dear Mr. Garson,

The government of Prince Edward Island approves the redraft of the third constitutional amendment draft regarding old age pensions, set out on page 3 of your letter of April 3, as well as the latest draft re provincial indirect retail sales tax set out on page 5 of your same letter.

Yours very truly,
(Sgd.) J. Walter Jones
Premier

PROVINCE OF BRITISH COLUMBIA
Office of the Premier

Victoria, April 9, 1951

Honourable Stuart Garson,
Minister of Justice and Attorney General
of Canada,
Parliament Buildings,
Ottawa, Canada.

My dear Mr. Garson:

I have for acknowledgment your two letters of April 3, together with enclosures.

Please be advised that I have forwarded same to the Honourable G. C. Wismer, K.C., Attorney-General, for his consideration.

With kindest personal regards,

Yours faithfully,
(sgd.) Byron I. Johnson
Premier

JB

The Government of the Province
of New Brunswick

FREDERICTON
The Premier

April 10, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Canada.

Dear Mr. Garson:

I received in due course your letter of April 3 respecting the two constitutional amendments which have been under consideration relating respectively to old age pensions and a provincial sales tax.

In listing the replies received to your letter of February 28 you omitted any reference to my letter of March 12. Copy of that letter as well as my letter of March 13 was among the lot of correspondence containing the replies of the provincial

premiers to your letter of February 28 which was forwarded to me. I assume therefore that copies of both letters went to all premiers.

My purpose in writing two separate letters dealing with the two proposed amendments was indicated by me therein. For the reasons given I consider it most essential that the two matters be recognized as separate and distinct. While your letter of the third instant did not dissociate the two amendments it is our hope that the federal government regards them as two entirely separate matters and shares our view that the old age pension amendment is not contingent upon the adoption of the other.

I am prompted to emphasize this matter again after reading the correspondence with the provinces forwarded by you in which will be found passages in which the two matters are tied together.

The government of this province would welcome an assurance from you that so far as the federal government is concerned the two amendments are not inseparable; and in particular that the old age pension amendment will not stand or fall with the other.

Whether or not agreement can be reached on the sales tax amendment it seems evident early agreement can be arrived at on the pensions amendment. There can be no doubt that all provinces are one in their desire to see the new old age pension plan in operation at the earliest possible moment.

On the assumption that general agreement is arrived at with the provinces on both proposed amendments we have another suggestion to offer. It is that the matters should be dissociated when laid before parliament. In other words they should, in our view, be made the subject of two separate joint addresses.

Recognizing that opposition to the sales tax amendment has become quite vocal in some quarters and recalling the fate of a similar proposal in the Senate a few years ago we feel that a revised old age pension plan for this country should not be placed in jeopardy by being presented to parliament as part of a joint amending operation involving also the sales tax matter, which may again prove very controversial.

We hope, and urge, that some heed may be paid to this suggestion for separate treatment in the two Houses of Parliament.

May I now refer to the lastest proposals regarding the two amendments as advanced in your letter of April 3?

For the old age pension amendment you suggest a new section in the B.N.A. Act to be numbered 95A with the caption "Old Age Pensions" and to read as follows,—

"It is hereby declared that the parliament of Canada may make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province."

The government of this province approves of the amendment in that form and language.

With respect to the sales tax amendment we agree with the suggestion advanced by Nova Scotia that Head 2 of Section 92 of the B.N.A. Act should remain untouched. Therefore the proposal made by you that any sales tax amendment be the subject matter of a new head, to be numbered 2A, meets with our approval.

From that point we do not view the proposals with the same degree of satisfaction or equanimity. In this connection I would repeat the reasons contained in my letter of March 13.

In our view the matter has become unduly involved and difficult through the insistence of the federal government on placing restrictions on the exercise by the provincial legislatures of the proposed new taxing powers.

I feel constrained to quote here one paragraph in my letter of March 13 which reads as follows:

"It is difficult to regard the attitude of the federal government on this point in any other light than a determination to dictate to the provinces their policy in taxation matters. We fail to see why it should concern the dominion whether a provincial indirect sales tax should be two per cent, three per cent or any other percentage. As a matter of principle it seems to us that if the legislatures are vested with jurisdiction in any field, large or small, they alone should determine how their powers should be exercised."

We are at a loss to understand why the federal government should take such an arbitrary stand. Why should it presume to dictate policy to the provinces? There is a principle at stake here upon which we feel the provinces should be adamant.

As further stated in my said letter this government has no practical interest in the sales tax amendment as proposed by you. To use the powers it would give, in order to replace our present consumers' tax with an indirect sales tax, would require the abandonment of all our exemptions—on food, fuel and everything else—a course which is altogether repugnant to us.

We would be very reluctant to consent to the taxation amendment as proposed. However, we will adhere to the undertaking given in my letter of March 13—"If all the other provinces agree to the constitutional amendment in the form proposed by you we would feel very strongly constrained to agree thereto in the interest of cooperation and goodwill."

Yours sincerely,

(Sgd.) John B. McNair

SASKATCHEWAN
Premier's Office

Regina, April 13, 1951

Hon. Stuart S. Garson, K.C.,
Minister of Justice,
House of Commons,
Ottawa, Ontario.

Dear Mr. Garson:

The government of Saskatchewan is of the opinion that the redraft of the third draft set out on page 3 of your letter, as indicated below, is satisfactory:

"Old Age Pensions"

"95A It is hereby declared that the parliament of Canada may make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province."

As to the suggestion of the premier of Quebec that the amendment should mention that it concerns old age pensions as from the age of 65 years and over, the government of Saskatchewan feels that it would not be advisable to preclude the extension of pensions to those below age 65 without a further amendment to the British North America Act.

While it is agreed that the pension that is paid to the age group 70 and over will be $40 per month without means test, and while it can be

appreciated that it is desirable that this pension should at no time be reduced to a level which will not provide at least a minimum standard of subsistence, we are of the opinion that the amendment should be limited to matters of principle respecting the spheres of jurisdiction of the government of Canada and the governments of the provinces with regard to old age pensions.

We trust that there is now sufficient agreement on the proposed old age pensions amendment to enable the government of Canada to prepare the necessary legislation to provide pensions of $40 per month without means test to all aged 70 and over, beginning January 1, 1952, as agreed upon at the Federal-Provincial Economic Conference in December last.

Yours sincerely,
(Sgd.) T. C. Douglas

Office of the Premier
ALBERTA

Edmonton, April 16, 1951

The Honourable Stuart S. Garson, K.C.,
Minister of Justice and Attorney General of Canada,
Ottawa, Canada.

Dear Mr. Garson:

I am in receipt of your letter of the 3rd instant outlining the suggestions made by the premiers of the various provinces of Canada in relation to the proposed amendments to the British North America Act.

The legislature of this province by a unanimous resolution adopted in principle the amendments outlined in your communication, and I therefore am pleased to advise that I approve of the amendment to section 95a as outlined on page 3 of your letter and reading as follows:

"95a. It is hereby declared that the parliament of Canada may make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province."

I also agree with the proposed amendment to section 92 by including a new subhead 2a as set out on page 4 of your letter and reading as follows:

"2a. The raising of revenue for provincial purposes by indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the provinces and sales of goods grown, produced or manufactured outside the province and not so as to discriminate between sellers or classes of sellers of the same class of goods."

Yours very truly,
(sgd.) Ernest Manning
Premier

Office of the Minister of Justice
CANADA

Ottawa, April 16, 1951

The Honourable J. B. McNair, K.C.,
Premier of New Brunswick,
Fredericton, N.B.

Dear Mr. McNair:

Thank you for your reply of April 10 to my letter of April 3, 1951.

As you correctly state my said letter omitted any reference to your letter of March 12. This was a clerical mistake that occurred only in the letter to yourself. The letters to all of the other provincial premiers contain this reference; and in all of them, including your own, there was enclosed a copy of your letter of March 12.

So far as the federal government is concerned, you are quite right in regarding the two constitutional amendments dealing with old age pensions and a provincial sales tax as being separate and distinct. The only reason why at each successive stage of my correspondence with the provincial premiers I have dealt with these two amendments in the same letter was to place before the premiers all matters under discussion in the one comprehensive letter and thereby expedite matters by decreasing the number of letters which we have to exchange. We have always taken the position, however, that the adoption of the old age pensions constitutional amendment is not contingent upon the adoption of the sales tax constitutional amendment.

Whether some provincial governments might feel that the extra revenue possibilities which would be made available to them by the passage of the sales tax amendment would affect their attitude towards the old age pensions amendment or the tax agreements, we obviously cannot say.

In line with the thought that these two constitutional amendments are separate and distinct, we are quite agreeable, if the provinces wish it that way, that these two constitutional amendments should be made the subject of two separate joint addresses to be presented to the parliament of Canada requesting respectively that these two constitutional amendments should be passed by the parliament of the United Kingdom.

With great respect I cannot agree with your complaint that the federal government is seeking to place restrictions upon the exercise by the provincial legislatures of the proposed new retail sales taxing power. The facts, I suggest are as follows: At the conference the provincial governments asked for a constitutional amendment to enable them to occupy jointly with the dominion government a portion of the field of indirect taxation. For this privilege the provincial governments offered, and the federal government has asked for, no quid pro quo or compensation of any kind; for, as you correctly imply, the granting of this privilege of joint occupation by the provincial governments with the federal government of a part of the field of indirect taxation is not contingent upon any other matter.

By granting to the provincial governments at their request the right to use jointly with the federal government a portion of the field of indirect taxation, the federal government will automatically restrict its own exclusive use of that field. Surely then it is reasonable that the federal government in making such a grant for no consideration, may specify the limits of its grant by imposing this 3 per cent limitation. Within the limitations of the 3 per cent grant the provinces have complete liberty to use these indirect retail sales taxing powers in any way in which they see fit, except that they may not use them to discriminate between goods produced within and goods produced without a taxing province or to discriminate between sellers or classes of sellers of the same class of goods. This clause against discrimination the provinces themselves have willingly agreed to, and indeed have helped to draft.

If by merely limiting the extent to which its exclusive field may be shared, to a 3 per cent rate, the federal government is to be regarded as dictating policy to the provincial governments, it clearly would be better for the federal government not to share its exclusive field at all, and thus avoid charges or suspicion that it is dictating policy to

the provincial governments. If the sales tax amendment were not proceeded with, that fact would not necessarily disturb the old age pensions amendment or the renewal of the dominion-provincial tax agreements.

It is important that there should be a clear understanding that the federal government is not at all anxious to surrender a portion of its own field of taxation in this way. It is doing so because the provinces have made out a strong case that they need and would like to have the joint use of a portion of the indirect tax field, and because the dominion government wishes in this, as in other matters, to co-operate to the fullest extent possible with the provinces. If, however, any of the provinces, upon any grounds whatever, are opposed to the provinces having the power to impose a 3 per cent indirect sales tax, the federal government would be quite glad to retain the whole of the indirect tax field to itself since it obviously would be better off if it did so.

Yours truly,

(sgd.) Stuart S. Garson

P.S. Since dictating the above I have received a letter from Premier Douglas of Saskatchewan enclosing a copy of his letter dated April 13, to yourself in reply to your letter of April 11 to him, in which you enclosed a copy of your letter of April 10 to me. It therefore has occurred to me that it might save time in this matter if I send to all of the provincial premiers a copy of your said letter of April 10 to me and a copy of this letter dated April 16 from me to you. This I am doing by today's mail.

Office of the Minister of Justice, Canada

Ottawa, April 16, 1951

The Hon. T. C. Douglas, M.A.,
Premier of Saskatchewan,
Legislative Building,
Regina, Sask.

Dear Mr. Douglas,—

I enclose herewith copy of my reply to the letter which Premier McNair wrote to me under date of April 10, 1951.

Yours sincerely,

(Sgd.) Stuart S. Garson

(Identical letter addressed
to all Provincial Premiers
with exception of Premier
Douglas.)

Office of the Minister of Justice, Canada

Ottawa, April 16, 1951

The Honourable J. R. Smallwood,
Premier of Newfoundland,
Legislative Building,
St. John's, Newfoundland.

Dear Mr. Smallwood,—

Premier McNair of New Brunswick wrote me a letter under date of April 10 of which perhaps he may have sent you a copy. In any event the points which he has raised in this letter and to which I have referred in my reply of April 16 should I think be brought to the attention of all of the provincial premiers as soon as possible and I therefore enclose herewith:

(1) copy of Premier McNair's letter to me of April 10, 1951; and

(2) copy of my reply of April 16, 1951.

Yours truly,

(Sgd.) Stuart S. Garson

NEWFOUNDLAND

Provincial Government, St. John's

April 17, 1951

The Honourable Stuart Garson, K.C.,
Minister of Justice,
Ottawa.

Dear Mr. Garson:

Thank you for your letter of the 3rd instant with further reference to constitutional amendments.

I have had our attorney general and his officials examine your latest proposals, and on their advice now agree to—

1. Your latest draft of the constitutional amendment regarding old age pensions on page 3 of your letter.

2. Your latest draft re provincial indirect retail sales tax on page 4 of your letter.

Yours faithfully,

(Sgd.) J. R. Smallwood
Premier of Newfoundland

Translation

PROVINCE OF QUEBEC

Prime Minister's Office

Quebec, April 18, 1951

Honourable Stuart Garson, K.C., P.C.,
Minister of Justice,
Ottawa.

Dear Mr. Garson:

On April 9th last, I received your letter dated April 3rd, in reply to mine of March 11th, in connection with old age pensions and with the proposed amendment concerning an indirect provincial tax. Thank you for sending me the copies of the letters you mention and which my colleagues and I have read and considered with the greatest interest.

This morning, at the meeting of the council of ministers, we have again considered these important problems.

This afternoon, I received your letter dated April 16, together with copies of the letter dated April 10 which you received from Hon. Mr. McNair and of your reply of April 16. I am much obliged to you for this courtesy.

On several occasions, among others during the federal-provincial conference held in Ottawa last December, and in my letter to you of March 11 last, we have clearly stated the attitude of the province of Quebec.

We are still in favour of an old age pensions system, which would be fair and appropriate and would apply from 65 years of age and over. We believe such a system should be established as soon as possible.

In our opinion, it would seem appropriate and even necessary to consider as two separate matters the problem concerning old age pensions and the problem concerning the new tax which is proposed. I am happy to hear, from your letter which I have received this afternoon, that the federal authorities are willing to dissociate these two problems and to consider them separately. I wish to thank the federal authorities for I am convinced that, in the circumstances, such a step is imperative.

We consider that the proposed indirect provincial sales tax does not meet the situation and

would complicate rather than assist in the settlement of the important problem of old age pensions. Such a result should be avoided.

Serious doubts exist as to the timeliness of this new tax and we feel that clearness and precision are always desirable in constitutional matters.

We still favour the establishment of an old age pension for persons 65 years of age and over, and we are willing to accept a clear and precise constitutional amendment giving the federal government a power it does not possess presently, that is to make laws in this matter, without however infringing upon provincial rights.

The latest amendment suggested by you reads as follows:

"Old Age Pensions

95A It is hereby declared that the parliament of Canada may make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province."

As I mentioned in my letter to you dated March 11 last, we would prefer that the age be mentioned in the amendment, but if this condition tends to delay the coming into force of old age pensions for persons aged 65 years and over, we will not press the point. However, we deem it necessary and fair to indicate fully that the new rights granted the federal government in this matter of old age pensions must in no way diminish provincial rights.

Consequently, to our mind, an essential amendment is called for. The words " . . . made by the provincial legislature of such province" refer to the past and the present but they take no account of the future. The wording should be: " . . . made or to be made by the provincial legislature of such province".

Furthermore, do you not think it would be fair and appropriate that the address voted by the federal parliament to be forwarded to the parliament at Westminster should be drafted both in French and in English to mark fully, once more, the bilingual character of our nation? This wish seems to us a legitimate one.

With kindest regards, I beg to remain,

Yours truly,

(sgd.) M. L. Duplessis

Office of the Premier

PROVINCE OF BRITISH COLUMBIA

Victoria, April 19, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice and Attorney
General of Canada,
Parliament Buildings,
Ottawa, Ontario.

Dear Mr. Garson:

I have for acknowledgment your letter of April 16 and wish to thank you for sending for my attention a copy of a letter received from Premier McNair, and a copy of your reply thereto.

With kind regards.

Yours faithfully,

(Sgd.) Byron I. Johnson

Premier

Attorney-General

PROVINCE OF BRITISH COLUMBIA

Victoria, April 19, 1951

Honourable Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Ontario.

Dear Mr. Garson:

The premier just handed me a copy of a letter from Premier McNair to yourself dated April 11, in regard to the proposed amendments to the B.N.A. Act, covering old age pensions and provincial sales tax.

We, of course, have passed resolutions in the legislative assembly favouring both these amendments and you no doubt will be advised in due course by the provincial secretary as to the contents of the resolutions.

We dealt with the two matters separately and while there was no opposition to the resolution regarding old age pensions, there was some opposition to the proposal involving indirect taxation power.

It seems to me that the two matters are in no way connected. The provinces need not resort to an indirect sales tax in order to secure funds to pay their share of the proposed pension payable to needy persons between 65 and 69 years of age.

I think there is little doubt of the legality of our tax on the consumer under our sales tax legislation. Certainly there is no doubt of such legality in relation to the tax in its impact on sales at the retail levels over the counter.

Our tax, of course, is wider and applies to heavy machinery purchased by industry, but it is clear on the authorities that a tax on the consumer such as we collect on gasoline and now under the social security and municipal aid tax is within the jurisdiction of a province. Therefore the provinces could, if they saw fit, and require further revenue to meet their share of the pension, introduce similar legislation.

I therefore agree that if there is any doubt whatever that the House of Commons or the Senate might refuse to approve the indirect tax, the two matters should be kept separate.

I do not, however, agree with the argument of Mr. McNair that the power to levy an indirect tax should be without the limitation that it was not to be more than 3 per cent. I would not think that the national government would be agreeable to grant such a power of taxation without limit because it seems obvious to me that a provincial government could, if so minded, upset the whole economy of Canada if there was an unlimited power of taxation in this respect.

Yours very truly,

(Sgd.) G. C. Wismer

Attorney-General

NOVA SCOTIA

The Premier

Halifax, April 21, 1951

Hon. Stuart S. Garson, P.C., K.C.,
Minister of Justice and Attorney
General of Canada,
Ottawa, Canada.

Dear Mr. Garson:

Thank you for your letter of the 3rd April with which you enclosed copies of replies received from the premiers of the provinces to your letter of the 28th February last, with reference to the

proposed amendments to the British North America Act respecting old age pensions and sales tax.

While I certainly have no desire to prolong unduly discussion of the forms which the amendments should take, I believe that the considerations which prompted the suggestions accompanying my letter to you of the 19th January, last, are such as to merit some further consideration.

Old Age Pensions

You are correct in your conclusion that Nova Scotia is willing to accept either the second or third draft of the old age pensions amendment subject to the "but" clause. Having reference to your comments I would suggest that it is not competent to parliament to oust the jurisdiction of a province where that jurisdiction is granted by the British North America Act. Furthermore, I suggest that legislation passed at Ottawa has no supremacy by reason merely of the fact that it is federal legislation. Conflict normally arises between an exercise of federal powers under section 91 and an exercise of provincial powers under section 92 and in such cases, having in mind the express words of the initial and concluding paragraphs of section 91, federal legislation prevails. It does so, however, only because section 91 expressly provides that it shall. I think that section 95 provides the only instance in the British North America Act of concurrent powers and the express words of the concluding clause of that section were necessary to provide for the supremacy of federal legislation in case of repugnancy. Such supremacy might also be inferred from the use of such a phrase as "nothwithstanding anything in this act" as used in the original draft of the amendment, or as used in section 101. In the absence of any such words I suggest that there would be no federal supremacy and for this reason we have suggested that the "but" clause be eliminated altogether.

If, nothwithstanding what I have said, it is considered that concurrent powers are not assured without an additional clause, I still feel that because of the nature of our old age pensions legislation, both provincial and federal, "the operation" of provincial legislation is necessarily "affected" by changes in federal legislation. I say this because the legislation contemplates agreements between the dominion and a province the terms of which necessarily vary with changes in legislation. For this reason my suggestion was that the clause should be "but no law made by the parliament of Canada in relation to old age pensions shall detract from the legislative competence of a provincial legislature in relation to old age pensions".

Nova Scotia is in complete agreement with the suggestion that this amendment should take the form of a new section 95A and that that section should be preceded by a heading "Old Age Pensions".

Nova Scotia is also in agreement withe the suggestion that the words "from time to time" should either be deleted from the third draft or inserted at the appropriate point in the second draft.

With respect to the suggestions made by the premier of Quebec referred to in your letter as suggestions numbers 3 and 4, we think that it is perhaps unusual to frame a constitutional amendment in this way. We therefore feel that while we would not recommend the proposal, we would not on the other hand offer any opposition to it if the general view is favourable.

Sales Tax

With respect to the indirect taxation amendment, Nova Scotia feels very strongly that the exemption of goods sold for shipment outside a province would offer wide scope for evasion. We do not feel that this exemption is necessary in order to confine the taxing power to taxation within a province, as that confinement follows from the normal territorial limits of the province's jurisdiction.

We feel that the use of the words "sale of goods" is likely to create considerable confusion and that, strictly construed, that phrase may limit unnecessarily provincial taxing power. We have no objection to the clauses aimed at the prevention of discrimination and we suggest that the form proposed by Nova Scotia, as set out in the comments accompanying my letter of the 19th January, last, would overcome the difficulties I have outlined and at the same time would confine provincial taxation power within reasonable limits.

Yours very truly,

(Sgd.) Angus L. Macdonald

The Government of the
Province of New Brunswick

FREDERICTON
The Premier

April 24, 1951

Hon. Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Canada.

Dear Mr. Garson:

I wish to acknowledge the receipt of your letter of April 16 instant respecting the two constitutional amendments that have been under discussion.

I appreciate and welcome your assurance that the federal government does not regard the adoption of the old age pensions constitutional amendment as contingent in any way upon the adoption of the sales tax amendment; and that it is quite agreeable that these two proposed constitutional amendments should be made the subject of two separate and distinct joint addresses to be presented to the parliament of Canada.

It was understood at the federal-provincial conference of December last that the old age pension constitutional amendment would be sought at Westminster in ample time to permit the Canadian parliament at its 1951 session to enact the necessary legislation to implement the pension programme proposed by the federal government to the conference to the end that the new pension plans would be in operation by January 1, 1952.

It is hoped that there will be no further delay in obtaining agreement with the provinces on the language and substance of the pension amendment and that the appropriate joint address will shortly be presented to the two houses of parliament for approval.

I have carefully read your observations regarding the proposed sales tax amendment. With all respect I suggest that you have quite ignored the real points at issue.

You state that "at the Conference the provincial governments asked for a constitutional amendment to enable them to occupy jointly with the dominion government a portion of the field of indirect taxation".

On a strained legalistic interpretation of the matter your statement might possibly be upheld. From a realistic and practical viewpoint it does not interpret the situation at all.

Under their powers of direct taxation given by the B.N.A. Act the provinces can impose taxes on retail transactions involving a sale of goods. Every province in Canada is exercising that jurisdiction through a gasoline tax. Five provinces are exercising the jurisdiction through general taxes variously known as a purchaser's tax or consumer's tax.

Every retail transaction involving the sale of goods has two aspects to it. On one side it is a sale, on the other side a purchase. Because of the limitations imposed by the B.N.A. Act the provinces have to impose their tax in relation to the purchase side of the transaction, in short as a purchaser or consumer tax.

This has been thought to be a bothersome method of collecting such a levy. In consequence the dominion government was asked last December to agree to put the provinces in a position under the constitution whereby their taxation on retail transactions could be collected on the other aspect—the sales side of the transaction. Because this might give the tax the complexion of indirect taxation the amendment was proposed.

So when one analyzes the situation it must, I submit, be evident that the provinces are asking from the dominion government nothing more than a courtesy.

In your letter you stated that the federal government has asked for no quid pro quo or compensation of any kind for agreeing to the proposed amendment. Why should it ask or think of asking to be paid for something that amounts to nothing more than a gesture of cooperation and goodwill?

I regret exceedingly the stand that has been taken by the dominion government. These are days when federal-provincial cooperation should be held precious. I doubt however if it can be made to operate effectively over a one way street.

As stated before we will consent to any tax amendment of the nature proposed that the other provinces agree to even although it is quite devoid of interest for us.

Yours sincerely,

(sgd.) John B. McNair

JBM/H

SASKATCHEWAN
Premier's Office

Regina, April 25, 1951

Hon. Stuart Garson, K.C., M.P.,
Minister of Justice and
Attorney General of Canada,
House of Commons,
Ottawa, Ontario.

Dear Mr. Garson:

My colleagues and I have given careful consideration to the latest redraft of the sales tax amendment as set out on page 4 of your letter of April 3, 1951, as follows:

"2A. The raising of revenue for provincial purposes by indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the provinces, and sales of goods grown produced or manufactured outside the province and not so as to discriminate between sellers or classes of sellers of the same class of goods."

It would appear that the word "provinces" in the tenth line of the redrafted amendment should read "province."

The government of Saskatchewan is prepared to accept the proposed amendment, framed as 2A of section 92 of the British North America Act, as satisfactory.

Our observations on comments that have been made by other provincial governments, as well as yourself, as set out below, are offered as our contribution to the solution of some of the differences which apparently prevent agreement by some provinces.

We are of the opinion that the sales tax amendment, as detailed above, will permit this province to replace its present three per cent direct sales tax with an indirect tax which will provide similar revenue. It can be appreciated, however, that it might not be desirable to limit this indirect tax since it might become necessary in the future, as it is at the present time in the province of New Brunswick, to raise revenue by the imposition of a sales tax at a rate exceeding three per cent. Rising costs of government at the provincial level may compel provinces to seek additional revenue through increasing the indirect sales tax rate in much the same manner as the government of Canada chose to do recently to obtain additional indirect sales tax revenue by increasing the federal sales tax. Under such circumstances, increasing the indirect sales tax rate would be preferable and would avoid undesirable tax duplication by the imposition of a direct sales tax as well as an indirect tax.

We concur in the general principle that the power to levy indirect sales taxes by provincial governments ought to be confined to taxation within the province. Hence, we are prepared to accept the phrase "except goods sold for shipment outside the province" as part of the proposed amendment.

It is suggested, however, that this restriction on the power of the provinces to levy an indirect tax on goods sold for shipment outside the province could be improved by inserting the words "by the seller" immediately after the word "shipment" in the exception appearing in parentheses. Such a change would eliminate any argument which might arise by making it clear that the shipment of goods, to be excluded from the tax, must be by the seller in order to come within the exclusion, as otherwise the buyer might contend that he is making a purchase for shipment outside the province, and it would be difficult to check such statements of intention.

With reference to the principle contained in the exemption, it is clear that there would result a discrimination in favour of businesses such as mail order concerns, which ship goods sold at retail to customers outside the province since such goods would be wholly exempt from taxation by any province.

We recognize, therefore, that there is some advantage in having the exemptions on goods sold for shipment outside the province in the discretion of the provincial legislatures, as advocated by the government of Nova Scotia. On the other hand, it might be desirable to permit the province to levy an indirect tax on mail order businesses located in another province which sell goods at retail to persons normally resident in the province. This could be accomplished by the addition of either one of the following provisos to the redraft of the proposed amendment:

"Provided that a tax may be levied on a person outside the province with respect to a sale of goods to a buyer for purposes of consumption or use within the province, and such tax may be recovered

as a debt in the courts of the province where the vendor ordinarily resides."

or

"Provided that the tax may be levied on a person outside the province with respect to a sale to a person ordinarily resident within the province for consumption or use within the province or for shipment to such person within the province and such tax may be recovered as a debt in the courts of the province where such person is ordinarily resident."

It is suggested that such a proviso would meet the problem raised by the government of the province of Nova Scotia.

Summary:

(1) The government of Saskatchewan is prepared to accept the redrafted sales tax amendment as set out on page 4 of your letter of April 3, 1951.

(2) The framing of the amendment as 2A under section 92 of the British North America Act meets with our approval.

(3) The government of Saskatchewan is of the opinion that a sales tax limited to a rate not exceeding three per cent would be satisfactory for a tax that might replace the present Saskatchewan education and hospitalization tax, but we would be prepared to agree to an increase in or the elimination of the limit in the amendment.

(4) The addition of the words "by the seller" after the word "shipment" in the exception appearing in parentheses is suggested as an improvement to the amendment.

(5) The addition of a proviso as set out above providing for taxation of persons outside the province is suggested as a technique which might resolve some of the difficulties that have prevented some provinces from accepting your proposals.

The government of Saskatchewan has always viewed the proposed sales tax amendment as quite separate and distinct from the proposed amendment respecting old age pensions. We would urge that these amendments should be treated individually and that they should be made the subject of separate joint addresses of the Senate and House of Commons to His Majesty requesting respectively that these two constitutional amendments be passed by the parliament of the United Kingdom. We would also urge that any difference of opinion that might delay general agreement on the proposed sales tax amendment should neither interfere with the amendment to the British North America Act respecting old age pensions nor prevent the implementation of the old age pension program beginning January 1, 1952.

Yours sincerely,

(sgd.) T. C. Douglas

PROVINCE OF MANITOBA
Office of the Premier
Winnipeg

April 26, 1951

The Honourable Stuart Garson, K.C.,
Minister of Justice,
Ottawa, Canada.

Dear Mr. Garson:

This will acknowledge your letter of April 3 in connection with the two proposed constitutional amendments respecting old age pensions and retail sales taxes.

Your letter discusses at some length the comments made by the different provinces upon the various drafts which have been submitted, but for purposes of this letter it does not seem necessary to comment upon each of the points you have raised.

In my letter to you dated April 7 I forwarded to you a copy of the two resolutions passed by the Manitoba legislature in connection with the proposed constitutional amendments. By these resolutions the legislature approved the principle of the two amendments and authorized a member of the Manitoba government to negotiate with the federal government as to the most appropriate form.

In accordance with those resolutions, I hereby notify you that we are prepared to concur in the two proposed amendments as submitted in your letter of April 3. These are:

(1) The proposed amendment with respect to old age pensions as contained on page three of your letter which reads as follows,—

"95.A. It is hereby declared that the Parliament of Canada may make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law in relation to old age pensions within any province made by the provincial legislature of such province."

(2) The proposed amendment with respect to a provincial sales tax, as suggested on pages 4 and 5 of your letter, which would add a new head under section 92 reading as follows,—

"2A. The raising of revenue for provincial purposes by indirect taxation within the province in respect of the sale of goods (except goods sold for shipment outside the province) to a buyer for purposes of consumption or use and not for resale, at a rate not exceeding three per centum of the sale price, but not so as to discriminate between sales of goods grown, produced or manufactured within the provinces and sales of goods grown, produced or manufactured outside the province and not so as to discriminate between sellers or classes of sellers of the same class of goods."

In our opinion these new wordings are consistent with those which we approved in the telegram sent to you by our attorney-general, the Honourable C. Rhodes Smith, on April 2. We are therefore prepared to concur in the wordings approved in our telegram or the wordings quoted above.

Yours very truly,

(Sgd.) Douglas Campbell

CANADA
Office of the Minister of Justice

Ottawa, Canada,
May 1, 1951

Special Delivery
Airmail

The Honourable A. L. Macdonald, P.C., K.C., LL.D.,
Premier of Nova Scotia,
Legislative Building,
Halifax, N.S.

Dear Premier Macdonald:

This will confirm my telephone call to you tonight in which I stated that I had secured the approval of Premier Duplessis to the wording of the proposed amendment to the British North America Act to empower the Parliament of Canada to make laws in relation to old age pensions in Canada. The wording so approved is as follows:

"Old Age Pensions

94A. It is hereby declared that the Parliament of Canada may from time to time make laws in relation to old age pensions in Canada but no law made by the parliament of Canada in relation to

old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions."

Following my telephone interviews with the Honourable Mr. Duplessis I put in calls for the other provincial premiers and was able to reach all of them, culminating with the call that was put through to you late this evening after you had returned from your meeting. Each of the other provincial premiers has agreed that this wording is satisfactory to him and his government, with the exception of Premier Campbell of Manitoba who is not in Winnipeg but whose attorney general, the Honourable C. Rhodes Smith, agreed on behalf of the government of Manitoba.

If it is possible for you to concur with this wording I would appreciate very much your wiring me to this effect at your earliest convenience so that we may communicate with all of the provincial premiers confirming this arrangement and can then proceed with the preparation and presentation to the House of Commons of the necessary joint address.

Yours very truly,

(Sgd.) Stuart S. Garson

CANADIAN NATIONAL TELEGRAPHS

MOA 076 41/39 Halifax, N.S. 4 1004A

Hon. Stuart Garson,
Minister of Justice, Ottawa.

Re letter May 1 on draft of old age pensions amendment stop While we adhere to views expressed earlier as to draftmanship we are nevertheless prepared to accept amendment in the form suggested in your letter of May 1.

Angus L. Macdonald

CANADIAN NATIONAL TELEGRAPHS

Ottawa, May 4, 1951

The Hon. J. B. McNair, K.C., M.L.A.,
Premier of New Brunswick,
Legislative Bldg.,
Fredericton, N.B.

Having just received this morning the last concurrence from a provincial government to reach me that the wording of the new Section 94A to be added to the British North America Act to empower the federal parliament to make laws in relation to old age pensions in Canada should be as follows:

"Old Age Pensions

94A It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions".

I now hasten to confirm the tentative agreement upon this wording which I finally reached with you in our telephone conversation of May first last. Now that we have secured the concurrence of all the provincial premiers to this wording we are proceeding without delay with the introduction in the House of Commons of a joint address to be approved by that body and the Senate of Canada requesting the parliament at Westminster to amend the British North America Act by adding to it a new Section 94A in the terms above noted. For the purpose of the record might I ask you at your earliest possible convenience to send me a telegram confirming your approval of the wording of this constitutional amendment.

Stuart Garson

Identical telegram to be sent to:

The Hon. J. W. Jones, M.A., B.Sc.A.
Premier of Prince Edward Island,
Charlottetown, P.E.I.

The Hon. J. R. Smallwood,
Premier of Newfoundland,
St. John's, Newfoundland.

The Hon. E. C. Manning,
Premier of Alberta,
Edmonton, Alberta.

The Hon. T. C. Douglas, M.A.,
Premier of Saskatchewan,
Regina, Saskatchewan.

The Hon. B. I. Johnson, M.B.E.,
Premier of British Columbia,
Victoria, B.C.

CANADIAN NATIONAL TELEGRAPHS

Ottawa, May 4, 1951

The Hon. D. L. Campbell,
Premier of Manitoba,
Legislative Building,
Winnipeg, Manitoba.

Having just received this morning the last concurrence from a provincial government to reach me that the wording of the new Section 94A to be added to the British North America Act to empower the federal parliament to make laws in relation to old age pensions in Canada should be as follows:

"Old Age Pensions

94A It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions"

I now hasten to confirm the tentative agreement upon this wording which in your absence I finally reached with your Attorney General in my telephone conversation with him of May first last. Now that we have secured the concurrence of the provincial premiers to this wording we are proceeding without delay with the introduction in the House of Commons of a joint address to be approved by that body and the Senate of Canada requesting the parliament at Westminster to amend the British North America Act by adding to it a new Section 94A in the terms above noted. For the purpose of the record might I ask you at your earliest convenience to send me a telegram confirming your approval of the wording of this constitutional amendment.

Stuart Garson

CANADIAN NATIONAL TELEGRAPHS

Ottawa, May 4, 1951

The Hon. Maurice Duplessis, K.C.,
Premier of Quebec,
Legislative Bldg.,
Quebec, P.Q.

Having received this morning the last concurrence of a provincial government to reach me that the wording of the new section 94A to be added to the British North America Act to

empower the federal parliament to make laws in relation to old age pensions in Canada should be as follows:

"Old Age Pensions

94A. It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions."

I now hasten to confirm the tentative agreement upon this wording which I reached with you in our telephone conversation of May 1 last. Now that we have secured the concurrence of all the provincial premiers to this wording we are proceeding without delay with the introduction in the house of commons of a joint address to be approved by that body and the Senate of Canada requesting the parliament at Westminster to amend the British North America Act by adding to it a new section 94A in the terms above noted. For the purpose of the record might I ask you at your earliest possible convenience to send me a telegram confirming your approval of the wording of this constitutional amendment.

Stuart S. Garson

CANADIAN NATIONAL TELEGRAPHS

Ottawa, May 4, 1951

The Hon. Angus L. Macdonald, P.C., K.C., LL.D.,
Premier of Nova Scotia,
Legislative Building,
Halifax, N.S.

Thank you for your wire of this morning confirming your approval of the wording of the new section 94A to be added to the British North America Act to empower the federal parliament to make laws in relation to old age pensions in Canada to be as follows:

"Old Age Pensions

94A. It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions."

Now that we have secured the concurrence of all the provincial premiers to this wording we are proceeding without delay with the introduction in the House of Commons of a joint address to be approved by that body and the Senate of Canada requesting the parliament at Westminster to amend the British North America Act by adding to it a new section 94A in the terms above noted.

Stuart S. Garson

CANADIAN NATIONAL TELEGRAPHS

Ottawa, May 4, 1951

The Hon. L. M. Frost, K.C.,
Premier of Ontario,
Parliament Bldg.,
Toronto, Ont.

Having received this morning the last concurrence of a provincial government to reach me that the wording of the new section 94A to be added to the British North America Act to empower the federal parliament to make laws in relation to old age pensions in Canada should be as follows:

"Old Age Pensions

94A It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions."

I now hasten to confirm the tentative oral agreement upon this wording which I reached with you in my office on May 1 last. Now that we have secured the concurrence of all the provincial premiers to this wording we are proceeding without delay with the introduction in the House of Commons of a joint address to be approved by that body and the Senate of Canada requesting the parliament at Westminster to amend the British North America Act by adding to it a new section 94A in the terms above noted. For the purpose of the record might I ask you at your earliest possible convenience to send me a telegram confirming your approval of the wording of this constitutional amendment.

Stuart S. Garson

THE SENATE

Wednesday, May 9, 1951

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

Prayers and routine proceedings.

PRIVATE BILL

COMMONS AMENDMENTS CONCURRED IN

The Hon. the Speaker: Honourable senators, a message has been received from the the House of Commons to return Bill W-5, an Act respecting the Ruthenian Greek Catholic Episcopal Corporation of Canada, and to acquaint the Senate that they have passed this bill with two amendments, to which they desire the concurrence of the Senate.

The amendments were read by the Clerk Assistant as follows:

Page 1, line 12. Strike out the words "Central Canada" and substitute therefor the word "Manitoba."

Page 2, line 39. Strike out the words "Central Canada" and substitute therefor the word "Manitoba."

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

Hon. Mr. Haig: With leave, I move concurrence in the amendments now.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Hon. Mr. Lambert presented Bill A-10, an Act respecting Industrial Loan and Finance Corporation.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Aseltine presented Bill B-10, an Act to incorporate The Baptist Union of Western Canada.

The bill was read the first time.

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

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

NORTHWEST TERRITORIES BILL

REPORT OF COMMITTEE

Hon. A. Salter A. Hayden Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 189, an Act to amend the Northwest Territories Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 189, an Act to amend the Northwest Territories Act, have in obedience to the order of reference of May 2, 1951, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Hugessen: Tomorrow.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul H. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill T-6, an Act to incorporate the Scripture Gift Mission (Canada) Incorporated.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 5, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Haig: Now.

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

YUKON BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 188, an Act to amend the Yukon Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 188, an Act to amend the Yukon Act, have, in obedience to the order of reference of May 2, 1951, examined the said bill and now beg leave to report the same with the following amendment:

Page 1, clause 2: Delete lines 15 to 20, both inclusive, and substitute the following: "129. No intoxicating liquor or other intoxicant shall be

manufactured, compounded, or made in the Territory, except by permission of the Commissioner in Council; and no intoxicating liquor or other intoxicant shall be imported or brought into the Territory from any province or territory in Canada or elsewhere, except by permission of the Commissioner.

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

Hon. Mr. Hugessen: Tomorrow.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the report of the committee on Bill I-7, an Act to incorporate the Polish National Catholic Church of America in Canada.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills to whom was referred the Bill "I-7," intituled: "An Act to incorporate The Polish National Catholic Church of America in Canada," have in obedience to the order of reference of 1st May, 1951, examined the said bill, and now beg leave to report the same with the following amendment:

1. Page 1, line 6: delete "John Zenon Jasinski" and substitute "Joseph Lesniak."

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

Hon. Mr. Bouffard: With leave of the Senate, I move that the amendment be concurred in.

The motion was agreed to.

THIRD READING

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

Hon. Mr. Hugessen: With leave of the Senate, I move the third reading now.

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

PRIVATE BILL

FIRST READING

Hon. Mr. Aseltine presented Bill C-10, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Saskatchewan.

The bill was read the first time.

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

Hon. Mr. Aseltine: With leave, tomorrow.

THE LATE SENATOR PAQUET

TRIBUTES TO HIS MEMORY

Hon. A. K. Hugessen: Before the Orders of the Day are called, it is my unhappy duty to acquaint the house with the fact that one of our colleagues, the late Honourable Eugene Paquet, P.C., died yesterday morning at St. Romuald, Quebec.

Senator Paquet was born in 1867, the year of confederation, at Ste. Agapit de Lotbiniere, in the county of Lotbiniere. He came of that good Quebec farming stock which has produced so many of our public men from that province.

He received his initial education at the Seminary of Quebec, and then studied medicine at the University of Laval, where he graduated with high honours, receiving the M.D. degree in 1892. For a number of years he practised his profession of medicine at the village of St. Aubert, in the county of L'Islet, and in the year 1904 he entered public life from that part of the country, becoming a member of parliament for L'Islet, a position which he continued to occupy as a Conservative member of parliament until the year 1917. After that he moved to the county of Bonaventure, where in the years 1921 and 1926 he unsuccessfully contested the riding in the Conservative interest. In July of 1926 he was sworn of the Privy Council as Minister of Soldiers' Civil Re-Establishment in the government of the Right Honourable Mr. Meighen, but retired a few weeks later when that government was defeated at the polls.

In the year 1935 he was summoned to the Senate, representing the south shore St. Lawrence division of Lauzon. He was constant in his attendance in the sessions of this house, though of late years, owing to age and infirmity, he did not take a very prominent part in our proceedings.

Senator Paquet is survived by his widow and one daughter, to whom we extend our sincere sympathy in their sorrow.

Hon. John T. Haig: Honourable senators, I did not have the pleasure of knowing the late Senator Paquet until he came to this house in August, 1935, but then I came to know him well. He was a quiet man who regularly attended the sessions of this house, and took an active part in the deliberations of our committees. I always felt that he was fully representative of the very best of our French-Canadian people.

A medical doctor, he gave great service to the people of his own part of the country. I can say without fear of contradiction that he was one of those men who of late years have been disappearing from the Canadian scene—the general practitioner in a rural area.

Hon. Mr. King: Unfortunately.

Hon. Mr. Haig: My honourable friend from Kootenay East (Hon. Mr. King) says "unfortunately". I certainly agree with him.

Senator Paquet was brilliant on the hustings at the general election of 1904, and he spoke eloquently in both languages in the various political campaigns he fought. I felt that appointment to the Senate was a fitting way to honour such a man, who had given so much to his country in his quiet, unostentatious way. As a medical doctor he had been the friend of both the poor and rich, and I know from speaking to people from his district just how much they loved him.

We in our group are growing fewer in numbers, and we naturally miss our colleagues as they pass on. I would just remind honourable senators that in the matter of seniority I am now last among the senators appointed by the late Mr. Bennett. I feel rather lonely that Senator Paquet, who came immediately behind me, has passed on. It just seems that the call is that much closer for me. I want to say to Senator Paquet's widow and daughter that they have the sincere sympathy of every member of this house.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, as I come from the Province of Quebec, just as Senator Paquet did, it is my duty to say a last word of tribute over his grave while recalling some personal memories.

A moment ago, the leader of the opposition mentioned that Dr. Paquet was a great orator and debater.

Those who knew him as I remember him a few years ago, in l'Islet county, will recall an excellent speaker who could arouse an extraordinary enthusiasm among the masses. Not every one was willing to meet him on the hustings.

Senator Paquet's great popularity was due to the fact that he was a true country doctor, one of what, unfortunately, is a vanishing generation, a generation of men who were devoted to their duty. We all remember the country doctor of yesterday who went into every home not only to heal bodies, but also to look after souls. If Dr. Paquet remained so long a representative of l'Islet county it was because he treated practically every one in that constituency ... many of them free of charge!

Another thing has struck me. Our leader said a few moments ago that Senator Paquet was born in 1867, the year of confederation. It is indeed an honour to have come into the world in that very year. Before confederation our country knew so many trials that we may well say of those who came into this world during that year that they were born under a lucky star. This star in fact guided the co-ordinators and creators of a unity which is not yet perfect but which, thanks to our good will and our efforts, will improve before long.

At one time, Senator Paquet had a rather alarming problem to settle. He did not want to fail his party and at the same time he could not deny, what he felt was right for himself and his constituents. He gave up his seat rather than vote for the former and appear to betray the latter. This courageous action, whether right or wrong, is worth mentioning.

In the name of my colleagues from the Province of Quebec, I wish to offer my deepest sympathies to Mrs. Paquet, to the daughter of Dr. Paquet, and to all those who remember him as he was—and I want to insist on this picture—the good, true, charitable and devoted country doctor.

Here in the Senate, as in the other place, he gave help, and we are grateful to him for his excellent work. May his memory live long among us!

Hon. Gustave Lacasse: Honourable senators, it is fitting perhaps under the circumstances that a member of the medical profession should rise, on his own and on behalf of other members of his calling, to pay tribute to the late Senator Paquet's memory.

I am not one of those who have long known him personally, but his reputation as a great and popular orator had reached us even here in Ontario, and on the day he was named to the Senate we knew that he had well merited this honour through the services he had rendered his party.

He was not long a member of his country's government, but he had known hours of triumph after many trials in the public life of that era.

Senator Paquet was also a great Christian; but his main characteristic, which was emphasized with a feeling and a sincerity which are not unknown to me, was that of a country doctor. Unanimous regrets have been expressed on his occasion at the gradual disappearance of this type of professional man. Today, in these times of exaggerated specialization, the country doctor is looked down upon. One important fact is overlooked: it is that somewhere, some competent and conscientious man is needed to intelligently direct the ailing towards the proper specialists. Someone is needed to perform this indispensable task in the social field, and this key man is surely the old family doctor, the man who not only heals the body but,

as my colleague from Kennebec (Hon. Mr. Vaillancourt) has pointed out, also strengthens and comforts the soul.

Honourable senators, the practice of medicine is truly a real social priesthood, a true ministry, because a doctor treats the bodies at the very moment when the source of life which still animates poor worn-out human beings is in a pitiful state of weakness and diminished resistance. The general practitioner, who at the same time is the family councillor, is surely the man best qualified to create around his pitiful patient the moral atmosphere which will be most conducive to his return to health. And that is exactly the noble task which our lamented colleague so faithfully performed.

It is my duty to join with my colleagues who have piously gathered around the remains of this senator-doctor and to offer to the members of his family and to all those who lament his loss, my most sincere condolences and deepest sympathy.

(Text):

INTERNATIONAL TRADE AGREEMENTS

CONCESSIONS NEGOTIATED AT TORQUAY, ENGLAND

On the Orders of the Day:

Hon. A. Neil McLean: Honourable senators, I should like to draw the attention of the house for a few moments to a matter which I think is of national importance. Honourable members no doubt noticed in this morning's newspapers the new trade concessions negotiated at Torquay, England, a list of which has just been tabled. Those of us who have been interested in international trade for many years fully realize that removal of further barriers and handicaps from our foreign trade means greater prosperity to this country.

I should like to pay tribute to the Minister of Trade and Commerce, and to Mr. Hector McKinnon and his associates who carried on so effectively the trade and tariff negotiations culminating in the Torquay agreements announced in today's newspapers. Mr. McKinnon's associates who were on the firing line in England carrying on direct negotiations were: C. M. Isbister, Department of Trade and Commerce; W. J. Callaghan, Department of Finance; A. E. Richards, Department of Agriculture; J. P. C. Gauthier, A. L. Neal, B. G. Barrow, and H. V. Jarrett, all of the Department of Trade and Commerce; S. S. Reisman, Department of Finance; and H. H. Wright, Department of External Affairs. To these gentlemen I sincerely believe the Canadian people owe a debt of gratitude. In the limited time I have had to look over the trade agreements made with the United States, I have become convinced that they will be of great benefit to this country. Our thanks is due, therefore, to these gentlemen who went to England, and who after months of labouring under many handicaps were able to negotiate agreements which will mean more extensive trade and greater prosperity to the Dominion of Canada. I should not neglect to pay tribute to Mr. Dana Wilgress, Canada's High Commissioner in the United Kingdom, who was chairman of the committee which functioned over there.

Some Hon. Senators: Hear, hear.

Hon. John T. Haig: Mr. Speaker, on a point of order, may I point out that the remarks of my honourable friend from Southern New Brunswick (Hon. Mr. McLean) are completely out of order. Before making such a speech my friend should have moved the adjournment of the house to discuss a matter of urgent public policy. It would then have been for Your Honour to say whether it was such a matter. By speaking as he has, he has placed the other members of the house in a difficult position: there is no order before the house on which any of us can speak. The honourable senator from Southern New Brunswick has been in this house long enough to know the rules, but if he does not know them he should ask someone who does. I may agree entirely with what he has said, but I repeat that it is most unfair to proceed as he has done. I would have interrupted my friend immediately, but I felt that such an interruption might be misunderstood. I say emphatically that in my judgment his remarks are out of order.

DIVORCE BILLS

SECOND READINGS—DISCUSSION

Hon. Mr. Horner, for Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill M-9, an Act for the relief of Irmgard Magdalena Hetzel Lichtenstein.

Bill N-9, an Act for the relief of Anna Boronow Walter.

Bill O-9, an Act for the relief of Ann Smith Couldrey.

Bill P-9, an Act for the relief of Phoebe Ross Kidd.

Bill Q-9, an Act for the relief of Alice Ann Gordon Lewis.

Bill R-9, an Act for the relief of Evelyn Serchuk Desjardins.

Bill S-9, an Act for the relief of Vivian June Pomeroy Walker.

Bill T-9, an Act for the relief of Vivian Edna Bartlett Tribe.

Bill U-9, an Act for the relief of Jeannine Lafleur Leatherdale.

Bill V-9, an Act for the relief of Bertram Kenneth Kidman.

Bill W-9, an Act for the relief of Louis Elie Yon.

Bill X-9, an Act for the relief of Doris Mary Thompson Lummis.

Bill Y-9, an Act for the relief of Estelle Tetreau Latour.

Bill Z-9, an Act for the relief of Mona Fern Barton Kirkman.

The Hon. the Speaker: Honourable senators, it is moved by Senator Horner, seconded by Senator Haig, that these bills be now read a second time. Is it your pleasure to concur in the motion?

Hon. Thomas Vien: Honourable senators have no doubt taken notice of what was said yesterday in the other place about our parliamentary procedure on divorce bills. The time has come, I think, for us to consider seriously the expediency of referring the hearing of the evidence in divorce cases to a referee.

In the Province of Quebec we object to the recognition of the principle of divorce in a law of general application. An individual divorce bill coming before parliament is a law of exception, and it confirms the view that divorce is not, as a general rule, accepted, under the law of the land. That is the reason why the creation of a divorce court is unacceptable in the province whence I come.

I fully sympathize with the honourable senators who have to sit on divorce cases and hear the evidence adduced. It is unreasonable to ask them to assume such a task. But we must oppose the suggestion of establishing divorce courts in the Province of Quebec, as a matter of principle, and furthermore, because experience teaches us that the establishment of divorce courts in various provinces has had the effect of tremendously increasing the number of divorce cases. Other factors may have contributed, but the facility with which one can approach a court of justice and obtain a divorce is believed to be a major cause of this increase.

For these two reasons, public opinion in the Province of Quebec is opposed to the establishment of divorce courts. That, however, should not necessarily result in the intolerable situation which confronts honourable senators who have to sit on our Divorce Committees day in and day out. I know that they expedite the work as conscientiously as is humanly possible, but we are aware that our system is fraught with frauds. In a number of cases evidence is manufactured. A court of justice is in a better position and has more time than a committee of parliament to fully investigate such matters.

On the question of procedure, nothing in our constitution or in our rules would prevent the Senate from appointing one or more referees—they could be retired judges or lawyers of repute—who would sit during the sessions or the recesses of parliament, receive evidence, and make reports to the committee. A similar procedure is followed in the Exchequer Court and other courts of the land —matters are referred to a referee, who in most cases is the registrar of the court. If we adopted that method of receiving evidence the parties involved would suffer no prejudice. If they were not satisfied with the report of the referee, it would always be subject to revision on appeal to the committee. There would be very few cases of appeal. In most cases the referee's report would become the report of the committee, on which a bill would be introduced. That method might be the way out of our present difficulty. I am convinced that it would work as satisfactorily in a committee of the Senate as it does in the Exchequer Court and, indeed, in other courts of the land. I was prompted to offer that suggestion when I read what was said yesterday in another place when objection was taken to passing bills of divorce as a matter of course. Honourable members there as well as here have other public duties to perform and cannot find time to give proper attention to divorce bills.

I have implicit confidence in the members of our Divorce Committee; but it is my duty to read these bills and the supporting evidence before making a decision. A senator who would try to do that would have no time left to properly consider public legislation and to attend the sittings of other important committees of the Senate. I think it is advisable that we should consider the expediency of doing something to correct the situation complained of.

Hon. Mr. Farris: I can understand that the appointment of a referee would lighten the work of the committee, but it would not remove the objection made by a member in the other house.

Hon. John T. Haig: I did not know that my honourable friend intended to raise this matter, but after having carefully read the debate in the other place I had it in mind to do so. Once every two or three years we hear statements very similar to those which

were indulged in by certain members elsewhere. But debates on the subject have never got us anywhere—the matter just dies away. Like my honourable friend, I would not, even though I had the power, attempt to pass a law to establish a divorce court in Quebec or any other province where the people do not want it. I say that quite candidly. At the same time I can see no purpose whatever in certain gentlemen in the other place—whether they speak from conviction or merely nonsensically I can never be sure—discoursing on this subject as they did yesterday. We who are or who have been members of the Divorce Committee do not like the job. We do it because we feel that somebody has got to do it. I am glad that such legal members as the honourable members for Toronto-Trinity (Hon. Mr. Roebuck), Vancouver South (Hon. Mr. Farris) and Toronto (Hon. Mr. Campbell), are here this afternoon, because during this session they have had some experience of what I have gone through for about ten years.

My suggestion is that the acting leader of the government in this house (Hon. Mr. Hugessen), with one or two other senators he may appoint, should meet and interview the leaders in the other place—not the Prime Minister only, but the leaders of all parties—to obtain their assent to the appointment of a committee of that house to meet a committee of this house for the consideration of the whole question of the procedure of granting divorces, and whether it can be improved. There is no use in us making speeches and them making speeches: we shall end up nowhere. I think that if we got together we could probably reach an agreement as to what procedure should be taken. I am sorry that the honourable senator from St. John's West (Hon. Mr. Pratt) is not in the chamber, as during a trip the other day we discussed this subject and both came to the conclusion that it is an outrage to have ten or twelve senators give a great part of their time every session to about three hundred cases, only to have someone in the other place make such statements as, "Well, I don't know whether we should put these bills through or not. We have not had time to read the evidence." If that expresses the feelings of members of the other house, why do they not offer to do the job? If they will undertake to try to determine these cases, I for one will accept their verdicts, and I am sure that every member of the Divorce Committees with whom I have sat in these past years would do the same. If the House of Commons were to appoint a committee to hear the evidence and report on the cases to us, I believe the members of this house would endorse their findings with hardly a word of objection.

Hon. Mr. Beaubien: Why not have a joint committee?

Hon. Mr. Haig: I repeat, that in my opinion we should ask the acting leader of the government in this house, and two or three other honourable senators whom I would leave it to his judgment to select, to interview the Prime Minister and the leaders in the other house of the opposition, the C.C.F. party and the Social Credit party, and request them, either themselves or by their nominees, to discuss this whole problem with a committee of this chamber, composed of, say, four members, to see if a solution cannot be found. That is what we ought to do. I invite honourable senators to think over this proposal and to communicate with me. If the responses I receive indicate that a majority favour the idea, I will put on the order paper a motion to bring about consultations with the leaders in the other place.

After members of our committee have spent weeks on these divorce hearings, sitting from half-past ten in the morning until about one o'clock, and sometimes all afternoon, it is unfair and unreasonable that someone in the other place, who probably has not even read any considerable portion of the evidence, should stand up and object to some feature of the proceedings which he does not like. I believe that the impression in the public mind, which more than anything else hurts the prestige of the Senate, is that we are a second-rate divorce mill, grinding out divorces. Of course, people who disapprove in principle of divorce argue that we should not do this work at all. All right: if the members in the other place do not want us to do it, I am mighty sure that this house will not object to being relieved of it.

If there is sufficient support for the program I have suggested, it could be put in proper form and some action could be taken on it before we prorogue, so that a new system could be introduced next session. There is no use postponing it until next year, because we shall then be faced with a whole new list of divorces. This is the time for action, and I am prepared to act purely as an individual member of this chamber.

My experience on the Divorce Committees extends over many years. The work it performs is an unasked-for burden; and I say candidly, and with all respect to the non-legal members of the committee, that while they do a great service, the legal members do an even greater one. A member of that court has no time to attend properly to work

on the other committees. This year the government leader did something to improve the situation by having the Divorce Committee begin its sittings in the early part of the session. Ordinarily the deputy leader of our party (Hon. Mr. Aseltine), a very able lawyer, has been able to render me very little assistance as such. When he does assist me, he does it well; but he hardly ever has time to do so. He is continually engaged on divorce cases; when you see him, he is either sitting in the Divorce Committee or arranging about the proceedings and interviewing people who come to see him about the court business. This has gone on for about ten years. I think it is unfair to him and to us.

For all these reasons I again invite honourable senators to accept my program. If they do, I will propose a suitable resolution. Let us see if we cannot make some progress in persuading those in the other place to realize that this work is part of their duty to the people of this country.

Some Hon. Senators: Hear, hear.

Hon. C. C. Pratt: The honourable leader of the opposition (Hon. Mr. Haig), referred to a chat which we had a day or two ago, when I brought up the subject he has been discussing. As a comparatively new member of this chamber I have been astonished at the amount of time and attention that honourable senators have to give to the personal affairs of only four or five hundred citizens of Canada. I have sat in on some committee meetings, and have heard such remarks as, "We are pushed for time on this". "We have not time for that." "Our time is running out." I think the attention of many of our members has been too greatly taken up by the hearing of divorce cases.

I realize the implications that are involved in this matter, and I am aware of the reason why legislation is enacted to give effect to applications for divorce; but I cannot understand why members of the Senate should have to sit day after day, week after week, and month after month, passing judgment on these cases. Surely the suggestion made today by my honourable friend from De Lorimier (Hon. Mr. Vien) is based on sound grounds. Under the authority of parliament an outside body could be appointed to hear the evidence and make recommendations, and the divorce bills could then be either passed or rejected by parliament, as is the case at the present time. I know that this procedure would not meet the objection raised yesterday in the other place; but we have to look at this question from our own point of view and in the public interest.

I am a novice in parliamentary matters, this being the first time that I have ever been a member of a legislative body. When I was summoned to the Senate I felt that within the limits of my capabilities I could render a real service to my country, but if I were to find myself bogged down over a period of weeks in the hearing of divorce cases, I do not see what service I would be doing for Canada. I cannot find a weak spot in the suggestion that has been made this afternoon, and if it were carried through it would lift from the shoulders of honourable senators the burden of handling the detailed work involved in handling divorce cases. I quite agree with the last speaker (Hon. Mr. Haig) that in the public eye the handling of divorce cases by the Senate reflects unfavourably on the functions of this chamber more than anything else. I would very much like to see some steps taken to remove what I think is a fault in the administration of this legislative assembly.

Hon. R. B. Horner: Honourable senators, I have served on the Divorce Committee for some time now, and in the absence of the honourable senator from Rosetown (Hon. Mr. Aseltine), who has been a member of the committee for many years, I rise to voice objection to the proposal to set up a referee to hear divorce cases. As I look around the chamber and see the men who have served on the Divorce Committee I am convinced that, barring myself, nowhere in Canada could men with more seasoned wisdom be found to pass judgment on these cases.

I am never impressed by the debate which takes place every now and then in the House of Commons about parliament's handling of divorce cases. The protest is always raised by members who have their eyes on the ballot box. That is all it amounts to, and surely those who come here from the other house are aware of this fact. Whenever members of the House of Commons have come over to listen to divorce hearings they have gone away with the impression that the Senate Divorce Committee is one of the finest courts in the land. They have had no fault to find. This old debate crops up every now and then when a number of divorce bills come up at once to be put through; but as long as the province of Quebec refuses to handle its own divorce cases this parliament will have to continue to do the work.

Hon. Mr. Kinley: Honourable senators—

The Hon. the Speaker: Before the honourable gentleman proceeds, I would point out to the honourable senator from Winnipeg

(Hon. Mr. Haig) that what he has been discussing is a question of procedure. The question before the house is the motion of Honourable Senator Horner for the second reading of divorce bills.

Is it your pleasure, honourable senators, to carry this motion?

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

The Hon. the Speaker: When shall these bills be read the third time?

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

STAFF OF THE SENATE

EIGHTH REPORT OF INTERNAL ECONOMY COMMITTEE CONCURRED IN

The Senate proceeded to consideration of the eighth report of the Standing Committee on Internal Economy and Contingent Accounts.

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

Hon. Thomas Reid: Honourable senators, before the motion is adopted I desire to make a few remarks about this report.

At the outset, let me say to the chairman and the members of the Internal Economy Committee that what I have to say is in no way meant to be a reflection on their work. It is my opinion, however, that there are certain aspects of the situation relating to the Senate staff which may not have been brought to the attention of the committee. I am not at this time going to single out any item or mention any names, because I realize that these things are better referred to in camera, in committee. I am not a member of the Internal Economy Committee; but if I am in order I should like to move that this report be not now concurred in but that it be referred back to the committee for further consideration. My object is to have further consideration, especially on the following points:

1. Uniformity of rates of pay and hours of work with those of the House of Commons stenographic staff;

2. Fair distribution of stenographers' time among senators;

3. The question of locating stenographers in senators' rooms;

4. Consideration of the possibility of a retirement plan for members of the staff who have given long service.

The Hon. the Speaker: I am unable to put the amendment unless it is seconded.

Hon. Mr. Lacasse: I second the motion.

Hon. Mr. Paterson: Honourable senators, if we agree to take these matters into consideration at the next meeting of the committee, could the report not be adopted now?

The Hon. the Speaker: Honourable senators, it is moved by Honourable Senator Paterson that the committee's report be now concurred in. In amendment it is moved by the Honourable Senator Reid, seconded by Honourable Senator Lacasse, that the report be not now concurred in, but that it be referred back to the committee for further consideration.

Hon. Mr. Haig: Honourable senators, as I happen to be a member of the Internal Economy Committee, I should like to make one point clear. The pay of permanent employees of both Houses of Parliament was increased by 11 per cent, effective December 1, 1950. That increase, however, did not apply to "temporaries." Quite a few members of the Senate staff are classified as "temporaries" for two reasons. One is that some of the young women who apply for appointment to the permanent staff are unable to pass the medical examination; the other is that because of their age certain appointees cannot come under the Civil Service Act. The report now before us awards a 10 per cent increase to non-permanent employees, effective December 1, 1950. That is, it is 1 per cent less than the increase awarded to permanent employees. The computation was made for us by the Treasury Officer, and he certified that the proposed new rates would give the employees concerned a 10 per cent increase, figured as closely as possible—that is, within a few cents. The increases for permanent employees became effective as of December 1, 1950; for those on a sessional basis the increases will become effective as of the beginning of the session, January 30, 1951. These increases for Senate employees are the same as those given to House of Commons employees.

My recollection is that at the latest meeting of the Internal Economy Committee and the preceding meeting we raised the salaries of all Senate employees—with three exceptions—to the level of the salaries paid for similar positions in the House of Commons. These exceptions were three Senate employees for whom the Civil Service Commission had not recommended an increase in conformity with the committee's recommendation that the salaries for the positions occupied should be raised to the level of the salaries paid for similar positions in the House of Commons. Documents that the Commission sent to us relating to these positions were returned with the notification that we maintained our original stand.

It seems to me that if this report is sent back to the committee the same recommen-

dations for increases in pay will be made again. As to the distribution of stenographers' time among senators, and other points mentioned by the senator from New Westminster (Hon. Mr. Reid), I have no comment at this time.

Hon. Mr. Paterson: Honourable senators, if the honourable gentleman from New Westminster (Hon. Mr. Reid) will allow the report to be adopted now, we shall be very glad to have him present his proposals at the next meeting of the committee and to give him a good hearing. If my honourable friend insists on his amendment now the increases in pay will be held up.

Hon. Mr. Reid: Honourable senators, I am quite agreeable that the report be adopted on the understanding that the points I have mentioned will be considered at the next meeting of the Internal Economy Committee. I shall be quite prepared to go to the committee and substantiate my proposal for consideration of these points.

The Hon. the Speaker: Has the honourable senator leave to withdraw his amendment?

Some Hon. Senators: Yes.

The Hon. the Speaker: The amendment is withdrawn.

The motion of Hon. Mr. Paterson was agreed to, and the report was concurred in.

PRIVATE BILL

SECOND READING

Hon. G. P. Campbell moved the second reading of Bill U-6, an Act to incorporate the Champion Pipe Line Corporation Limited.

He said: Honourable senators, this bill provides for the incorporation of Champion Pipe Line Corporation Limited, pursuant to provisions of the general pipe-lines legislation. The powers contained in the bill are similar to those embodied in previous bills that have been passed here.

The sponsors of this bill, who are the first directors named therein, are a group of Canadians who along with their associates have been carrying on investigations with respect to the proposed construction of a pipe-line to carry gas from the Alberta fields to the Pacific coast. Preliminary studies have been completed and the proposed route is from Edmonton to Lethbridge, Kimberley, Trail, Cascade, Princeton, Hope and Vancouver, and it is planned to serve these intermediary points.

Studies have also been carried on in respect to a proposed pipe-line to carry gas from the Alberta fields to Eastern Canada, to serve the cities of Hamilton, Toronto and Montreal. Final estimates of the cost of constructing this eastern line, and studies relating to other competitive lines now serving these communities, have not yet been completed. This proposed eastern line, which is now being studied, would possibly meet with competition from some of the United States fields if the program now under consideration is carried through. That is to say, at present the Union Gas Company is attempting to obtain gas from the United States sources, bring it across the border at Windsor and store it in abandoned fields for distribution throughout western Ontario. In fact, the Union Gas Company already obtains considerable gas from United States sources during the summer months and stores it in abandoned fields for distribution during the winter to southern and western sections of Ontario. The Consumers' Gas Company of Toronto also has attempted to get gas from Buffalo for the purpose of serving the community in and about Toronto. Therefore, a decision as to whether it is economically sound to construct a line to Eastern Canada from Alberta or any place in the western provinces where gas may be available depends largely upon economics and the competitive features that are now being considered.

The sponsors of this bill, as I have said, are representative Canadians, and they have associated with them a reputable and outstanding financial firm in the City of New York, which has been responsible in a substantial way for the financing of some of the United States pipe lines.

When this bill has received second reading, I shall move that it be referred to a committee, where full information concerning the proposed company will be made available.

Before anything can be done in the way of construction of the pipe-line, the provisions of the various Acts concerned will have to be complied with. For the information of honourable senators who may not be familiar with the subject, I may say that after the incorporation of the company the procedure would be to apply to the Petroleum and Natural Gas Conservation Board of Alberta for permission to export gas. Honourable members know that a number of pipe-line companies have been formed, and that they are seeking permission to export gas from the Province of Alberta. My information is that some applications are now pending before that board. Therefore, the passage of

this bill means nothing more than the incorporation of the company, which qualifies it to make an application before the board. In the event of permission to export gas being received, an application would have to be made to the Board of Transport Commissioners to determine the exact location of the line or lines to be constructed.

As there is at present no suggestion that gas be exported from Canada, compliance with the Electricity and Fluid Exportation Act would not be required in this case.

There is one other point to which I should perhaps draw the attention of honourable senators. In the last two or three bills of this character considered in the other house a clause was inserted to make it compulsory that the lines be constructed within the Dominion of Canada. As I have indicated, the intention of this company is to construct its lines within the Dominion of Canada, but if it is considered necessary to amend the bill in committee to this extent, no objection will be raised.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from Thursday, May 3, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. L. M. Gouin: Honourable senators, I have listened very carefully indeed to the debate which has taken place in this house on the motion introduced by our leader. I wish to congratulate the honourable members of the Senate for the attention and very serious consideration which they have given to the question now before us, and for the real contributions which they have offered to the problems of Senate reform which now confront us. I wish in particular to congratulate those who have made constructive suggestions in order that the Senate, in the words of the resolution, "may make its maximum contribution to the welfare of the Canadian people".

In rising to speak today, I wish first of all to try to summarize the various points which have been discussed since the opening of this lengthy but interesting debate, which began on February 12 last. I think that practically every member of this house has already spoken but I offer this summary of the questions which have already been discussed, with my comments in the hope that even at this late date in the session we may be able to reach a practical conclusion and take a step in the right direction, even though this accomplishment may seem rather modest. I am anxious also to put on the record the views of the various provincial governments.

This is not the first time, honourable senators, that reforms have been advocated for our house. Thus, twenty-six years ago, on March 9, 1925, there was passed by the House of Commons, a resolution,

> . . . to the effect that the Senate as at present constituted was not of the greatest advantage to Canada, and that the question of amending the British North America Act in respect to the powers and constitution of the upper chamber should be submitted to a conference.

I am quoting, honourable senators, from page 10 of a précis of the discussions of the Dominion-Provincial conference of November 3-10, 1927, King's Printer's Publication No. 69, 1928. At the same page of the précis which I have just mentioned, the late Mr. Lapointe is declared to have cited

> . . . the many and varied proposals which had been made from time to time with respect to the upper house. Among these proposals were, first, abolition; second, the adoption of the elective principle direct or indirect; third, a combination of both the appointive and elective principles; fourth, a fixed and limited term of office; fifth, an age limit with possible superannuation; and sixth, a bringing of relations between Canadian upper and lower chambers into accord with the relations between the House of Commons and the House of Lords in Great Britain.

All these proposals, I believe, have been commented upon or at least referred to during the present debate. As briefly as possible I will offer my own comments on these various points, though often my remarks may sound like the mere echo of those who have spoken before me.

First of all, although the truth is self-evident, I will say a few words to show the need for the existence of an upper house.

> Of all forms of government which are possible among mankind, I do not know of any which is likely to be worse than the government of a single omnipotent democratic chamber.

In commenting upon this statement of the great historian W. E. H. Lecky in *Democracy and Liberty* (1896, volume 1, chapter IV), and though considering that Mr. Lecky states the case too strongly, our own Stephen Leacock, in his *Elements of Political*

Science, (Constable and Company, London, 1911, page 161), writes as follows:

> The fact remains, however, that the unicameral legislature has been tried and found wanting. A single legislative house, unchecked by the revising power of another chamber associated with it, proves itself rash and irresponsible; it is too much exposed to the influence of the moment; it is swayed by emotion, by passion, by the influence of oratory; it is liable to a sudden access of extravagance or of retrenchment.

With Leacock we may add that the members of an elected house "represent the opinions of the community at a particular moment and on particular issues. But the lapse of time and the appearance of new public questions may render" a single elected legislative chamber "quite out of harmony with public opinion long before its term has expired."

In fact, at the present time the bicameral system is prevalent in almost all important countries. The division of parliament into two chambers is very generally considered to be the best means to secure in the work of legislation a due amount of caution and reflection. After so many others, may I repeat here the classical remarks of Sir John A. Macdonald, *(Confederation Debates,* 1865, page 36), to the effect that our upper house must be

> . . . a regulating body, calmly considering the legislation initiated by the popular branch and preventing any hasty and ill-considered legislation which may come from that body.

In other words, our Senate

> . . . is intended to act as a revising and restraining body to deal with possible errors or impulses of the Commons.

Such, honourable gentlemen, is the general justification for all second chambers. But here in Canada a second chamber is necessary for several other reasons.

In the first place, the Senate was created to protect the interests of the provinces. First, the federal nature of our constitution, second, the presence of the French Canadians, forming a third of our population, and third, the attitude of the Maritime Provinces, made absolutely necessary the creation of an upper house with a system of representation based not upon population but upon a provincial or regional foundation. The well-known declaration of George Brown, (Confederation Debates, page 88), removes any possible doubt on this point. He said:

> The very essence of our contact is that the union shall be federal not legislative. Our Lower Canada friends have agreed to give us representation by population in the lower house, on the express condition that they shall have equality in the upper house. On no other condition could we have advanced a step.

Such is the origin of this house according to this quotation to which attention has been drawn several times in this debate, but which I believe cannot be reiterated too often.

Our senator from Vancouver South (Hon. Mr. Farris) will agree that Professor R. M. Dawson cannot be taxed with any bias in favour of the Senate: yet, in his Government of Canada, page 353, Dawson admits that Quebec—good old Quebec—still looks with some "confidence to the Senate to protect its position against encroachment or abuse." I believe that is perfectly true. Dawson recognizes, (page 355), that the Senate "does furnish some additional security for Quebec."

Let us refer to an historian of quite a different school, the great French Canadian writer, Rev. Lionel Groulx. According to him, equality of representation in the Senate for Upper and Lower Canada was the express condition of Cartier's acceptance of the principle of representation by population in the lower house. In his book, *"La Confédération Canadienne",* (1918, page 70), Canon Groulx states—I translate:

> Cartier accepted this last compromise with George Brown only on the condition—is it not true?—of recovering what had thus been given ("de se reprendre"), in the Senate and there to maintain for both Canadas equal representation.

So, honourable members, Quebec—and the Maritimes also—entered the Canadian federation only upon being given the assurance of equality of representation in an upper house: 24 senators from Ontario, 24 from Quebec, and 24 from the maritime group. There would have been no confederation had the Senate not been established on such a basis of equality between the three regions or sections. Such is the uncontradicted testimony of history. That "the attitude of the provinces make the continuance of the Senate a virtual necessity" is such a clear fact that it is accepted as a certainty by one of our most severe critics, Professor Dawson, at page 355 of his book *Government of Canada.*

There is no use labouring the point about the necessity of the Senate, but admission of this fact does not preclude the possibility of the need for reform. For instance, should the system of appointing senators be changed? Various proposals have been made on this point, and what might be called the oldest is, I think, the one that senators should be elected. According to Reverend Lionel Groulx, at page 69 of his *La Confédération Canadienne,* "the horror of the Fathers of Confederation against democratic institutions"—and at that time democratic institutions were considered by many people as being quite dangerous—"induced them to

decide against an elective Senate," and lower, at page 333 of his book entitled *From a Colony to a Nation*, states that "most of the Fathers were anti-democratic". Personally, I fail to see why any well-informed democrat should be opposed to an appointed Senate. In fact, popular election must certainly be ruled out if the Senate is not to be considered as either a rival or a duplication of the House of Commons. In the United States the Senate has become more important than the House of Representatives. If Canadian senators were elected by the people at large, our Senate would either uselessly duplicate the work of the other house or become the predominant branch of parliament.

In 1867 it was decided to adopt the system of having senators appointed for life by the Governor in Council, as provided in the B.N.A. Act, sections 24 and 29.

At the Dominion-Provincial Conference of November 3-10, 1927, to which I referred at the beginning of my remarks, some proposals were made for the reform of the Senate, but no resolution was adopted to that effect. It was decided implicitly to keep the Senate and to leave it unchanged. I think it is quite important that I should read to the house a few extracts from the *Precis of Discussions* of that conference. First I would read from the beginning of page 10:

> The Dominion-Provincial Conference devoted its entire afternoon session today to an extensive and highly diversified discussion of the subject of Senate reform. While on the question of "abolishing" the Senate the members of the conference were unanimous in opposition, and while there was practical unanimity as against the principle of an elective Senate, there was a considerable conflict of opinion on many of the other suggestions of reform which have been common currency in the dominion for many years past, and which are continually cropping up in parliament and elsewhere.

Further down on page 10 it is set out:

> It may be stated that the question of abolition had not a single backer in the conference.

I come now to the fixed term of office, which is outlined further on in the same paragraph.

> With respect to a fixed term of office, and an age limit, there was a wide divergence of opinion, these proposals not being generally regarded as vital when the question of reform is being considered.

At the bottom of page 10 and the beginning of page 11 of this precis we find the following:

> Throughout the discussion the right of the provinces to be consulted on such an important matter as this was frequently emphasized. While there was a strong body of opinion in favour of any reforms which might strengthen the general machinery of parliament, there was no attempt on the part of any speaker to minimize the value of a second chamber.

Honourable senators, I should like now to refer as briefly as possible to the *Proceedings of the Dominion-Provincial Conference*, Second Session, which was held at Quebec City, September 25-28, 1950. This is the official title of a publication issued by the King's Printer, but for the sake of brevity I shall from now on refer to it simply as the *Proceedings*. At that last conference the question of Senate reform was not on the agenda, and the object of the meeting was to try and devise some purely Canadian machinery for the amending of our constitution. But from the report which I now have in my hands it is very clear that the general opinion—I would say the almost unanimous opinion—of the provincial authorities was that some of the sections of the B.N.A. Act concerning the Senate should not be amended without the consent of parliament and of all the provinces.

I am sorry to take up so much of your time but I should like to refer to the categories which were adopted at that conference for the various sections of the B.N.A. Act.

The categories, which will be found at page 86 of the *Proceedings*, are as follows:

> Category 1. Provisions which concern parliament only;
>
> Category 2. Provisions which concern the provincial legislatures only;
>
> Category 3. Provisions which concern parliament and one or more but not all of the provincial legislatures;
>
> Category 4. Provisions which concern parliament and all the provincial legislatures;
>
> Category 5. Provisions which concern fundamental rights (as for instance, but without restriction, education, language, solemnization of marriage, administration of justice, provincial property in lands, mines, and other natural resources) and the amendment of the amending procedures;
>
> Category 6. Provisions which should be repealed.

Now I will refer to parts in the brief of the Government of Canada which concern the Senate. At page 88 of the brief, under the subtitle "Classification," we find:

> Group 1—Provisions which concern parliament only.

References are then made to the following sections of the British North America Act: Section 17, which provides for the constitution of the Parliament of Canada; section 18, which sets out the privileges of the houses of parliament; and sections 21 to 36, which are specifically devoted to the Senate. And the federal brief says:

> The majority of these sections deal with matters of detail relating to the qualification of senators, appointment, procedure, quorum, etc., and seem clearly to belong to Group 1. The entire series of sections concerning the Senate has accordingly been placed in that group. It may be that, if agreement can be reached on a general amending procedure, it will be deemed desirable to place sections 17, 21 and 22 in another group, possibly in Group 4.

As honourable members will remember, Group 4 contained the sections of the British North America Act which concern parliament and all the provincial legislatures.

We now know the official position that was taken by the federal authorities, so let us see what was the attitude of the different provinces, and in particular of Quebec. As stated at page 99 of the Quebec brief, the Government of Quebec thought that at that stage of the conference it should limit itself to general considerations. In the very next paragraph, under the heading "Powers of the Federal Authorities", there are included "the prerogatives, immunities, indemnities of the senators and the deliberations of the Senate", and also "the appointment of the Speaker of the Senate." The Quebec brief seems not to have made any other specific reference to our body, but it must not be taken for granted that the government of the province would consent to any fundamental modification of this upper house without the previous approval of Quebec and of the other provinces. The traditional attitude of Quebecers on this point is clear beyond any doubt, and it exists irrespective of political allegiance. In fact, this traditional attitude is confirmed by the appendices of the report of the Attorneys General, to which I shall refer in a few minutes.

Let us now examine the views of the provinces other than Quebec on the amendment of the sections of the British North American Act which relate to the Senate. Section 17 of that Act provides:

> There shall be one parliament for Canada, consisting of the Queen, an Upper House styled the Senate, and the House of Commons.

This section 17, which consecrates the existence of the Senate, is classified by New Brunswick, at page 108 of the *Proceedings*, in category 5, namely, among the fundamental rights, the so-called entrenched provisions, those which are considered to have the greatest importance, as forming the, so to speak, cornerstone of our Canadian federation. Ontario at page 95 of the *Proceedings*, Nova Scotia at page 101, and Alberta at page 126, put section 17 in Group 4, namely, among the provisions to be amended with the consent of all the provinces.

I come now to section 21 of the British North America Act. In the original Act of 1867 that section fixed the number of senators at 72; and, as we all know, in 1915 this number was increased to 96; and in 1949, to 102. Ontario, at page 95 of the *Proceedings*, Nova Scotia (page 101), British Columbia (page 112), Prince Edward Island (page 117), Alberta (page 126) and Newfoundland (page 129), submit that the number of senators should not be changed without the consent of all the provinces.

Section 22 deals with the representations of the provinces in the Senate. It specifies that each of the 24 senators representing Quebec shall be appointed to one of the 24 electoral divisions of Lower Canada existing in 1867. This peculiar system of fixed divisions has always intrigued me; and while preparing this address I found the explanation of it in the remarks of George Brown, *Confederation Debates*, page 89, to the effect that these old electoral divisions, with such quaint names as De Salaberry and Grandville, for instance, were designed to protect the separate interests of our English-speaking minority and of our French-speaking majority in Quebec. In that logical way the Fathers of Confederation tried to secure a fair and adequate representation for the minority group, which, by the way, seems to be quite happy in the old Province of Quebec.

Concerning the question of representation of provinces in the Senate, Ontario at page 95 of the *Proceedings*, Nova Scotia (page 105), Prince Edward Island (page 117), Alberta (page 126), and Newfoundland (page 129), are opposed to any change in this respect without the consent of all the provinces. According to British Columbia (page 113), the special system of senatorial divisions for Quebec is a matter which concerns the provincial legislature only (Category 2).

I come now to the qualifications of senators, as provided for in section 23 of the British North America Act. In sub-section 6 of that section we find provisions which are applicable only to Quebec. The sub-section reads as follows:

> In the case of Quebec, he shall have his real property qualification in the electoral division for which he is appointed, or shall be resident in that division.

Again, this system was adopted for the same reason that the old electoral constituencies were preserved; and it seems logical that the consent of Quebec should be obtained before there is to be a change. Nova Scotia, at page 105 of the *Proceedings*, New Brunswick (page 108), and Newfoundland (page 128), state precisely that view. The view of British Columbia (page 113), is that section 23 (6) concerns the provincial legislatures only. For the remainder of section 23, Prince Edward Island (page 117), and Alberta, (page 126), were of the opinion that the qualifications of senators should not be changed without the consent of parliament and of all the provinces.

I come now to the remaining provisions regarding the Senate, contained in sections 26 to 31 of the British North America Act. Section 26 of the original act provided for the addition of 3 or 6 senators in certain cases of deadlock. In 1915 these figures were changed from 3 or 6 to 4 or 8. Section 27 provides for the subsequent reduction of senators to the normal number once the crisis is over. Section 28 eliminates any possibility of swamping by fixing a maximum number of senators. Under section 29 our tenure is for life. Finally, the reasons for the disqualification of senators are set forth in section 31. This section, by the way, was considered by Prince Edward Island as requiring the consent of all provinces for its amendment. With regard to sections 26 to 29, inclusive, of the British North America Act, Alberta (*Proceedings*, page 126) and Newfoundland (page 128) are of the opinion that these sections also require the consent of all provinces for their amendment. Finally, Prince Edward Island (page 117) considered that the life tenure of senators should be modified only if all the provinces approve such a change.

Hon. Mr. Duff: I am for that.

Hon. Mr. Gouin: In their briefs, Manitoba (page 108) and Saskatchewan (page 118) have, on the contrary taken the position that the provisions of the British North America Act which relate to the Senate concern parliament only.

I have referred to the brief of the Quebec Government. I wish now to turn to the report of the attorneys-general which appears in Appendices I, II and III (*Proceedings*, pages 79, 81 and 83). In those appendices we find, first, that Quebec would consider as concerning parliament only sections 23 (1-5), 30 and 34; second, that Quebec would classify sections 24, 29, 31 and 32 as requiring the consent of all provincial legislatures for their amendment. The consent of Quebec should be obtained before amending section 23 (6), to which I have referred. Third, in Appendix I to the report of the attorneys-general, Quebec puts in Categories 1 and 4—Category 1 being sections concerning parliament only, and Category 4 being those which concern parliament and the provincial legislatures—sections 33, 35 and 36. It seems to me that whatever may be the proper interpretation of Quebec's attitude, it is clear that those sections at least in some respect would concern all provinces.

Finally, in Appendix III, Quebec puts in categories 5 and 4 sections 22, 26, 27 and 28. Category 5, as you know, is concerned with the so-called entrenched provisions. It is very clear that Quebec considers that these provisions form part of the sections which cannot be amended without the consent of all the provinces.

The conclusion to which I want to come at this point of my remarks—and in this I believe I follow the opinion of our honourable colleague from Ottawa (Hon. Mr. Lambert)—is that we should not take steps for any constitutional reform of this house without previous consultation with the provinces. The Federal-Provincial Conference has been adjourned; statements have been made by all the parties concerned with regard, in particular, to the Senate, and I think it would be a great error to apply for some amendment of the British North America Act concerning the Senate while this matter which I have just mentioned is still before the conference. It is therefore my intention to limit my suggestions for reform to such changes as could be effected without any modification of the British North America Act.

I see by the clock that it is getting rather late. If honourable members would prefer it, I will adjourn the debate until tomorrow afternoon.

Some Hon. Senators: Adjourn.

Hon. Mr. Gouin: I move the adjournment of the debate, and by leave of the Senate will resume at our next session.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 10, 1951

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

Prayers and routine proceedings.

TOURIST TRAFFIC

REPORT OF COMMITTEE

Hon. W. A. Buchanan presented and moved concurrence in the second report of the Standing Committee on Tourist Traffic.

The report was read by the Clerk Assistant as follows:

Your committee recommend that it be authorized to print 600 copies in English and 200 copies in French of its proceedings, and that Rule 100 be suspended in relation to the said printing.

The motion was agreed to.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen presented the report of the Standing Committee on Transport and Communications on Bill D-8, an Act to incorporate the Independent Pipe Line Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 3, 1951, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

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

Hon. Mr. Haig: Before the motion is carried, I want to compliment the mover of the bill for having inserted the proviso that the pipe-line must be constructed through Canada.

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

QUEBEC SAVINGS BANKS BILL

FIRST READING

Hon Mr. Hugessen presented Bill D-10, an Act to amend the Quebec Savings Banks Act.

The bill was read the first time.

DIVORCE BILLS

NEWSPAPER REPORT

On the orders of the day:

Hon. Mr. Vaillancourt: Honourable senators, in reading in the Montreal *Gazette* this morning a report of our discussions yesterday, I find the following closing paragraph:

The divorce bills under discussion were given second reading—approval in principle—on division at the conclusion of the debate. The lone dissenter was Senator William Duff.

Hon. Mr. Duff: Oh, dear!

Hon. Mr. Vaillancourt: I think it is necessary to correct that. The honourable senator from Lunenburg (Hon. Mr. Duff) has a voice loud enough to take the place of the voices of many senators. When he is no longer here, and I am, I will make myself heard.

Hon. Mr. Duff: Thank you very much.

Hon. Mr. Davis: Like the honourable senator from Kennebec (Hon. Mr. Vaillancourt) and the honourable senator from Lunenburg (Hon. Mr. Duff) I too will raise my voice "on division" in connection with divorce bills.

THIRD READINGS

Hon. Mr. Horner, for the Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill M-9, an Act for the relief of Irmgard Magdalena Hetzel Lichtenstein.

Bill N-9, an Act for the relief of Anna Boronow Walter.

Bill O-9, an Act for the relief of Ann Smith Couldrey.

Bill P-9, an Act for the relief of Phoebe Ross Kidd.

Bill Q-9, an Act for the relief of Alice Ann Gordon Lewis.

Bill R-9, an Act for the relief of Evelyn Serchuk Desjardins.

Bill S-9, an Act for the relief of Vivian June Pomeroy Walker.

Bill T-9, an Act for the relief of Vivian Edna Bartlett Tribe.

Bill U-9, an Act for the relief of Jeannine Lafleur Leatherdale.

Bill V-9, an Act for the relief of Bertram Kenneth Kidman.

Bill W-9, an Act for the relief of Louis Elie Yon.

Bill X-9, an Act for the relief of Doris Mary Thompson Lummis.

Bill Y-9, an Act for the relief of Estelle Tetreau Latour.

Bill Z-9, an Act for the relief of Mona Fern Barton Kirkman.

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

NORTHWEST TERRITORIES BILL

THIRD READING

Hon. Mr. Hugessen moved the third reading of Bill 189, an Act to amend the Northwest Territories Act.

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

YUKON BILL

COMMITTEE AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the Standing Committee on Banking and Commerce to Bill 188, an Act to amend the Yukon Act.

Hon. Mr. Hayden moved concurrence in the amendment.

The motion was agreed to.

THIRD READING

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

Hon. Mr. Hayden: With leave of the Senate, I move the third reading of the bill.

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

PRIVATE BILLS

MOTIONS FOR SECOND READINGS POSTPONED

On the Order:

Second reading of Bill A-10, an Act respecting Industrial Loan and Finance Corporation.

Hon. A. K. Hugessen: I regret to inform honourable senators that owing to some delay at the Printing Bureau, the bills relating to Orders 4, 5 and 6 have not yet been placed before the house. In fairness to honourable members I would therefore move that these orders stand until Tuesday next.

The motion was agreed to, and the orders were postponed.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. L. M. Gouin: Honourable senators, yesterday I placed on record the views of the provincial governments concerning the Senate. I shall try now, as briefly as possible, to find a practical answer to some of the questions which have been raised during this debate and previously about Senate reform.

The first point I shall discuss is whether or not steps should be taken to prevent a conflict between the Senate and the House of Commons. In other words, is it necessary in Canada to follow the example of Great Britain, and reduce the powers of the upper chamber because of some conflict between the two branches of parliament? I think that to put the question is also to answer it. I think our most severe critics will recognize that the Senate has "never set itself in opposition against the deliberate and understood wishes of the people." Those were the very words used by Sir John A. Macdonald in the *Confederation Debates*, at page 36, when he was discussing the possibility of any antagonism or opposition between the two houses. Following the example of our predecessors we have confined ourselves to our functions as a revising and restraining body. Occasionally in the past a measure adopted by the House of Commons, and rejected by the Senate, subsequently has been approved by the people, and on being again submitted to this house it has been passed. The Senate always has considered and always will consider itself in duty bound to acquiesce in the decisions of the people. We live in a democracy; consequently we are agreeable to being governed by the will of the majority. Therefore, there is no need whatever of curtailing the powers of the Senate. On the contrary, I am inclined to think that our sphere of activity could be extended with great advantage to the community at large.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Gouin: So in the field of revising, correcting and improving legislative measures submitted to us we have, I think, completed our task patiently, conscientiously and effectively. Of course, most of our work is done in committee rooms. It is not spectacular, and generally speaking representatives of the press do not seem to be especially interested in our work there.

I wish to remark incidentally that we have also conducted, particularly in recent years, inquiries into several important matters, such as, for instance, income tax, immigration and human rights. We have also participated in various joint committees of both houses for the study of, among other things, the choice of a national flag, human rights, old age security, and so on.

I suggest to honourable senators, by the way, that in the field of external affairs our contribution would be much greater indeed if your Senate committee were allowed to sit jointly with the committee of the other house on various occasions, and in particular when the Secretary of State for External Affairs appears before that committee to present his report. It is not necessary for me to insist on the present importance of international affairs or the part which senators have played in that sphere in past years. The

names of statesmen such as the late Senator Dandurand and ex-Senator Meighen have indeed a place of honour in the annals of our external relations. The leader on this side of the house (Hon. Mr. Robertson), the acting leader (Hon. Mr. Hugessen), the leader of the opposition (Hon. Mr. Haig), the senator from Ottawa (Hon. Mr. Lambert), the senator from Rockcliffe (Hon. Mrs. Wilson), the senator from Waterloo (Hon. Mr. Euler) and the senator from Cariboo (Hon. Mr. Turgeon) have at Lake Success and elsewhere accomplished with great distinction their missions as representatives of Canada abroad. As we know, in international affairs our Senate has not been given the special jurisdiction which the Senate of the United States has. Nevertheless, foreign affairs is a field in which people at large, particularly our friends the American senators, expect this house to take a special interest and to perform a real service for the protection of international good will, and especially for the promotion of friendly co-operation with our great neighbouring republic.

I may remark here that our debate on the consideration of an exploratory convention for an Atlantic union has enjoyed very favourable publicity in the American and the European press. The Canadian press gave the subject much less space, but at all events, our colleague from Waterloo (Hon. Mr. Euler) deserves our thanks and congratulations for having introduced his motion on that question.

Hon. Mr. Crerar: Hear, hear.

Hon. Mr. Gouin: As a matter of fact, thanks to his initiative, some closer contacts have been created between the members of this house and some of our colleagues in the American Senate, and also with other leaders of public opinion in the United States and in Europe who, like ourselves, are interested in the federalist movement.

As you know, some of our critics always complain that we in the Senate do not have enough work to do; however, they pay very little attention to the conditions under which we carry on our activity. If more work does not come to us at the beginning of the session, it is not in any way our fault; and if many bills reach us only in the last days of the session, again we are not to blame. I believe, however, that the time has come when it is necessary for us to assert more firmly our right to be given reasonable time to consider the bills that have passed the other house and which are sent to us immediately before prorogation. The people of Canada are entitled, in particular, to our serious consideration of the estimates. Last year under the guidance of the chairman of the Standing Committee on Finance, the senator from Churchill (Hon. Mr. Crerar) we performed, I think, a very useful work. This year we are again undertaking a study of the estimates. A few years ago, in order that this house might obtain more work earlier in the session, we amended the rules of procedure in such a way as to permit ministers of the Crown to introduce legislation in this house. By making such a change we proved very clearly our sincerity in trying to improve our end of the parliamentary machine.

Let us now briefly examine other questions that have come up during this debate. There is, for instance, the question of the appointment of the leader of the Senate. Our leader, like his predecessors in office and all his colleagues in the ministry, was chosen by the Prime Minister. This well-established precedent, is in accordance with the British practice, and I see no reason whatever why it should be changed. Our leader's function is to act as a connecting link between the executive and this house.

Mention was made at one time of the possibility of appointing a parliamentary assistant to help our leader, for he, although he performs his task excellently, is obliged to answer at a moment's notice questions concerning the various departments, and his health may be overtaxed. I may add that we are all delighted to know that he is making a good recovery from his recent illness. If there is any reason why ministers in the other house should have parliamentary assistants, I believe that there are many more reasons why the leader of the government in this house, who is a minister without portfolio, should have one. He is obliged, as I said a few minutes ago, to answer questions and to be in a certain sense acquainted with the affairs of every department.

On this point, however, we must rely, so to speak, on the action of the government, for we cannot effect any change on our own initiative which would involve an expenditure of public moneys—sometimes I think it would not even be proper to make a recommendation.

When the position and prestige of the Senate in former times is compared with its position and prestige today, I always think the fact that there is now no minister with a portfolio in this house has caused a diminution of our influence. In the House of Lords, for instance, the leader of the government during the recent war, Lord Cranbourne, was also Secretary for the Dominions; furthermore, the Lord Chancellor is always a member of the upper house. I believe that this tradition, which was

established long ago, is a wise one. Although I do not expect to be able to obtain any reversal of policy on the question of appointing a minister with portfolio to the Senate, I may still exercise my right to express my views on the subject, and in doing so I affirm my independence and that of every member of this house.

I have just used the word "independence." We all know that Sir John A. Macdonald insisted that the Senate "be an independent house, having free action of its own." Such independence, honourable senators, is secured for the Senate I believe—and for the judiciary as well—by appointment for life.

Dawson, in his *Government of Canada*, at page 357, states:

> The most needed reform of all must be concerned with removing the deadening effect of the life term.

He not only suggests that our term be shortened to eight or ten years, but that retirement at the age of sixty-five or seventy should be compulsory.

This question was discussed at the time of confederation, and the answer was given by—among others—George Brown, (*Confederation Debates*, page 89). He explained that at first he was in favour of limiting the senators' term of appointment. He said:

> I thought it would be well to provide for a more frequent change in the composition of the upper house, and lessen the danger of the chamber being largely composed of gentlemen whose advanced years might forbid the punctual and vigilant discharge of their public duties. Still, the opposition made to this was very strong. It was said, "Suppose you appoint them for nine years, what will be the effect? For the last three or four years of their term they would be anticipating its expiring and anxiously looking to the administration of the day for re-appointment, and the consequence would be that a third of the members would be under the influence of the "Executive." The desire was to render the upper house a thoroughly independent body, one that would be in the best position to canvass dispassionately the measures of the other house, and stand up for public interest in opposition to hasty or partisan legislation.

So the Fathers of Confederation decided in favour of a tenure for life, in order to secure the absolute independence of senators. They did not set any age limit.

The suggestion has been made during this debate that it might be wise to adopt a system of pensions—upon a contributory basis, I suppose. Reference was also made to an age limit. My answer to those suggestions would be that in my opinion, the attitude taken by the provinces would be quite sufficient to cause those proposals for reform to be, at least, left in suspense. It is true that public opinion generally seems to favour retirement, in almost any occupation, at a certain age. Well, under some particular circumstances—they could happen to me through ill health, later on—a senator might like to have the opportunity of retiring with some kind of a pension. But I wish to add that nobody appreciates more than I do the really exceptional services which have been given in this house by grand old men, such as, for instance, Senator Dandurand, who worked until the very last day he was a member of the Senate, and died when he was more than eighty years old. It might be possible to devise some plan under which senators could retire in case of incapacity or even, by reason of an age limit and by which the exceptional qualities of certain senators could be retained for the service of our Canadian nation. I have in mind the legislation which we adopted—twice I think—in respect of a former Chief Justice of the Supreme Court. In any event, the principle of life tenure of senators is regarded by the majority of the provinces as being one of the essential conditions of confederation, and I would go so far as to say that it would be a stupid error for us to try to change that situation when discussions are under way for the framing of constitutional machinery for amendments.

Some Hon. Senators: Hear, hear.

Hon. Mr. Gouin: The last point I want to cover is that the broadly representative character of our Senate is threatened with impairment through the rapid diminution in the number of opposition members. Of course, under present circumstances I do not advocate anything which would require constitutional amendments; I believe that a solution can be found without recourse to such a proceeding. I have in mind the suggestions offered by several of the speakers as to the stress which should be placed on what is sometimes called the character of provincial representation which this house is said to possess.

The remarks on this subject were rather diversified. I believe that the suggestion that appointments should be made either by the provincial authorities or in consultation with them, was first made by the honourable senator from Vancouver South (Hon. Mr. Farris). I shall return in a few moments to his remarks.

The honourable senator from Grandville (Hon. Mr. Bouffard) suggested something more or less along the same lines, and added, if I remember correctly, that in his opinion a certain number of senators appointed by the provinces, or at their request, should have a limited term. As to this, I wish to remark that if a certain group of senators were appointed for a limited term, they

would tend to consider themselves as temporary emissaries or agents of their particular provinces, and would lose the independence which we, as appointees for life, enjoy. I believe that the remarks made by George Brown in the Confederation *Debates*, page 89, which I quoted a few minutes ago, are well founded, and I share absolutely his opinion. I think it would be an error if, say, one-quarter of the senators were appointed for a limited term. It would result in a Senate composed in part of members pretending to be more entitled than others to speak on behalf of their respective provinces.

Under the present system we are all entrusted equally with the task of protecting the interests of the provinces as well as vested rights in general; but we also enjoy, as I said a few moments ago, the same independence as the judiciary. In fact the appointments to the Senate, as remarked by our very eloquent colleague from Inkerman (Hon. Mr. Hugessen), give some representation to religious and racial groups in the various provinces. The appointments also give representation to women, and personally I regret that there are not more lady senators. The various professions are also represented in this chamber, and I believe it is in the interests of the country at large to maintain and even increase the broadly representative character of the Senate. I also believe that it is important to preserve the absolute independence and perfect equality of all members of this house.

In my opinion our most urgent need is to find some means to secure adequate representation for the opposition. I should like to read from the remarks made by the honourable leader (Hon. Mr. Robertson) when he introduced his motion on February 12. I read from *Hansard* at page 56:

> One of our problems at the moment is that, because of unusual conditions, the number of members of one party—appointees of a Liberal government—has exceeded in the last two or three years any party majority which has existed since confederation. That disbalance is likely to become even greater in the next few years. That problem, I think, is one to which we should address ourselves if we desire the Senate to maintain the appearance of being what the Fathers of Confederation desired it to be, an independent house.
>
> Until about 1945 the maximum number of senators appointed by any one government, representing either of the two major political parties, was sixty-three.

The recent passing of our honourable colleague from Lauzon (Hon. Mr. Paquet) has reduced the opposition ranks to ten in numbers. It seems to me unbelievable that one day we may face the tragic situation of there being even fewer than ten members representing the opposition party in this house. As honourable senators are aware, there are 102 seats in the Senate: the Liberals now hold 79, the Progressive Conservatives 10, and 13 seats are vacant. This situation is absolutely abnormal. I believe that we are faced with an acute crisis, and here I would again quote the words of our leader:

> I will go so far as to say that it is not a condition which commends itself to the great body of the Canadian people.

The senator from Vancouver South (Hon. Mr. Farris) in his very masterly address of February 19, referred to this situation. At page 122 of *Hansard* he said:

> My next suggestion, honourable senators, is that more parties should be represented in this house. We need wider representation.

A little further on he said:

> I do not believe it is either beneficial or fair to have too one-sided a chamber.

The honourable gentleman from Vancouver South even foresaw the day when the entire membership of this house might consist of Liberals. He urged greater independence in the Senate, claiming that different viewpoints are needed. Like my honourable friend, I believe that the clash of ideas is of the very essence of vitality in any organization. I also believe that public opinion is not to be ignored. Statements practically to the same effect have been made in this debate by the honourable senators from Peterborough (Hon. Mrs. Fallis) and Gloucester (Hon. Mr. Veniot). There are one-party chambers in several countries in Europe at the present time, but we do not want that kind of thing to happen here. Our democratic system is based fundamentally upon the existence of at least two parties. The leader of the opposition (Hon. Mr. Haig) enjoys the confidence and esteem of everyone in this house. Personally I consider him as a very dear friend, and I think as a matter of fair play to him and his colleagues, we must endeavour to find some means by which their ranks can be increased. I think it would be possible to combine the suggestions made and to give to this house a, so to speak, more definite character of provincial representation. After all, the Senate was created especially to protect provincial or regional interests and minority rights.

It was suggested, I think by the senator from Gloucester (Hon. Mr. Veniot), that the Prime Minister could very well obtain nominations for some appointments to this chamber by consulting with the opposition leader or leaders. Another senator suggested that when the representation of any province in this house was incomplete, the premier, and, I would add, the opposition leader in that province, as the case might be, should be asked to recommend a panel of names from which the Prime Minister could choose an

appointee, though of course not being necessarily restricted to this panel for his choice. In any method of reform which we may recommend, I hope there will be sufficient elasticity. If a system of consultation with provincial premiers or opposition leaders worked well in practice it might be followed until in time it became a binding custom. Eventually it might even be written into the constitution, though I believe that, generally speaking, it is always wise to proceed very cautiously before introducing any change of a permanent character into the British North America Act.

The suggestion which has been made by other members and which I am now making would, I think, produce the best results if it brought here representatives of not only the official opposition, the Progressive Conservative Party, but also of other opposing political groups. There is no doubt that I am an opponent of the CCF, but I am sorry that there is not even one voice to interpret to the Senate the program of that political organization, which of course has a perfect right to exist even if we do not share its beliefs. I am not an adherent of Social Credit, but I think it would be fair and reasonable to have here at least one person to speak for that group, which is especially interested in monetary reform. In my own province I have taken part in every campaign against the Union Nationale, but I contend that anyone who wishes to advocate the policies of that organization in Quebec has a right to do so.

On the international scene there are two worlds, the western and the eastern, and just now it seems as if we have in Canada either two nations—a federal and a provincial—or a federal nation and ten different provincial nations. I do not want any water-tight compartment between our federal government and the various provinces.

I think there is everything to be gained by having here people who would likely advocate policies to which we take strong objection. In their discussions with us they would receive fair play, and we would learn to understand their point of view better. I am convinced that many a person who entered the peaceful and quiet atmosphere of this chamber like a lion, as the saying goes, would, while retaining his convictions, become in time much more moderate. I am quite sincere in expressing the view that this Senate is indeed a great school for tolerance. Here we have inter-racial friendship, and mutual respect by persons of different religious views, and, generally speaking, we try to give to our fellow Canadians a good example of patriotism, wise and moderate, without any bitterness or fanaticism whatever.

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When speaking in this debate the senator from Vancouver South (Hon. Mr. Farris)—I have, as he knows, a very deep esteem for him as a lawyer, and as a member of this house—referred to the various political parties in the provinces, and said quite frankly that he would be happy to see them represented here. I quote a few words from my honourable friend's speech as reported at page 122 of *Hansard*.

> One of my Senate friends said, "Do you want to bring one of those fellows here?" I said, "Yes, I do. I want to have a look at him."

I think that is quite a proper attitude.

I believe that at this stage of the session no advantage would result from a reference of the present motion to a committee. I do feel, however, that we should try to take at least one practical step in the right direction. As I see it, the most urgent need is to secure for the opposition a certain minimum number of seats, whatever it may be decided that minimum should be. Personally, I am convinced that at least one opposition member should be appointed to the Senate to represent each of the ten provinces. The proper proportion of representation between different territorial sections in Canada would require a larger number from certain provinces than from others.

This debate has lasted for several months, and unless a new element is to be introduced, it seems to me that our discussions will be only academic and we will achieve no definite results. Under these circumstances I intend, by way of conclusion, to move an amendment to the motion, as follows:

> That this house recommends in the public interest that a minimum number of seats in the Senate be given to the opposition, that each territorial group receive a fair proportion of such seats and that the government be so informed.

Some Hon. Senators: Hear, hear.

The Hon. the Speaker: Honourable senators, I have before me the amendment of the honourable senator from De Salaberry, but there is no seconder for it.

Hon. Mr. Farris: I will second the motion.

The Hon. the Speaker: Honourable senators, the original motion reads as follows:

> That a Special Committee of the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

As I understand that motion, it seeks to have a special committee of the Senate appointed to inquire into certain matters.

The amendment moved by the senator from De Salaberry reads:

> That this house recommends in the public interest that a minimum number of seats in the Senate be

given to the opposition, that each territorial group receive a fair proportion of such seats and that the government be so informed.

It seems to me that amendment contains one conclusion that a special committee might very well come to. I do not quite understand whether the original motion is simply to be amended or entirely set aside. For those reasons, I should like to take the matter under advisement.

Hon. Mr. Hugessen: May I suggest, honourable senators, that in order to enable His Honour to reach a conclusion some honourable senator should adjourn the debate at this time, and at the opening of the next sitting His Honour may give his ruling as to whether or not the amendment is in order.

Hon. Mr. Haig: May I be allowed to say that the honourable senator gave me a copy of this amendment two or three days ago, and I did not wish to comment on it at that time? I do not think the amendment is proper, but I believe it could be put into proper form. If the debate were adjourned until the next sitting of the house, it would give the honourable member from De Salaberry time to consult with the Clerk of the Senate in order to determine what amendment would be proper. I do not think any honourable senator would object to that procedure. Whether we will agree with the amendment as presented is, of course, another matter. I suggest, therefore, that the amendment be not now ruled out of order.

The Hon. the Speaker: I am not ruling it out of order; I am taking it under advisement.

Hon. Mr. Haig: In that way the honourable senator will have time to draft an amendment that will do what he wants it to do, and if necessary it can be substituted for the one now before the house.

Hon. Mr. Paterson: Mr. Speaker, would not the amendment first have to be referred to the committee?

Hon. Mr. Haig: No. It does not have to go to a committee. The honourable senator need only prepare a new amendment asking that certain words in the original motion be struck out and the proposed language substituted therefor. That would be a perfectly good amendment. Perhaps he does not wish to go that far.

Hon. Mr. Turgeon: May I suggest that the honourable senator who offered the amendment be allowed to move the adjournment of the debate? In that way the order for resumption of the debate will stand in his name?

Hon. Mr. Lacasse: If it will help matters at all, I will move that the debate be adjourned.

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

The Senate adjourned until Tuesday, May 15, at 8 p.m.

THE SENATE

Tuesday, May 15, 1951

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

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

Bill E-10, an Act for the relief of Addie Jane Monica Wright Brock.

Bill F-10, an Act for the relief of Evelyn Maria Bianchi Lippiatt.

Bill G-10, an Act for the relief of Leon Simon Marchand.

Bill H-10, an Act for the relief of Ruth Helen Findlay Paterson Priestman.

Bill I-10, an Act for the relief of Ilse Helen Kneutgen Jorgensen.

Bill J-10, an Act for the relief of Howard Wesley Bartlett.

Bill K-10, an Act for the relief of Stephanos Katinoglou.

Bill L-10, an Act for the relief of Yetta Handler Meller.

Bill M-10, an Act for the relief of Raymond Landry.

Bill N-10, an Act for the relief of Lloyd William Lane.

Bill O-10, an Act for the relief of Lovannez Chartrand Dinelle.

Bill P-10, an Act for the relief of Sophie Kotsos Moscoutis.

Bill Q-10, an Act for the relief of Mae Kert Sigman.

Bill R-10, an Act for the relief of Sarah Jane Greeley Smith.

Bill S-10, an Act for the relief of John Cook Donaldson.

Bill T-10, an Act for the relief of Cecily Chandler Troop.

Bill U-10, an Act for the relief of Doris May Thompson Ewaldt.

Bill V-10, an Act for the relief of Laurette Trudel Charland.

Bill W-10, an Act for the relief of William Stevenson Greenshields.

Bill X-10, an Act for the relief of Clare Kent Gerrie Jorgensen.

Bill Y-10, an Act for the relief of Beatrice Watson Bell.

Bill Z-10, an Act for the relief of Marion Cruickshank MacArthur.

Bill A-11, an Act for the relief of Annie Mendelson Teitelbaum.

Bill B-11, an Act for the relief of Gwendoline Mary Teresa Sullivan Duddridge.

The bills were read the first time.

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

Hon. Mr. Aseltine: With leave, next sitting.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. A. L. Beaubien moved:

That the parliamentary fees paid upon the Bill X-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Western Canada, be refunded to Messrs. Ewart, Scott & Co., solicitors for petitioners, less printing and translation costs.

The motion was agreed to.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Beaubien moved:

That the parliamentary fees paid upon the Bill W-5, an Act respecting the Ruthenian Greek Catholic Episcopal Corporation of Canada, be refunded to Messrs. Ewart, Scott & Co., solicitors for petitioners, less printing and translation costs.

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—PROPOSED AMENDMENT—RULING

On the Orders of the Day:

The Hon. the Speaker: Honourable senators, before the orders of the day are called I wish to give my ruling on the proposed amendment to the motion of Hon. Senator Robertson, seconded by Hon. Senator Hugessen. This motion reads as follows:

That a Special Committee of the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

The proposed amendment, moved by Hon. Senator Gouin, seconded by Hon. Senator Farris, reads as follows:

That this house recommends in the public interest that a minimum number of seats in the Senate be given to the opposition, that each territorial group receive a fair proportion of such seats and that the government be so informed.

I find in *Bourinot*, Fourth Edition, at page 316, the following:

An amendment may propose:

1. To leave out certain words;
2. To leave out certain words, in order to insert or add others;
3. To insert or add certain words.

As the proposed amendment does not meet any of these requisites, I rule that it is out of order.

INDIAN ACT

PROPOSAL FOR SPECIAL COMMITTEE

On the Orders of the Day:

Hon. Thomas Reid: Before the orders of the day are called, I should like to make a suggestion to the honourable leader (Hon. Mr. Robertson); but before doing so, I should like to say to him how pleased we are to see him back in the Senate in good health.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: My suggestion is that when the bill to amend the Indian Act comes before the Senate, consideration should be given to the setting up of a special committee to deal with that legislation. If this is not done, I would urge then that the honourable senators who were members of the Joint Committee on Indian Affairs, which functioned some years ago, should have the privilege of sitting on whatever committee may be designated to deal with the Indian Act.

Hon. Wishart McL. Robertson: Honourable senators, when the legislation referred to by my honourable friend comes to this house I shall be very happy to do anything I can to facilitate a thorough examination.

I wish to thank the honourable senator and other honourable members for the very kind reception I have had this evening. The enforced idleness which is incidental to an absence such as mine affords to the absent member the opportunity of meditating upon his sins of omission and commission as opposed to the virtues of those with whom he ordinarily associates. Such meditations present quite a marked contrast to the thoughts which sometimes flow through one's mind in more hectic circumstances. I appear before you tonight, therefore, the personification of humility, and all about me I see the radiance of the greatest virtues. If in due course, under the pressure of conditions as they arise, that balance should proceed to change, honourable members will understand the reason. I thank you very much.

PRIVATE BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill A-10, an Act representing Industrial Loan and Finance Corporation.

He said: Honourable senators, in explaining this very simple bill I need only say that it proposes, in section 1, that the name of the corporation known as Industrial Loan and Finance Corporation be changed to Community Finance Corporation. The company has been doing a short-term loan business for a number of years, and the main reason for the proposed change is that its name has conflicted to a certain degree with that of another finance company, the Industrial Acceptance Corporation, which does a different kind of business altogether, and it is desired to remove any confusion that may be caused by a similarity of names.

Hon. Mr. Aseltine: The name also conflicts with that of the Industrial Mortgage and Trust Company, of Sarnia.

Hon. Mr. Lambert: The main reason given to me for the proposed change was the conflict with the name of the Industrial Acceptance Corporation, which does a much larger volume of business than the Industrial Loan and Finance Corporation, and of a kind that I think is known to nearly every one here. It does the same class of business as the Traders Finance Corporation, for instance, whereas the company applying for this change of name does a short-term loan business. The change would involve no relief from liability or change of privileges in any way.

The bill has been referred to the Superintendent of Insurance, who has found no fault with it. If the motion for second reading is adopted, I shall be glad to move its reference to the Committee on Miscellaneous Private Bills.

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

REFERRED TO COMMITTEE

Hon. Mr. Lambert moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. W. M. Aseltine moved second reading of Bill C-10, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Saskatchewan.

He said: Honourable senators, I believe that copies of this bill have been distributed, and are now in the desks of every honourable senator.

As the title of the bill indicates, its purpose is to incorporate the Ukrainian Catholic Episcopal Corporation of Saskatchewan. The petitioner, His Exellency Bishop Andrew Roborecki, has recently been constituted Ukrainian Bishop of Saskatchewan by His Holiness the Pope. The fact that this took place during the Easter recess of the Senate explains why the bill is only now being proceeded with in this house.

Honourable senators will recall that three private bills respecting other dioceses of the

Ukrainian Catholic Episcopal Corporation were introduced earlier in the session. This bill is in the same form as the previous bills, which have been passed by the Senate.

By the measure now before us, the petitioner requests the powers necessary to administer the property, business and other temporal affairs of the corporation. These powers are the same as those customarily granted by parliament on the incorporation of a body of this character.

If the bill receives second reading tonight, I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills for further consideration.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Aseltine: Honourable senators, I move that this bill be now referred to the Standing Committee on Miscellaneous Private Bills for consideration.

The motion was agreed to.

QUEBEC SAVINGS BANKS BILL

SECOND READING

Hon. Paul H. Bouffard moved second reading of Bill D-10, an Act to amend the Quebec Savings Banks Act.

Hon. Mr. Haig: Explain the bill.

Hon. Mr. Bouffard: I am quite ready to explain the proposed measure, although I explained the Act in some detail when it was amended in 1948.

The Quebec Savings Banks Act covers only two institutions in Canada, namely, a bank in Montreal and another in Quebec City. These banks, which are investment houses and not commercial banks, are quite useful in that they encourage small savings. They accept deposits from twenty-five cents up, and encourage savings in the schools. The banks make no commercial loans, and even their personal loans do not exceed $1,000. They are limited in their reinvestment of funds to securities such as bonds of the dominion, the provinces, municipalities, schools and parishes; further, they are not permitted to loan money on the securities in which they invest.

These banks cannot loan on any bonds or securities of a company unless, first, the debenture is covered by a first mortgage; second, the paid-up capital stock of the company is at least $500,000; and third—and this is the clause which by this bill it is proposed to amend—the amount of dividends which has been paid during the five previous years is at least 4 per cent, where there is par value capital stock, and at least $4 per share where the capital stock is of no par value. The British Insurance Companies Act was amended in this respect in 1950, to cover the very many cases where capital stock having a par value is changed into capital stock having no par value. Very often companies which for many years have paid on their capital stock having a par value a dividend equal to, say, 8 per cent, divide the stock into four shares for one, and on the new shares of no par value pay a dividend of $2 per share, representing a dividend of 8 per cent on the aggregate subscribed capital. This state of things was changed by the amendment of the British Insurance Companies Act.

The relevant amendment now before the house is as follows:

> (c) The corporation has paid a dividend, in each year of a period of five years ended less than one year before the date of investment, upon its common shares of at least four per centum of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid.

This is identical with the amendment to the British Insurance Companies Act, and I think it is desirable that it be applied to investment banks.

The other section which it is proposed to amend is similar to the one to which I have just referred. The first section as amended permits the bank to invest money in bonds of a corporation which has paid 4 per cent on the aggregate value of its capital stock. The second amendment is to the same effect, except that it is applicable to the bonds of a corporation on which a bank is authorized to lend money. It will be noticed that section 1 incorporates that part of the Quebec Savings Banks Act whereby the bank can invest money, and the second part relates to bonds on which a bank can loan money.

The last amendment is of subsection 1 of section 39 of the Act as amended in 1948. At that time parliament authorized the two banks to invest money in first mortgages up to 5 per cent of the amount of their deposits. In Montreal the amount of loans carried by the Montreal City and District Savings Bank was very small, aggregating only $60,000, but in Quebec this type of service was extremely welcome. As a matter of fact, the bank there was authorized to loan $1,100,000, and in two years it had loaned $1,080,000, while many more applications for loans are outstanding. Ninety per cent of these loans were made on residential properties. This is why authorization is asked to loan up to 10 per cent of deposits in first mortgage loans.

I can give information of the financial standing of the banks to indicate that no risk of financial loss will be involved in the passing of the amendments. As a matter of fact the bank is liquid to the extent of 111 per cent of its deposits, including the 5 per cent loans it made on first mortgages. The amount of Canadian government bonds it carries exceeds 50 per cent of all its deposits. Small loans varying from $25 to $1,000 account for only about 10 or 15 per cent of all loans made to the public. The service it renders in this connection is highly appreciated in Quebec, where it carries on business. As a matter of fact it cannot operate outside the city of Quebec and the immediate neighbourhood. It has fourteen branches, of which twelve are situate in Quebec City and two in the city of Levis.

The contents of the bill have been approved by the Department of Finance, including those officials who carry on bank inspections. I believe this measure will render a great service to people in Quebec who want to borrow on first mortgages.

One other reason for this bill is that if the banks cannot assist their depositors and clients with loans of this kind, these people will seek such assistance elsewhere, because other organizations in the province which carry on banking operations are permitted to loan on properties to a practically unlimited extent. Insurance companies, although more restricted, do the same kind of business on an extensive scale. The banks want to be able to help customers and depositors to the extent of 10 per cent of all deposits.

Hon. Mr. Vien: Do I understand the honourable senator to say that there are only two banks in Quebec?

Hon. Mr. Bouffard: Exactly.

Hon. Mr. Vien: Where are they?

Hon. Mr. Bouffard: The Montreal City and District Savings Bank, in Montreal, and the Bank of Economy, in Quebec.

Hon. Mr. Vien: At Quebec City?

Hon. Mr. Bouffard: The Bank of Economy.

Hon. Mr. Vien: La Caisse d'Economie?

Hon. Mr. Bouffard: The name has been changed by parliament; today it is the "Bank of Economy".

Hon. Mr. Vien: Is it the former Caisse d'Economie?

Hon. Mr. Bouffard: Exactly.

Hon. Mr. Vien: Who is the president?

Hon. Mr. Bouffard: I must confess, sir, that I am!

Some Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: I am very proud of it, too!

Hon. Mr. Vien: I wanted that, to go on record.

Hon. Mr. Bouffard: I repeat that I am very proud of it.

Hon. Mr. Haig: What is the stock liability?

Hon. Mr. Bouffard: One million dollars.

Hon. Mr. Haig: Is there any double liability on the stock?

Hon. Mr. Bouffard: No; nor have commercial banks that double liability since they ceased to print money.

Hon. Mr. Haig: I know.

Hon. Mr. Bouffard: And this bank never circulated any money.

Hon. Mr. Haig: All right.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Bouffard: I move that the bill be referred to the Banking and Commerce Committee.

Hon. Mr. McKeen: Who is the chairman of the committee?

Some Hon. Senators: Oh, oh.

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from Thursday, May 10, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. G. Lacasse: Honourable senators, before I came into this chamber this evening I was in some doubt as to whether I was to address myself to a motion or to an amendment; but on the ruling of the Chair I shall speak to the main motion. I had intended to read the motion in order to "re-situate the debate," if I may use that expression; because I believe that in the course of the discussion we more or less got away from the subject matter of the motion. However, I do not think it is necessary to read the motion, as we have it before us. I do believe, however, that the course taken by the discussion justified, in a large measure, the amendment proposed by the honourable gentleman from De

Salaberry (Hon. Mr. Gouin). I think we were all responsible to some extent for misleading him. However the original question before the house was whether this chamber should appoint a committee to study the work of the Senate, but I do not think that has been the real point of the argument right along. We acted just as though we were the committee itself.

Hon. Mr. Aseltine: We were like a Committee of the Whole.

Hon. Mr. Lacasse: I do not intend to speak at any length tonight, and I do not think I could if I wanted to. The great handicap faced by a man who enters a debate at this late stage is that he takes an awful chance of repeating what has already been said. I should not like to bore the house by doing that. My only purpose in rising is to emphasize two or three points which already have been brought up in the discussion. The whole issue has been pretty well exhausted. All the angles of the problem have been carefully and intelligently studied; but, as I say, there are one or two points upon which I think more emphasis should be placed at this time.

The first is the so-called partisanship or non-partisanship of this house. The Senate is supposed to be a non-partisan body. But has it functioned as such ever since confederation? I think we are "kidding" ourselves when we say it is non-partisan in the full meaning of the word. The less partisan it is the more dignity and more authority it will have as it goes along. I am afraid that we are too prone to look at things as they should be rather than as they actually are.

I do not want to be personal in anything I say, and far be it from me to say anything that would hurt the feelings of any senator, but the honourable gentleman from Inkerman (Hon. Mr. Hugessen) gave a section of the public to understand that this house was half-filled with decrepit people. He advanced that as one of the reasons for introducing a retirement age for senators.

Hon. Mr. Euler: Half filled with what?

Hon. Mr. Lacasse: Perhaps I have not interpreted the thoughts of the honourable senator from Inkerman as he expressed them. I thought he said that a retirement age for senators should be introduced, and that one of the reasons for this idea was the infirmity and advanced age of some senators. Without being personal at all, may I be permitted to say that every day honourable senators see a man limping into this house; but nobody would dare say that this man does not possess an alertness of mind, a clarity of expression and a soundness of judgment which has seldom, if ever, been surpassed in this house. I do not wish to press my point any further. In making this statement my intention is to pay a compliment—and only a compliment—to the honourable senator from Inkerman.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lacasse: While appreciating the value and ability of our leader (Hon. Mr. Robertson), whom we are all glad to see back among us, I think in his absence his place was splendidly filled by our colleague from Inkerman.

Another point I wish to emphasize is the independence that this house should have, and which it actually does possess. Some may misinterpret this independence of action and argue that it is based on a certain feeling of autocracy—which is out of date nowadays—and look at this house as more or less of an anachronism. Some even go so far as to say that the Senate has outlived its usefulness and should be abolished. I just wish to re-emphasize the importance of the independence of a chamber such as this. In saying this I believe I am fully in line with the thoughts of the Fathers of Confederation —the men responsible for establishing the Senate. The most stable institutions in Canada and elsewhere are based on independent appointments, and I would particularly refer to churches and judges. We all know that most of the judges in the country to the south of us are elected. I am one who believes that the dignity, efficiency and impartiality of our Canadian court is above reproach because of the very fact that our judges are appointed. I do not desire to throw slurs on what is done in other countries; but that is my feeling as a man who believes in democracy and in justice at one and the same time.

Honourable senators, I do not hesitate to say that at the beginning of this debate I was inclined to favour the appointment of a special committee to inquire into the work of the Senate, but as the discussion went on I realized, as I intimated a moment ago, that nothing more could be accomplished in committee, because the issue had already been exhausted. This debate has produced better results than could have come from any study in committee. I do not want to make a pun, but to me it was not surprising that the best solution of the problem came from a doctor, and flanked by a druggist at that! I think our colleague from Gloucester (Hon. Mr. Veniot) has rendered an immense service to this house and to this country—not in the form of a motion or a proposed Act of parliament, but in the form of a humble suggestion to the powers that be. In my opinion the government is expecting from us nothing more than a suggestion on this matter, and I

feel that the senator from Gloucester has "delivered the goods." I sincerely support his view. I understand that the leader of the government (Hon. Mr. Robertson) will close the debate tonight, and it is out of respect to him that I am not speaking at length. It is my belief that the government will seek to solve this problem in a way or in ways that have been suggested in the debate, and I humbly express the wish that those in authority pay particular attention to the splendid address—an address whose precision and brevity perhaps helped to make it splendid—which was delivered by my honourable friend and my medical confrére from Gloucester. I thoroughly endorse his stand, and I support it without any reservation at all. I think that there we have the most sensible solution that was offered during the whole of the debate to which we have been listening for weeks and months.

Hon. Gordon B. Isnor: Honourable senators, in view of the statement made by the last speaker, that the honourable leader would close the debate this evening—

Hon. Mr. Robertson: May I say, for the information of the house, that my honourable friend from Essex (Hon. Mr. Lacasse) was not correctly informed. While of course I am not in any way desirous of denying an opportunity to anyone who might still wish to discuss this resolution, I should appreciate it if those who intend to speak would endeavour to do so this week, in order that I may be in a position to close the debate early next week. However, even then I would, if necessary, accommodate any honourable senator. It would help if anyone who wishes to speak would notify the Government Whip (Hon. Mr. Beaubien).

Hon. Mr. McKeen: Unless someone else wishes to speak at this time, I would move adjournment of the debate.

Hon. Mr. Isnor: Honourable senators, I wished to make a few remarks. Perhaps I could go on now.

Hon. Mr. McKeen: Yes, go on.

Hon. Mr. Isnor: Honourable members, I was interested in the comment of the last speaker (Hon. Mr. Lacasse) to the effect that in this debate up to the present we have not stuck very closely to the motion, but that we have had some very informative and instructive addresses on reform of the Senate. I would, however, like to deal briefly with the motion itself, and then perhaps touch on one or two matters arising out of what I feel might be brought about if the motion did go to a committee.

So as to refresh the minds of honourable members, I am going to read the motion on which in due course we shall have to vote. The honourable leader of the Senate (Hon. Mr. Robertson) proposes:

> That a special committee on the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

It seems to me that the leader had something very definite and constructive in mind when he proposed that motion. Whether we accept it or not, there is in it meat for consideration. If we paraphrase it or break it down, we find that it can be put under some seven headings. In the first place, the motion asks for the appointment of a committee. Well, that is not unusual at all. The other house and this house have often appointed special committees to deal with subjects of one kind or another.

The second proposal is that the committee, if appointed, inquire into certain things. Well, I think we are all willing at any time to inquire into matters of importance to the country, or to parts of it, and therefore I think that this proposal is a reasonable one to make to a body like this.

The third proposal is that the committee, after having made an inquiry, report its findings to this house. That is a customary and most reasonable thing to do.

The next heading, as I have it in my notes, is "whatever action"—that is, what the committee may do. The committee might include in its report a recommendation to the government that certain changes be made in the Senate, and give reasons therefor. Or it might express satisfaction that the Senate as now constituted is doing what it was intended to do under the scheme of confederation. In any event, if the committee's report were adopted by this house, the leader here (Hon. Mr. Robertson) would no doubt carry our wishes to the government and ask that they be considered. I may say that there are one or two suggestions which I might wish to make, not for reforming the Senate but for expediting its business.

The fifth heading or subdivision of this motion is that the committee report upon whatever action "in its opinion may be necessary". Surely there is no member of this house who does not feel that some action should be recommended by a committee. It seems to me that the debate itself has so far contained many good suggestions for making the Senate more effective.

The sixth proposal in the motion is contained in the words "or expedient"—that is, that the committee report upon "whatever

action in its opinion may be necessary or expedient". This subdivision is of course linked up with the previous one.

The final proposal is that all these things be done—that is, that a special committee be appointed, that it make an inquiry, that it report to this house, and so on, "to enable the Senate to make its maximum contribution to the welfare of the Canadian people." After all, the Senate was set up by the Fathers of Confederation, to look after the interests of the people, to take care of minorities and safeguard the smaller provinces. We are all familiar with the composition of the Senate in the early days. In 1867 it was divided into three territorial groups of twenty-four members each—the Maritimes, Quebec and Ontario—making a total of seventy-two members. As the country expanded westward the number of senators was increased to ninety-six; and finally, with the entry of Newfoundland, the membership was brought up to the present total of 102. Surely we in this house can recommend some changes that will bring about greater efficiency.

Honourable senators are all familiar with the picture entitled *Fathers of Confederation,* that hangs in the Railway Committee Room of the House of Commons. The original painting, by Robert Harris, was commenced in 1883 and finished the following year, when it was presented to the Minister of Public Works. It was of course destroyed by fire in 1916, and the replica that hangs in the committee room today is a charcoal etching which Mr. Harris, who was then of an advanced age, happened to have on hand.

I looked into the background of that picture because we hear so much about what wonderful men the Fathers of Confederation were. They must have been able men to have given us the British North America Act, a constitution which down through the years has had few amendments. But it occurs to me that these were ordinary men, such as those I see around me in this chamber. One notes that some of those in the painting wear beards, and one is apt to take it for granted that they were elderly men. The information which I have gathered about their background indicates that of the 34 men, only two were over the age of 60 years, while 11 were between 50 and 60, and 21 were from 30 to 40 years old. It would seem therefore, honourable senators, that they were just an ordinary group of men—

Hon. Mr. Grant: Without razors.

Hon. Mr. Isnor:—such as I see around me this evening, anxious to do their best for Canada.

As these men looked out of the windows at Quebec, I am sure they visualized a wonderful country—a country such as we have today; but one could scarcely expect them to produce a perfect constitution for these modern times. For instance, I do not think they visualized the radio, which gives us news from the world over in a matter of seconds; nor did they foresee travel by air from Halifax to Vancouver in a matter of hours. Although they did not visualize such modern trends, nevertheless they made a good job of our constitution. But the fact that the Fathers of Confederation may have missed some points suggests to me one reason that might have been in the mind of the honourable leader of the government when he moved his resolution calling for the appointment of a committee to recommend in what way this house can better serve the people of Canada.

I was rather surprised to hear some of the suggestions made during the current debate, for they seemed to be more properly work for the committee. However, I am sure that further suggestions will be forthcoming when the matter is considered in committee, and that a full report will be presented to the government.

Even though my remarks may not add much to this debate, honourable senators, I was anxious to participate in it for the reason that I was perhaps one of those who spoke out of turn on this subject when I made some statements outside this chamber a few months ago. Had I been more experienced I would have waited until I came here and mellowed a little. But I was not content to wait for that mellowing process to set in. Perhaps the thought crossed my mind that if I waited until after I came and sat with the wise men from all parts of the country I might consider my thoughts too immature, and that because of my lack of experience I would hesitate to express myself.

While I make no apologies for the remarks I made outside this chamber, I want to explain how I came to make them. I expressed myself long before the honourable leader presented his resolution, and of course I would not be so presumptuous as to think that I prompted him to act as he did. Whether I was right or wrong in my sentiments, my words received wide publicity, some favourable and some less favourable. I may say that after my speech the atmosphere in this section of the country changed somewhat. I come from Nova Scotia where it is pleasant, but on arrival here I found it rather chilly. It occurred to me that I should perhaps go back to my native province and enjoy the January weather which, though cool, was nothing compared with the reception I received in certain quarters in

Ottawa. I make that observation in the most friendly manner, having first said that I showed immaturity of judgment in some of the remarks I made.

Hon. Mr. Vien: But you are still a Maritimer, I hope.

Hon. Mr. Isnor: I am today. I shall die a good Canadian, but I am still a Nova Scotian.

Hon. Mr. McKeen: Is there no hope?

Hon. Mr. Isnor: I hold in my hand, honourable senators, a luncheon notice issued by the Progressive Service Club in the City of Halifax, which bears my name as the guest speaker, and the subject to be discussed. Because there has been some misunderstanding, I will read the title of the subject as it appears on this card: "The function of the Senate in Canadian Government". I chose that subject after having been invited by the club to speak on either "Senate Reform" or "The function of the Senate in Canadian Government". It occurred to me that the second subject had been fairly well covered by other speakers and was a matter of record. But like many senators who have taken part in this debate, I got away from my subject, and upon being asked questions I rather extended myself and entered the field of Senate reform. I had to fall back on what had been said by some of the members of this house, and I naturally took it for granted that statements made by such experienced gentlemen as the leader opposite (Hon. Mr. Haig), who was recently quoted in the *Financial Post,* could be relied upon. I also relied on statements made by the honourable senator from Kitchener.

Hon. Mr. Euler: Waterloo!

Hon. Mr. Isnor: He and I seemed to agree, but I made my statement at a service club luncheon, and it received a lot of publicity; his remarks got only four or five inches in the *Financial Post,* and we have not heard anything further here. If I recall correctly, he supported the idea that the Senate should be elective.

Hon. Mr. Euler: I have done it in this house before.

Hon. Mr. Isnor: Have you? Now we have confirmation. So I felt I was on fairly safe ground. Not only did I suggest this at the time, but I indicated how it could be carried out without too much disruption so far as the workings of the Senate are concerned. I am ready to make what is called, I believe, an "open confession" of doubt as to whether I was right in advocating an elective Senate. That is a frank admission, and I hope that hereafter a somewhat chilly atmosphere may thaw at least a little, and that I shall enjoy an occasional friendly greeting in quarters which formerly I was a little afraid to approach.

"I have at all times tried to teach myself that to get a true appraisement of a question it is necessary to be in a position to honestly criticize not only another's opinion but one's own. In this way, I believe, one arrives at a more sound understanding and decision. That is what I am endeavouring to do in this case." I was careful to put that statement in writing—it is the only part of my speech which I am reading—and I set it down because it expresses exactly my frame of mind with regard to this question.

I do not want to mention this evening any particular senators—all their speeches were good—except to say that the remarks made by the honourable senator from Inkerman (Hon. Mr. Hugessen) impressed me, and the manner in which he presented his arguments, his reasonable approach, and his summing up, convinced me that this question is one which should receive further consideration. His suggestion that "we old fellows", like myself, should be retired at seventy-five, seems to me a reasonable recommendation, and one which appeals to the man on the street. I say that with all kind thoughts towards those of my colleagues who have reached that age. Some of our outstanding men are able at the age of seventy-five or beyond to think in a broader way and to express themselves in a much more intelligent manner than I can, and because of the part they have played in our public life, they are a credit to this body and to Canada. Nevertheless, I agree with the views on this matter of the honourable senator from Inkerman. I feel that his suggestion is sound, and that it has met with a very favourable reception from the ordinary citizen, the person with no particular axe to grind, who is sincerely interested in the welfare of our country.

I was impressed with the suggestion of our lady senator from Peterborough (Hon. Mrs. Fallis) that our membership should include more women. I do not know how such a change can be brought about, and I have no proposal to make in this connection, except that in connection with future appointments regard should be had to the valuable sources of information which would be available to this house if it included a few more women senators. I believe they would add greatly to the value of our debates. From my brief experience as a member of this body, and the manner in which the two lady members have participated in our affairs, I am sure

they have demonstrated that women can take a worthy part in all the work carried on in this place.

So, honourable senators, I believe we should not discount the recommendations made by the various speakers; and the best way to take them into consideration is to have them compiled and placed before the committee which, I hope, will be set up. It has been intimated elsewhere that the honourable government leader (Hon. Mr. Robertson) will withdraw this motion. I do not know whether there is any truth in the rumour, and I do not intend to make any statement unless I have some ground for it; but I hope the motion will not be withdrawn, because, if it were, the average thinking Canadian would be moved to ask why it had ever been introduced. Is it not a good resolution? Is there not something to it? Is it not sound? Should not a committee be set up, in connection with this or any other matter, to bring about something that may be beneficial to our country? So it is my intention, if the motion should go to a vote, to support it.

Without making any specific recommendations in respect to reform along lines which have already been covered—namely, retirement, period of tenure, age, and source of recommendations of appointments—I feel that we should consider a change which would affect the work of the Senate as now carried on. Being somewhat new to the chamber, I hesitate to offer suggestions, but in the other place I found it very helpful, when an important bill was before us, to have it dealt with in Committee of the Whole. Looking around the membership of this body, I notice about thirty-five senators who sat with me for a period of years in the other house. I believe all of them will agree with me that much good results from a discussion right on the floor of the house, in Committee of the Whole, of any important piece of legislation. Following a suggestion made by one member, someone else submits another, and the discussion goes on until there is formulated something definite and constructive which may change the entire principle of the proposed legislation. That has happened on more than one occasion. I feel that this suggestion deserves very serious thought by a committee.

I do not know whether the leader of the government would welcome another idea in this connection which has occurred to me. I feel that our leader, in sponsoring a bill, is under some handicap in replying to questions. We do ask questions, even though we may not always be in order, and all sponsors are very willing to give information. But I believe that the leader, as a minister of the government, should have a parliamentary assistant, and also should be enabled to bring to this chamber a deputy minister or any other departmental official whom he requires to give him expert advice about any particular section or question which may arise during the discussion of legislation.

These two suggestions are directed not to a reform of the Senate but rather to the common-sense handling of legislative matters or procedures which come directly within our jurisdiction.

On another matter my views may be immature and, perhaps, subject to change. But having reflected on the work of the Divorce Committee, and the time taken, even during the past ten days, on divorce bills here and in the other place; and having regard to the careful consideration given by members of the committee to the petitions, and their painstaking attempts to get all the evidence and present it to us with their recommendations, I believe they could very well act as the final court in connection with divorce. It might be said that this suggestion would require an amendment to the British North America Act. I notice the honourable senator from Inkerman (Hon. Mr. Hugessen) nodding his head in agreement. Well, even at that, consideration of it might be well worth while. If that could not be done, then some understanding should be reached with the House of Commons, whereby all divorce bills would be individually passed and given final reading here, and then simply receive approval in block in the other place. Those are the three suggestions which I think should be given consideration by this special committee.

I agree with those members who have taken the stand that the Senate is not a place in which legislation should be introduced to any great extent. I think it should be introduced in the other place and then sent to this chamber. I am in accord with that thought because I believe it carries out the ideas of the Fathers of Confederation. The same idea has been expressed by many of our best-thinking senators.

Hon. Mr. Vien: Would the honourable gentleman permit a question at this time? Does he not agree that the committee proposed by the motion before us would hardly have time to properly consider this question during the current session, and that at the opening of the next session it would be in a better position to thoroughly investigate the matter and report upon it.

Hon. Mr. Isnor: In reply to my honourable friend from De Lorimier (Hon. Mr. Vien), I

may say that during my forty years in business life I have always made it a point to clean up my desk during the day if possible. If I am unable to do that, then I start the following day with what has been left over. It is my opinion that we should go as far as possible to clean up this situation now. If we are unable to conclude our work at this session, then we could complete it next year. I hope that answers my honourable friend's question.

Hon. Mr. Vien: Yes.

Hon. Mr. Isnor: Perhaps I should not repeat what has been better said by others, but I would like to stress the idea that the Senate Divorce Committee act as a final court. In my research I came across a statement made by a former senator and Prime Minister of Canada, the Right Honourable Arthur Meighen. Dealing with the principal function of the Senate, he said it was—

> —to see that those great principles upon which the dominion has reposed, are carefully reflected in its statutes, to design legislation so as to meet the realities of business, to review and temper proposals of the other house, so as not unnecessarily to discourage enterprise or restrict the area of employment; to oppose the ravages of partisanship from whatever source they come, and at least to give public opinion time and opportunity to be deliberate and to be understood; to be governed not so much by emotional appeal or fleeting spasms of popular fancy but to listen to the accountant, the operator, the employer, the employee, and the unemployed, and to make sure that legislation when finally passed will work with fairness and facility.—For this function the Senate was created, and this function it must with thoroughness and fearlessness perform.

Honourable senators, I think those remarks cover the situation more thoroughly and concisely than any other statement I have read, and I subscribe to it wholeheartedly.

I should just like to say one thing more about the Progressive Service Club. Last January this club was looking around for what it considered to be a live topic, and it chose "Reform of the Senate." I believe that not only members of the service clubs, but citizens in general throughout this dominion of ours, will be keenly disappointed if this house does not appoint a committee to inquire into the work of the Senate and bring in a finding of some kind.

Some Hon. Senators: Hear, hear.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 16, 1951

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

Prayers and routine proceedings.

DIVORCE

PRESENTATION OF PETITION

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the petition of Theresa Verna Brisson Humphreys, of Montreal, Quebec; praying for the passage of an Act to dissolve her marriage with John Ivor Humphreys.

He said: Honourable senators, I believe, and certainly hope, that this will be the last divorce petition to be presented to parliament at this session.

THE ESTIMATES

COMMITTEE ON FINANCE—PRINTING OF PROCEEDINGS

Hon. T. A. Crerar presented and moved concurrence in the second report of the Standing Committee on Finance, on the estimates.

The report was read by the Clerk Assistant as follows:

In connection with the order of reference of March 14, 1951, directing the committee to examine the expenditures proposed by the estimates laid before parliament for the fiscal year ending March 31, 1952, etc., the committee recommend that it be authorized to print 800 copies in English and 250 copies in French of its day to day proceedings, and that Rule 100 be suspended in relation to the said printing.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Hon. Mr. MacKinnon presented Bill C-11, an Act respecting the Canadian Pacific Railway Company.

The bill was read the first time.

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

Hon. Mr. MacKinnon: Tuesday next.

JUVENILE DELINQUENTS BILL

FIRST READING

Hon. Mr. Robertson presented Bill D-11, an Act to amend the Juvenile Delinquents Act, 1929.

The bill was read the first time.

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

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill E-10, an Act for the relief of Addie Jane Monica Wright Brock.

Bill F-10, an Act for the relief of Evelyn Maria Bianchi Lippiatt.

Bill G-10, an Act for the relief of Leon Simon Marchand.

Bill H-10, an Act for the relief of Ruth Helen Findlay Paterson Priestman.

Bill I-10, an Act for the relief of Ilse Helen Kneutgen Jorgensen.

Bill J-10, an Act for the relief of Howard Wesley Bartlett.

Bill K-10, an Act for the relief of Stephanos Katinoglou.

Bill L-10, an Act for the relief of Yetta Handler Meller.

Bill M-10, an Act for the relief of Raymond Landry.

Bill N-10, an Act for the relief of Lloyd William Lane.

Bill O-10, an Act for the relief of Lovannez Chartrand Dinelle.

Bill P-10, an Act for the relief of Sophie Kotsos Moscoutis.

Bill Q-10, an Act for the relief of Mae Kert Sigman.

Bill R-10, an Act for the relief of Sarah Jane Greeley Smith.

Bill S-10, an Act for the relief of John Cook Donaldson.

Bill T-10, an Act for the relief of Cecily Chandler Troop.

Bill U-10, an Act for the relief of Doris May Thompson Ewaldt.

Bill V-10, an Act for the relief of Laurette Trudel Charland.

Bill W-10, an Act for the relief of William Stevenson Greenshields.

Bill X-10, an Act for the relief of Clare Kent Gerrie Jorgensen.

Bill Y-10, an Act for the relief of Beatrice Watson Bell.

Bill Z-10, an Act for the relief of Marion Cruickshank MacArthur.

Bill A-11, an Act for the relief of Annie Mendelson Teitelbaum.

Bill B-11, an Act for the relief of Gwendoline Mary Teresa Sullivan Duddridge.

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

THIRD READINGS

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

Hon. Mr. Aseltine: Honourable senators, in view of the delay that has arisen in another place in connection with divorce bills, I think it is advisable that these bills should be sent over there at the earliest possible moment. Therefore, with leave of the Senate, I move that these bills be read a third time now.

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

PRIVATE BILL

SECOND READING

Hon. Mr. Aseltine moved the second reading of Bill B-10, an Act to incorporate the Baptist Union of Western Canada.

He said: Honourable senators, this is a bill to incorporate the Baptist Union of Western Canada.

Hon. Mr. Euler: You are quite a churchman.

Hon. Mr. Aseltine: At the present time the Baptist Union of Western Canada is incorporated in each of the provinces of Manitoba, Saskatchewan and Alberta, and has an extra-provincial company licence to carry on its activities in the province of British Columbia. I think it unnecessary to supply the dates of each of the incorporating statutes in the provinces I have mentioned, although the information is available if required.

The purpose of the bill is to incorporate the Union federally under the Dominion Companies Act. I have gone over the details of the bill very carefully with the Law Clerk of the Senate, and we have made certain changes and amendments to comply with suggestions made in the other place with respect to bills of a similar nature. The bill as is now printed is as nearly as we can tell in line with other bills passed by this chamber incorporating religious institutions.

If this measure receives second reading, I intend to ask that it be referred to the appropriate committee for further consideration.

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

REFERRED TO COMMITTEE

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

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

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. S. S. McKeen: Honourable senators, before adding my few remarks to this debate, may I be allowed to congratulate one of the members of this chamber, the senator from Mille Isles (Hon. Mr. Daigle), on having reached another milestone in his young life?

Some Hon. Senators: Hear, hear.

Hon. Mr. McKeen: In delaying my remarks in this debate as I have, I was hopeful that the thoughts I had in mind would be expressed by some other senator, and that I would not be obliged to speak; however, one or two aspects of this question have not yet been dealt with. In view of the fact that the participants in the debate have brought forth suggestions which could perhaps more properly have come from the proposed committee, as was pointed out yesterday by the senator from Halifax-Dartmouth (Hon Mr. Isnor), perhaps I may be allowed to outline the changes that to my mind ought to be made.

There is considerable criticism of the number of appointees coming to this house from the other chamber. As I understand the constitution of the Senate, its function is to initiate and to pass upon legislation coming to it from the other house. Parliament, under the British North America Act, consists of the Queen—now the King—represented by the Governor General, the Senate and the House of Commons, and no proposed legislation can become law unless passed by all three. If the Senate is, as is sometimes stated, a chamber of sober second thought, who should constitute the membership of this house? Should it be comprised of eminent scientists, great artists and professional men, who have had no contact whatever with legislative matters? True, such men have keen mental faculties and great ability, but they lack legislative experience, I do not think their training fits them to fulfil the function of senators. If my reasoning is correct, then where are we to find the men best suited to perform the work of this chamber?

In my opinion senators should be drawn from the ranks of municipal councils, provincial governments and the House of Commons. I do not mean to say that scientists

or professional men would not make good senators, for we have in this chamber some of the most able professional men in this country, but I would point out that these men are here, not because of their professional standing but because of their capacity for and interest in political life, as well as their close association with the consideration of legislation.

In British Columbia, the province from which I come, there are men who, in my opinion, are well qualified to take part in the discussions in this chamber, and the senators from that province have been appointed because of their high qualifications. Our senior senator from that province, the honourable member from Kootenay East (Hon. Mr. King), began his political career a good many years ago. As far back as 1903 he represented Cranbrook in the provincial legislature, and after many years in that house he was appointed provincial Minister of Public Works. Later he came to Ottawa, where he held the portfolio of Public Works, and later became Minister in charge of the Department of Health and Soldiers Re-establishment. His record in political life is a long and honourable one. Next in order of seniority is our honourable colleague from Vancouver South (Hon. Mr. Farris), who served in the provincial house as Attorney General and Minister of Labour, and later was appointed to the Senate. Another of British Columbia's representatives is the honourable senator from Cariboo (Hon. Mr. Turgeon), a former member of the Alberta Legislature who subsequently sat for two terms in the House of Commons for a British Columbia riding. Our junior member, the honourable senator from New Westminster (Hon. Mr. Reid), served for two years as councillor of his local municipality, seven years as reeve, and in 1930, when the fortunes of Liberalism were at a low ebb, was elected to the other place and sat there continuously until he took his seat in this chamber. So all have records in the political life of their own province.

Hon. Mr. Haig: May I ask the honourable gentleman a question? I presume he has had no political experience at all?

Hon. Mr. McKeen: I was four years in the provincial house. I did not mention it.

An Hon. Senator: Too modest!

Hon. Mr. McKeen: It was an oversight.

Going eastward, we have the honourable senator from Lethbridge (Hon. Mr. Buchanan), who has served his country well in many capacities and is, I believe, well equipped to give opinions on the legislation which comes before this chamber. Also, representing the provinces which most of you term "the West," but which we in British Columbia look upon as the East, namely Saskatchewan and Alberta, we have men of the standing of the honourable senators from Saltcoats (Hon. Mr. Calder), Winnipeg (Hon. Mr. Haig) and Rosetown (Hon. Mr. Aseltine).

Hon. Mr. Euler: You overlooked the honourable senator from Edmonton (Hon. Mr. MacKinnon).

Hon. Mr. McKeen: Well, he is one of the newer appointees, although his term in the lower house, both as private member and as a member of the Cabinet, was longer than that of some of the others I have mentioned.

I think that criticisms of the appointment of members of the House of Commons to the Senate are made without sufficient consideration of their background. In my opinion the Senate, besides being a chamber of sober second thought, represents a delayed action of the vote of the people. If the people of this country have so much confidence in the Liberal government, or any other government, that they elect to the House of Commons, time after time, those who support the Liberal party, they are in fact training more material for this chamber, and also providing more opportunities of appointment; therefore by their votes they in effect send here a larger representation of that particular party.

In looking over the records of the house I find that in 1896, at the time of the Seventh Parliament, just before the turn of the century, this house contained only ten Liberals to sixty-three Conservatives. It is my opinion that if Canada could survive the disaster of so small a membership of Liberals —a blow which, incidentally, the Liberal party has survived—probably it can get along when the reverse is true, and there are only ten Conservatives in this house. I believe, however, that those ten are the equal of any Conservatives in this country. I will go further; I will say they are the equal of any people in this country, for though not very numerous, their quality, as reflected in the character of their service, is very high.

This is not supposed to be a partisan body, and in most cases we do not follow partisan lines. The Senate has at times turned down legislation brought from the other house, but I could find no record of the Senate, even when the majority here was against the government, turning down legislation introduced as the result of a plank in the election platform of the party in power. On the contrary, the records show that this chamber passed government bills even when a large majority of senators were opposition members. Further, I could find no record of any government having placed the matter before

the people for their decision when one of its bills had been turned down by the Senate. In other words, such governments agreed that what the Senate had done was probably right.

There were several outstanding cases of this kind. I would refer particularly to the Naval Bill which was brought down as a major part of government policy in 1913. As honourable senators will recall, the idea behind the Naval Bill was that Canada should contribute money to the expansion of the British navy rather than build a navy of her own. When the Senate blocked the passage of the bill, the government did not appeal to the people, but merely carried on; and I think that everyone, including the government of that day, was glad that the Senate took the action it did.

Honourable senators, this chamber may be likened to a safety valve on a boiler or an emergency brake on a car. You do not remove the safety valve from a boiler or the brake from a machine simply because it has not been used for four or five years. As a matter of fact, you are probably just as glad that they were never needed.

I have heard many criticisms about the Senate being used as a rubber stamp for the purpose of rushing important legislation through in a matter of a day or two. In reply to that criticism I would point out that the minute any bill is placed before the House of Commons for consideration, a copy of that bill is made available to honourable senators. So, from that time on, members of this house have an opportunity to study that piece of legislation. If we find anything wrong with it, then it is our privilege and duty to make sure that we are prepared to state our views on it as soon as it comes before this house. It is not a case of senators being kept in the dark as to what is going on in the other place. When you are driving a car you do not always need to use your emergency brake. As a matter of fact, if your car is travelling between fifty and sixty miles an hour you might get into serious difficulties if you were to suddenly apply the emergency brake. On the other hand, if the brake is required, you are grateful for having it in your car. As long as we see that the legislation coming to this chamber is sound and wise, there is no reason why we should try to stop its progress.

By the very nature of the set-up of the Senate, the members here are older than the members of the House of Commons. No senator can be appointed until he is thirty years of age, whereas the age limit in the House of Commons is twenty-one years. We all know that youth is more aggressive and possibly a little more wild in action. It has been said that perhaps too much of the zeal of youth is wasted on the young; but I believe that there is a place for youthful energetic action. I think that when the experience of the members of this chamber is joined with the youthful aggressiveness and initiative found in the other chamber, it results in the best form of government.

If the people of Canada feel that the party representation in the Senate is so unbalanced that a change should be made in the present policy of appointing senators, they have the remedy in their own hands. I think the Fathers of Confederation thoroughly considered the idea of an elected Senate. They had an elective assembly before this appointive Senate. In 1935 there was only one Conservative in the Legislative Council in Quebec. When Mr. Duplessis came to power there was a large opposition majority in that body, but he did not complain about that, because he is a strong advocate of an appointed Legislative Council. He never once suggested that the council should be abolished or be made an elective body. If we think the Senate should be an elective chamber, it is not for us who were appointed to the Senate to say that this change should be made. That is a matter for the people to decide.

Some Hon. Senators: Hear, hear.

Hon. Mr. McKeen: If there are any senators who sincerely feel that the opposition members in this house are too few and that the opposition should enjoy greater representation here, they should go to the Prime Minister and say "I do not think there are enough Conservatives in the Senate, so I will resign my seat to let them come in".

Some Hon. Senators: Hear, hear.

Hon. Mr. McKeen: I do not think it is good enough to say that nobody else should come to the Senate after me except from the other house. There are thirteen vacancies in the Senate today, but are we going to recommend that these seats be filled by Conservatives? I do not see why Liberals should be considered less favourably than Conservatives in the matter of appointment to the Senate. There are certainly more Liberals in the country, and the average here should run that way.

Honourable senators, I just wanted to add these few thoughts to this debate and to suggest that the main worry about reform of the Senate is not in the country but right in this body itself.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: Honourable senators, if nobody else wishes to take part in this discussion, I will adjourn the debate, with the intention of closing it probably next Tuesday. In the meantime, should any honourable senator wish to speak, I shall be very glad to step aside to enable him to do so. With that understanding, I now move the adjournment of the debate.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 17, 1951

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

Prayers and routine proceedings.

CONSUMER CREDIT (TEMPORARY PROVISIONS) BILL

FIRST READING

A message was received from the House of Commons with Bill 195, an Act to amend the Consumer Credit (Temporary Provisions) Act.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Roebuck introduced Bill O-11, an Act respecting Canadian Slovak Benefit Society.

The bill was read the first time.

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

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

LAURIER HOUSE BILL

FIRST READING

A message was received from the House of Commons with Bill 289, an Act respecting Laurier House.

The bill was read the first time.

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

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

KINGSMERE PARK BILL

FIRST READING

A message was received from the House of Commons with Bill 290, an Act respecting Kingsmere Park.

The bill was read the first time.

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

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

GOVERNMENT EMPLOYEES COMPENSATION BILL

FIRST READING

A message was received from the House of Commons with Bill 291, an Act to amend The Government Employees Compensation Act, 1947.

The bill was read the first time.

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

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

HAMILTON HARBOUR COMMISSIONERS BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill 196, an Act respecting the Hamilton Harbour Commissioners.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 3, 1951, examined the said bill, and now beg leave to report the same without amendment. The bill was adopted by the committee on division.

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

Hon. Mr. Robertson: Next sitting.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Transport and Communications on Bill U-6, an Act to incorporate the Champion Pipe Line Corporation Limited.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 9, 1951, examined the said bill, and now beg leave to report the same with three amendments.

The amendments were read by the Clerk Assistant as follows:

1. Page 1, lines 22, 23 and 24: Delete clause 3 and substitute the following: "3. The capital stock of the Company shall consist of two million shares without nominal or par value."

2. Page 2, line 32: After "lines" insert; ", provided that the main pipe line or lines for the transmission and transportation of gas and oil shall be located entirely within Canada"

3. Page 3, lines 18 to 23 both inclusive: Delete clause 7 and substitute the following: "7. The provisions of subsections (4), (5), (6) and (7) of section 12, and sections 39, 40, 59, 62, 63, 64, 65, 84, 91 and 94 of Part I of The Companies Act, 1934, apply to the Company, provided that wherever in the said subsection (7) of section 12 and in the said section 59 the words "letters patent or supplementary letters patent" appear, the words "Special Act" shall be substituted therefor."

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

Hon. Mr. Hugessen: With leave of the Senate, I move that the amendments be concurred in now.

The motion was agreed to.

THIRD READING

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

Hon. Mr. Campbell: With leave of the Senate, I move the third reading of the bill.

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

CRIMINAL CODE (RACE MEETINGS) BILL

FIRST READING

Hon. Mr. Robertson presented Bill P-11, an Act to amend The Criminal Code (Race Meetings).

The bill was read the first time.

DIVORCE BILLS

FIRST READINGS

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

Bill E-11, an Act for the relief of Jane Stirling Stephens.

Bill F-11, an Act for the relief of Mavis Elizabeth Thomas Wrathall.

Bill G-11, an Act for the relief of Ida Courland Rubin Flesch.

Bill H-11, an Act for the relief of Yvonne Winifred Kathleen Walker Andrews.

Bill I-11, an Act for the relief of Elizabeth Cochrane Aitchison Lalonde.

Bill J-11, an Act for the relief of Violet Taylor Carey.

Bill K-11, an Act for the relief of Julia Saykaly Hajaly.

Bill L-11, an Act for the relief of Doris Auclair Gingras.

Bill M-11, an Act for the relief of Georges Paquin.

Bill N-11, an Act for the relief of Marion Agnes Kelsch Cleghorn.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

THE SENATE AND ITS WORK

OFFICIAL REPORT

Hon. L. M. Gouin: Honourable senators, I rise on a question of privilege. I beg leave to refer to the report of my address in our *Hansard* of May 9, 1951. Some confusion may have resulted from the expressions which I am reported to have used concerning the amendment of some provisions of the British North America Act contained in Category 4 of the *Proceedings of the Federal-Provincial Conference* of September last. At page 86 of those *Proceedings* we read:

Category 4. Provisions which concern parliament and all the provincial legislatures;

At page 399 of our *Hansard* of May 9 I quoted exactly in those terms that Category 4, but afterwards I am reported as having referred to the provisions contained in Group 4, or Category 4, as requiring for their amendment the consent of all provinces. The provisions contained in Category 4, as they concern all the provinces, should not in my opinion be amended at the present time without the consent of all provinces. They will continue, I think, to require such unanimous consent until an agreement has been reached as to how large a majority of the provinces is required for the adoption of any constitutional amendment. But I wish to state very clearly that in September last the provinces merely decided to put in Category 4 the provisions which concern parliament and all the provinces. I do not want my interpretation of the attitude of the provinces to give rise to any confusion concerning the proper description of such Category 4.

ADJOURNMENT

On the Orders of the Day:

Hon. Wishart McL. Robertson: It is likely that the Indian Act and other legislation will come before us early next week, and as I am sure that honourable senators will wish to apply themselves to this legislation as soon as possible, I am going to ask that when the house adjourns today it stand adjourned until Monday next at 8 p.m.

JUVENILE DELINQUENTS BILL

SECOND READING

Hon. W. A. Buchanan moved second reading of Bill D-11, an Act to amend the Juvenile Delinquents Act, 1929.

He said: Honourable senators, this bill is to amend the Juvenile Delinquents Act, which was first passed in 1929. Its purpose is to make separate provisions for juvenile delinquents. The creation of juvenile courts and other special provisions relating to the care of juvenile delinquents is left fairly well to the provinces, and one of the purposes of the statute is to empower the provinces to adopt special measures for the care and treatment of juvenile delinquents.

The amendment proposed by the bill before us deals with one small point, namely, the definition of a "child". Under the present Act a "child" means a boy or girl under the age of sixteen. However, the Governor in Council, by proclamation, may provide that in any province the age limit for a child shall be eighteen instead of sixteen. Such proclamations have been issued for several of the provinces, but one of these provinces now wishes to have the age lowered again from eighteen to sixteen, and it has been found that the Act does not give power to issue proclamations lowering the age limit. The purpose of this amendment, therefore, is to provide that the Governor in Council may, within the range of sixteen to eighteen, raise or lower the age limit in any province.

The province requesting this change is Alberta. All other provinces have been circularized, and none have objected to the amendment; most have concurred in it. It has been made clear to the provinces, of course, that the Governor in Council would only issue proclamations raising or lowering the age limit upon the request of the province concerned.

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

REFERRED TO COMMITTEE

Hon. Mr. Buchanan: If it is felt necessary that this bill should be referred to committee I am prepared to so move, but just what committee it should go to I do not know. As a matter of fact, I doubt whether any additional enlightenment could be given on the bill in committee.

Hon. Mr. Haig: Agreed.

Hon. Mr. Marcotte: Honourable senators, I think this bill should be referred to a committee for further study. It involves an important principle, and to my mind we should be given a little more information. There is now before the Privy Council awaiting decision a case dealing with the delegation of power from one government to another, as from the federal government to a provincial government, or from a provincial government to the federal. Further, it seems to me that this bill is in effect an amendment to the Criminal Code, and I feel that it should not be passed without further consideration. I am not seeking to raise any obstacle to passage of the bill at all; I am simply pointing out that I think there is involved a question which requires additional study.

Hon. Mr. Buchanan: Honourable senators, I am quite agreeable that the bill should go to a committee if that is desired, and I would move that it be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until Monday, May 21, at 8 p.m.

THE SENATE

Monday, May 21, 1951

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

Prayers and routine proceedings.

INDIAN BILL

FIRST READING

A message was received from the House of Commons with Bill 79, an Act respecting Indians.

The bill was read the first time.

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

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

CANADIAN COMMERCIAL CORPORATION BILL

FIRST READING

A message was received from the House of Commons with Bill 284, an Act to amend the Canadian Commercial Corporation Act.

The bill was read the first time.

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

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

DIVORCE BILLS

FIRST READINGS

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

Bill Q-11, an Act for the relief of Marie Laure Jacqueline Patenaude Racine.

Bill R-11, an Act for the relief of Muriel Edna Glass Fryer.

Bill S-11, an Act for the relief of Emma Laronde Bell, sometimes known as Emma DeLaronde Bell.

Bill T-11, an Act for the relief of Birute Elena Vaitkunaite Akstinas.

Bill U-11, an Act for the relief of George Keith Henderson.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

HAMILTON HARBOUR COMMISSIONERS BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 196, an Act respecting the Hamilton Harbour Commissioners.

Hon. Thomas Reid: Honourable senators, I have a few remarks to make before this bill is passed. I realize that in this matter I am in the minority, and that nothing I say in protest against the violation of a principle by the bill will have any effect. There is, however, a principle at stake, and a man need never be ashamed to stand up for a principle, nor need he apologize for doing so.

Every honourable senator realizes, I suppose, that harbour boards were set up to control navigation on lakes and rivers and at the seaboard. The Hamilton harbour board was set up with this principle in view. It is all very well to say, as was said in committee, that the Hamilton Harbour Commissioners are better able to look after amusements than the City of Hamilton itself, but to my way of thinking that is no reason why we should not take stock of what this bill is doing. It does not lend any weight to the argument in favour of passing the bill to say that similar powers were granted to the Toronto Harbour Commissioners. Although I have not gone into this matter extensively I have read the two Acts and I see that the Toronto harbour board is in charge of certain properties belonging to the City of Toronto, and in the amendments to the Toronto Harbour Commissioners Act it is distinctly provided that the Toronto Harbour Commissioners are acting on behalf of the City of Toronto, but there is no corresponding provision in the bill before the house. The passage of this bill will result in parliament granting the right to the Hamilton Harbour Commissioners to run all kinds of concessions. Who is going to control such games of chance as housie-housie? Once this bill is passed the Hamilton harbour board may forsake its functions in relation to navigation and go into the amusement business. I realize that in the other house members looking for votes very often have had to submit to pressure and grant things which they knew in their hearts were not right; but in these days, when many countries are drifting into dictatorships and this country is entering the welfare state and handing over the powers of parliament to Crown companies and, in some instances, to bureaucrats, and when individual freedom is becoming less and less, I maintain that this Senate has a greater duty to perform than ever before. It must watch and preserve the rights and freedom of the individual.

Why is the Hamilton harbour board getting these rights, or why is the city of Hamilton so anxious that the Hamilton harbour board should go into the amusement business? I think these questions were actually answered the other day, after the committee meeting, when one of the city fathers of Hamilton said to me "Well, you know Senator Reid, it is very difficult for the city council to do anything along these lines, because its members are always liable to criticism. They are liable to be defeated at the polls if they do something the people do not like". That was a frank admission, and I think it hit the nail on the head. Once this bill is passed the Hamilton Harbour Commissioners, who are appointed, and not subject to the will of the people, will be able to do what they like in the matter of setting up amusements. I rise in protest against the principle of allowing a board of Harbour Board Commissioners to deviate from their duties as such and enter the amusement field. This is not the responsibility of any harbour board in Canada.

As I said at the outset, I know that my protest will be overruled by the majority; nevertheless I have no apology to offer for rising this evening and voicing my protest against the granting of these rights.

Hon. Arthur W. Roebuck: Honourable senators, I hesitate to rise and to take from my friend from New Westminster (Hon. Mr. Reid) the luxury of protesting alone. There will be at least two votes against this bill, so that he will not need to call upon the courage required to stand unsupported in this matter.

Hon. Mr. Reid: Thank you.

Hon. Mr. Roebuck: I too realize that the bill, having been given second reading and having been passed by a committee of the Senate, will in all probability be passed at this sitting of the house. Nevertheless, I think it is my duty, as my friend thought it his, to protest against legislation of this kind. It has been said in defence of this bill that similar powers are being exercised by the Harbour Commissioners of the City of Toronto. I have spent some little time in reading the Toronto Harbour Commissioners Act and all the amendments that have been made to it from the time it was passed, in 1911, to the present, and I challenge anybody to find in that legislation any reference whatever to powers granted to the commissioners to run amusement stands and bathing beaches, or to conduct activities of that nature. The Act, on the other hand, does give the Toronto harbour board the right to lease its land; and the board, having been given that right, is, I suppose, granting concessions to private individuals for the conduct of amusement activities; but it is not itself taking part in the very precarious, doubtful and rather dangerous occupation of providing amusement.

I should like to call the attention of the house to Chapter 24 of the Statutes of 1939, which contains the amendments to the Toronto Harbour Commissioners Act that were assented to on the 2nd of May of that year. They gave the commissioners power to construct and operate certain airports—and here is what section 2 of the Act says:

> The Toronto Harbour Commissioners shall have power, for and at the expense of the Corporation of the City of Toronto and upon such terms and conditions as may be agreed upon with the said City, to establish, construct, develop, extend, equip, maintain, operate and administer an airport now in course of construction . . .

Were the bill before us phrased in these terms, and the Hamilton Harbour Commissioners given powers to carry on their amusement activities at the expense of the Corporation of the City of Hamilton, I would not object so much, although I still should not like the bill, because I feel that the carrying on of amusement activities is not a proper function of a Harbour Board, whose main purpose is, as my friend from New Westminster has said, the providing of harbour facilities for shipping.

Further, I think that we are going far beyond our constitutional powers, or what our constitutional powers should be. The British North America Act gives to parliament the right to control the harbours of Canada—for of course they are national in character—and the various harbour commissions are empowered to do the things which are incidental and necessary to the activities involved in the provision and management of harbours. I submit that the operation of amusement stands and bathing beaches and the conduct of the activities of that kind is not incidental to the provision and management of a harbour.

In recent times I have heard a good many protests about encroachments by provincial governments upon the autonomy of our towns and cities. It is said that the legislatures, owing to their greater legislative powers, are gradually encroaching upon the powers of the municipalites, and it is feared that if this trend continues the municipalities will in time become mere nonentities doing the will of the legislatures.

By this measure the Dominion Parliament is encroaching upon the powers of a municipal council. True, it is with the consent of the council, but that does not help us in the least so far as the principle is concerned. The fact that the municipal council is prepared to sell its birthright for a mess of pottage, and hand over to the harbour board part of the privileges and rights which naturally belong to the city—namely, of providing amusements for its people—is no justification whatsoever for parliament taking part in the abdicating of those privileges and rights by a municipal council.

As I say, I am sure this bill will carry, but it will not carry unanimously. The time may come when other harbour boards ask parliament for extraordinary and fantastic legislation, and if it does, at least we shall be able to say that this bill did not carry unanimously, that there was vigorous and serious objection to it.

I was in Hamilton at a court proceeding last Monday, while there one of the court officials accused me of preventing the City of Hamilton from having its amusement beach. Time did not permit me to stop and argue the question, but I assured him that I was doing nothing of the kind. I am as anxious as anybody outside the City of Hamilton to see that the people of that city, and particularly those who are employed in new industries, have all possible facilities for pleasure; but I am not prepared to take part in a move by which powers which naturally belong to the municipality are being surrendered to a harbour board. Further, I am opposed to harbour commissioners being allowed to usurp an authority which is not properly theirs.

I register my protest against this legislation. I shall vote against it, and I shall regret to see it carried by this house.

Hon. Mr. Vien: Will the honourable senator allow me to ask a question before he resumes his seat? Was this aspect of the question fully discussed before the committee?

Hon. Mr. Roebuck: Unfortunately, I could not be at that committee meeting.

Hon. Mr. Vien: Nor could I.

Hon. Mr. Roebuck: I explained that my absence was beyond my control, and my friend from New Westminster (Hon. Mr. Reid) carried the debate along the line that I have now taken. When I spoke on second reading of this bill, I asked whether the Hamilton harbour board could not carry on with such powers as are enjoyed by the Toronto commission, namely to lease concessions, if you like, but not to operate them. Those views were before the committee when it met. I think, therefore, the subject was fully discussed.

Hon. Thomas Vien: Honourable senators, I too was unavoidably absent from the meeting of the committee at which this bill was considered, but I am extremely impressed by the remarks of the two honourable senators who have just spoken.

I do not think it proper that parliament should pass a bill dealing with civil and municipal rights, both of which are exclusively within provincial jurisdiction. As the senator from Toronto-Trinity (Hon. Mr. Roebuck) has aptly said, we have the power to create harbour commissions and to legislate as to both their fundamental and ancillary powers, but these ancillary powers must be incidental to the main object for which the harbour commissions are created.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Vien: Amusements within the City of Hamilton are municipal in character, and cannot possibly be linked up as ancillary functions of the harbour commissioners. The harbour board should have the power to lease its property and to grant concessions to persons and institutions approved by the municipal authorities; but, I do not think it should have such powers as are sought in this bill. There may be some reason why the Municipal Council of the City of Hamilton does not wish to exercise its authority with respect to amusements. That being so, it should create an independent municipal commission of some kind to look after its parks and amusement places. At any rate, it is not within the power of this parliament to determine how Hamilton, or any other city, should conduct its amusements. Such matters should be left to the provincial authorities, who have the right to determine the powers of municipal corporations.

I would suggest that it might be well to adjourn the debate on this measure until the sponsor (Hon. Mr. Campbell) is back in his seat, for tonight, in the light of what has been said by the two previous speakers, I would feel compelled to vote against it. The sponsor of the bill may be able to throw some additional light on the subject, and thus we would be able to amend the bill or send it back to the committee for further consideration.

Hon. A. K. Hugessen: Honourable senators, unlike the two honourable gentlemen who have just spoken, I was present at the meeting of the committee at which this bill was discussed, and where we heard unanimous

representations in its favour from a delegation from the City of Hamilton headed by the mayor. I hope that honourable senators who were not at the committee meeting will not conclude from the speeches made this evening that this bill constitutes some grave encroachment upon municipal rights or infringement of the liberties of the subject.

Having listened to the arguments put before us, it seems to me that there is no very substantial principle involved in the bill. This is the position: The Hamilton Harbour Commission was set up a number of years ago by a federal Act, with the primary object of developing the harbour facilities of the City of Hamilton. That commission is an appointive body, two of its members being appointed by the federal government, and one member being appointed every three years by the City Council of Hamilton. In effect, what the Board of Harbour Commissioners of Hamilton does is to operate the harbour properties of the City of Hamilton on behalf of the city.

Hon. Mr. Roebuck: Not as a financial liability of the City of Hamilton.

Hon. Mr. Hugessen: There is no financial liability on the dominion: that much, at least, is quite certain. According to the explanations given to us, a great part of the harbour-front property which formerly was used for bathing beaches has been befouled as a result of the industrialization of the city. There is another section of the beach belonging to the harbour commissioners which is not used for harbour purposes at all, but which may be so used, and which no doubt is held by the commissioners with a view to its ultimate development for harbour purposes. It is in an industrial section of the city where few amusements or amenities are available to the children. In the meantime it is available, and it is well adapted to the purposes of a bathing beach. All that this bill does is to permit the harbour board, either of itself or by means of licences to operators of amusements, to use this beach for recreational purposes. The representatives of the City of Hamilton who were before us stated that they regarded the Hamilton Harbour Commissioners as the body which controls and regulates their harbour properties on their behalf, and for the purpose they had in view they considered that under the circumstances it was wise to have the commissioners control this particular beach. They begged us to pass the bill. They told us that the situation in that part of the city is desperate, that within a very considerable distance there is no other beach available where this industrial population can enjoy the advantages of swimming in the summer. The whole purpose of this bill is to make the beach available to these people.

For the life of me I cannot detect any encroachment upon the rights of the city or of the province. Neither can I see that in giving the Hamilton Harbour Commissioners —one of whom represents the city, and is reappointed every three years—the right to make this beach available for purposes of public amusement until such time as it is needed for the primary purpose of a harbour there, is any infringement of the liberties of the subject.

As I have said, this bill is proposed by the City of Hamilton itself. City representatives, headed by the mayor, and representatives of the harbour commissioners, appeared before us and advanced the reasons I have set out, and strongly urged us to pass the bill in the interests of the children of the industrial sections of the city.

Hon. Mr. Roebuck: My friend has said that there is no liability under this bill.

Hon. Mr. Hugessen: In the dominion.

Hon. Mr. Roebuck: Yes. Will my friend say that the property transferred to the harbour board by the dominion authority, and the harbour itself, which is under dominion authority, are not liable?

Hon. Mr. Hugessen: It is not under dominion authority. The harbour of Hamilton is not a national harbour.

Hon. Mr. Vien: I would like to ask the honourable senator from Inkerman (Hon. Mr. Hugessen) where he finds power in the federal parliament to deal with amusements in any of our Canadian cities.

Hon. Mr. Reid: That is a good question.

Hon. Mr. Hugessen. The answer is very simple. This is a body set up by the Dominion Parliament. The Hamilton Harbour Commission is a body incorporated by special Act of the Dominion Parliament; and the federal authority, if it sees fit, can invest the commission with any power incidental to its main objects.

Hon. Mr. Vien: But is the right to deal with amusements in the City of Hamilton ancillary to the purposes of the Hamilton Harbour Board? How can we link the main object for which the board was created with the management of amusement parks or beaches? I cannot find that the powers provided by this bill are ancillary to the main functions of the harbour board.

Hon. Mr. Reid: They are not.

Hon. Mr. Vien: And unless they are, I am of the opinion that this provision is *ultra vires* of parliament.

Hon. Mr. Hugessen: I attempted to explain that point. Of course these lands are held

primarily for the purposes of a harbour. There is no question about that. But so long as they are not being used for that purpose, there is no reason why they should not be temporarily devoted to the use of the people of Hamilton.

Hon. Mr. Crerar: May I ask my honourable friend from Inkerman a question? What disturbs me is this. A corporation whose present powers have to do with the operation and development of the harbour is to be granted additional powers to expend money for building, developing and maintaining amusement places, to borrow money for defraying the expenses thereof, and to make bylaws governing the operation. It seems clear that that section envisages the expenditure of money. Presumably, when this power is given, the commissioners will endeavour to find funds, and perhaps will borrow money from the bank, issue debentures or bonds, or something of the kind. If they do, upon what assets can they borrow, other than the property which is under their control as a harbour board? And if the operation of these amusement parks results in losses, what will happen to the property of the harbour commissioners?

The original Act clearly contemplated the development of the necessary harbour facilities adjacent to the City of Hamilton. The harbour board was set up under the statute of 1912 for that purpose. While I have every sympathy with the desire of the City of Hamilton to get proper bathing beaches for their young people and children, I think we should be fairly clear in our minds as to the implications of this legislation. If money is raised on the security of the property of the harbour board, and a default follows because the amusement schemes do not provide the revenue necessary to meet the charges, what will be the situation then? I would be glad if the honourable senator from Inkerman would enlighten us on that point.

Hon. Mr. Isnor: Honourable senators—

Hon. Mr. Haig: I rise on a question of privilege, to state, in case there should be any misunderstanding, that the other morning when I was coming into the building the honourable member from Toronto-Trinity (Hon. Mr. Roebuck) told me that he could not be at the committee meeting; and I so informed the committee as soon as the meeting opened.

Hon. Mr. Roebuck: Thank you.

Evidently my honourable friend from Inkerman is not going to answer the question.

Hon. Mr. Hugessen: I was waiting until the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) had spoken.

Hon. Gordon B. Isnor: Honourable senators, coming as I do from a section of the country which can lay claim to one of the finest harbours in the world, I am concerned about this bill from a different angle. I am wondering what might happen if, in the spirit of competition, the cities of Toronto and Hamilton were permitted to borrow large amounts of money to advertise their ports. It appears to me that this would be an act of discrimination. The seven national harbour ports operate under the National Harbours Board, whose policy is not to canvass for the business of any particular port at the expense of another. It has no money for that purpose anyway. If this bill is passed, I can visualize two ports on the Pacific Coast, say—New Westminster and Vancouver—vying with each other for amusement trade, one operating in a restricted manner under the National Harbours Act and the other operating freely under a special Act such as Toronto and Hamilton enjoy. I can also visualize the same thing happening on the Atlantic Coast. This is one of the reasons I am concerned about the powers which this Act would give to the Hamilton Harbour Commissioners.

At first I was not greatly concerned about this bill, but after listening to the honourable member from New Westminster (Hon. Mr. Reid) I began to wonder what effect it might have on the port of Halifax, and naturally I want to be sure of my ground before voting for a measure which might have an adverse effect on the great Atlantic port from which I come. I am in agreement with those who have expressed the wish that further consideration be given to this bill.

We cannot overlook the case of the Hamilton Harbour Commissioners, which was so capably presented by the honourable senator from Inkerman. I should like, however, to stress the fact that there is a very marked difference between the operation of ports under the jurisdiction of the National Harbours Board and the operation of ports under special Acts such as this.

Hon. Mr. Horner: Honourable senators, I thought this bill was a rather strange one to be presented to parliament, but in committee the mayor of Hamilton and the city solicitor were unanimous in urging its passage.

The honourable senator from Inkerman said something about the Hamilton Harbour Commissioners owning certain land. As I understand it, this land belongs to the City of Hamilton, and it is the wish of the Hamilton civic authorities that it be turned over to the Harbour Commissioners for amusement purposes, and playgrounds and public bathing beaches.

I think the honourable senators from Toronto-Trinity (Hon. Mr. Roebuck) and New Westminster (Hon. Mr. Reid) should bear in mind the policy adopted by many government departments of passing the buck to some board or other. The people seeking to get this bill passed by parliament have simply followed the example set by the federal government. Take the Board of Transport Commissioners. Why should parliament forsake its right to direct, for instance, where certain pipe-lines should run, and turn the whole matter over to the Board of Transport Commissioners? Just because somebody is afraid of his vote being affected. There is nothing more ridiculous. To be consistent, the honourable gentlemen from Toronto and New Westminster should insist that, in these other matters which I have in mind, parliament should not transfer it authority to any board.

Hon. Mr. Roebuck: May I now ask the question which has been waiting for so long? I should like to know whether the honourable gentleman who sponsored this bill can give us any precedent in which the parliament of Canada empowered one of its corporations to carry on an amusement business?

Hon. Mr. Hugessen: Honourable senators will appreciate that I am not the sponsor of this bill. I only intervened in the discussion after hearing three speeches in opposition to it. It seemed to me that the case for this legislation was amply made in committee, and I did not want the members of the Senate who were not in the committee to get the impression that this house was being asked to pass a bill involving any encroachment upon local rights or infringement upon the liberties of the public.

The honourable gentleman from De Lorimier (Hon. Mr. Vien) suggested that we adjourn the debate until the return of the honourable senator from Toronto (Hon. Mr. Campbell), who sponsored the bill. I do not know that I should take any further responsibility for answering questions that should be asked of the sponsor.

Hon. Mr. Reid: You are doing very well.

Hon. Mr. Hugessen: If I may answer the honourable senator from Churchill (Hon. Mr. Crerar), all that we do when we empower a corporation to borrow money is what the Parliament of Canada does directly, when it incorporates a company by statute, or indirectly, when a company is incorporated by letters patent under the Companies Act. All these companies are empowered to borrow money under certain conditions. The Dominion Parliament is not concerned with the security that is given for the money so borrowed, or the use that is made of this money when it is obtained. All that we do here is to give the power to borrow money for these purposes, just as we have given power to innumerable corporations to borrow money for their respective purposes. I just want to say to my honourable friend from Churchill that surely we can leave to the good judgment of the city authorities of Hamilton and the Hamilton Harbour Commissioners the question of borrowing money for these purposes and the manner in which it is spent.

In answer to the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), I would say that there is a marked difference between the national harbours—which are operated by the National Harbours Board under the direct control of the dominion—whose borrowings have to be made under guarantee from the dominion, and local harbour boards —such as those of Hamilton and Toronto— where there is no financial responsibility of any kind on the part of the dominion. I do not think the City of Hamilton or, for that matter, the City of Toronto, would be in a financial position to spend such vast amounts of money in their respective harbours as to challenge the supremacy of the harbour of Halifax.

As to the question asked by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), I suppose that there have been a hundred or more companies organized under the Dominion Companies Act for the purpose of carrying on an amusement business of one kind or another.

Hon. Mr. Reid: In view of the fact that the City of Hamilton owns these beach lands, why is it not developing them for amusement purposes itself?

Hon. Mr. Hugessen: As far as I could gather from the remarks made in committee by the representatives of the City of Hamilton, the greater portion of the beach property in that city is already owned and operated by the Harbour Commissioners, and the city wishes to add this property to what is already under the commission's control. In other words, the city wishes to treat the Harbour Commissioners as the operating body for all the harbour and beach facilities in the municipality.

Hon. Mr. Crerar: Honourable senators, perhaps I am out of order, but may I suggest to my honourable friend from Inkerman that the matter could have been very easily resolved by the City of Hamilton leasing from the Harbour Commissioners for such time as was thought wise these particular beaches that it wishes to develop.

The Hon. the Speaker: I am sorry, but I have to remind the honourable senator that he has already spoken on the measure.

Hon. John T. Haig: Honourable senators, I did not intend to take part in this debate, and I have no interest one way or another in the bill. As we all know, no citizen of Hamilton is a member of this chamber, so there is no one present to speak on behalf of the city itself.

I have listened to the arguments of the senators from New Westminster (Hon. Mr. Reid), Toronto-Trinity (Hon. Mr. Roebuck), De Lorimier (Hon. Mr. Vien) and Inkerman (Hon. Mr. Hugessen). The land referred to in this bill is just a small piece of property. The fact is that working people in Hamilton have moved out beyond this area and there is no place for their children to swim and play in the water; and the municipal council wishes the Harbour Commissioners to develop a beach so that the kids will have a safe place to swim. That is all it amounts to.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Maybe my friends from Toronto-Trinity (Hon. Mr. Roebuck) and De Lorimier (Hon. Mr. Vien) are constitutionally correct, and that it would be legally wrong to give the Harbour Commissioners the powers asked for in this bill; but so far as I am concerned I do not want some legal technicality about a constitutional issue to prevent the Harbour Commissioners from doing a little work with the view to providing a safe place for workingmen's children to swim and play. The lands in question originally belonged to the City of Hamilton and, presuming that this measure would be passed, the city transferred them to the Harbour Commissioners. At some time in the future, perhaps ten or twenty years from now, the land may be used for harbour extension purposes, but in the meantime workingmen's kids will make use of this convenient swimming place.

Hon. Mr. Reid: How do you know?

Hon. Mr. Haig: Anyone who has or has had youngsters knows how important it is that there should be a safe place for them to swim.

If the time comes when this land is needed for harbour extension purposes the city council, however sincerely convinced of that need, might find it difficult to do away with a children's bathing beach. I have had as much to do with elections as most members of this house, and I know what difficulties a council could face on a matter of this kind. But with the Harbour Commissioners in control of the land, as they now are, there would likely be much less opposition to any new use to which they proposed to put it. The general feeling would probably be that they would not want to make a change unless they felt it was in the interests of the people as a whole.

Hon. Mr. Vien: Will my honourable friend answer a question?

Hon. Mr. Haig: I will answer it when I have finished. The Private Bills Committee was prepared to report this bill after the first hearing on it, but senators who were present will recall that I said I thought the mayor of Hamilton and the city solicitor ought to come and tell us why they wanted the bill. Somebody said that would put the city to a good deal of expense, but I persisted in my view that we should have an explanation by the municipal authorities. The senator from Toronto (Hon. Mr. Campbell) sponsored and explained the bill in committee, and although I have every respect for him, I still felt that we should hear the mayor and the city solicitor. They came before the committee and I was entirely convinced. The mayor, who struck me as an able and genuine man, said he thought that the bill was in the interest of the industrial workers who live out past the lands affected by the bill, and that it was desirable to have the bathing beach and playgrounds handled by the Harbour Commissioners.

As I said before, the senators from Toronto-Trinity and De Lorimier may be constitutionally right and those of us who support this bill may be constitutionally wrong. I recall that in my province somebody once said to a Judge of the King's Bench that he had made a wrong decision, and the Judge replied "Well, there is a higher court, and you can go and get its opinion." So I say that if we are constitutionally wrong, there is not far away a Supreme Court which, if appealed to, will put us right. That is what the court is paid to do. But nobody in Hamilton will object to this legislation.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Haig: The mayor told us that the municipal council wanted the harbour commissioners to make these developments.

Hon. Mr. Hugessen: He said it was anxious to have them made.

Hon. Mr. Haig: I have an interest in the youngsters of this country, and I want to help the workingmen's children in that new section of Hamilton to get a place to swim.

Now I am ready for my honourable friend's question.

Hon. Mr. Vien: Does the honourable senator believe that it is our function to determine whether a municipality or its harbour commissioners should have control of the beaches? And if, as he has admitted, we may not have the constitutional right to make this amendment, does he think we should assume that right?

Hon. Mr. Haig: My answer is this. The Municipal Council of Hamilton and the Harbour Commission of Hamilton want this bill passed, and they are the only two bodies affected. I am sure that if we had in this chamber a senator from Hamilton he would have spoken in favour of the bill much better than I have done. I come from a province that has a fine harbour. In fact, Manitoba has such a good harbour that members of parliament visit it twice a session. We have spent hundreds of thousands of dollars on that harbour and I have not heard a word of protest by the senator from Halifax-Dartmouth (Hon. Mr. Isnor). We have expended about $60 million in getting to that beautiful harbour.

Hon. Mr. Isnor: But no use is being made of it.

Hon. Mr. Haig: That is because we have not advertised it enough.

Hon. Mr. Roebuck: Are there any amusement stands there?

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Roebuck, for Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill E-11, an Act for the relief of Jane Stirling Stephens.

Bill F-11, an Act for the relief of Mavis Elizabeth Thomas Wrathall.

Bill G-11, an Act for the relief of Ida Courland Rubin Flesch.

Bill H-11, an Act for the relief of Yvonne Winifred Kathleen Walker Andrews.

Bill I-11, an Act for the relief of Elizabeth Cochrane Aitchison Lalonde.

Bill J-11, an Act for the relief of Violet Taylor Carey.

Bill K-11, an Act for the relief of Julia Saykaly Hajaly.

Bill L-11, an Act for the relief of Doris Auclair Gingras.

Bill M-11, an Act for the relief of Georges Paquin.

Bill N-11, an Act for the relief of Marion Agnes Kelsch Cleghorn.

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

THIRD READINGS

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

Hon. Mr. Roebuck: With leave of the house, I move the third readings now.

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

CONSUMER CREDIT (TEMPORARY PROVISIONS) BILL

SECOND READING

Hon. J. J. Kinley moved the second reading of Bill 195, an Act to amend the Consumer Credit (Temporary Provisions) Act.

He said: Honourable senators, this bill, which comes to us from the House of Commons, is to amend the Consumer Credit (Temporary Provisions) Act passed at the last session of parliament. The proposed amendments, which are not extensive, are to close loopholes which through experience have become apparent, and to control instalment buying of goods designated as consumer goods.

The first amendment contained in paragraph (c) of section 1 of the bill, has to do with conditional sale contracts. It reads as follows:

"(c) 'conditional sale contract' means any agreement other than a charge account, under the terms of which a buyer is to obtain possession of any goods without paying the price thereof in full at or before the time of delivery, whether or not the seller retains any property, interest or lien in respect of the goods, and includes"—

The purpose of this amendment is to make clear that a conditional sale contract, as defined, includes a contract of sale under which the seller retains no interest in the goods, as well as a contract of sale under which an interest is retained. Generally speaking, under a conditional sale contract the seller retains some interest or lien in respect of the goods which he has sold. The definition in the Act did not make the point clear, and as it is desirable to cover all instalment sales of consumer goods under the regulations, whether or not the interest or lien is retained, the definition of conditional sale contract is accordingly enlarged.

Section 2 (1) of the bill would amend section 3 of the Act by adding the following paragraphs:

"(d) payment under a contract for the hire of consumer goods,

(e) payment under a contract for work and labour where consumer goods are supplied by the person who contracts to furnish the work and labour,"

Paragraph (d) is necessary because certain enterprising people in business conceived the idea of using a continuous rental agreement at a price which in a year would about cover the cost of the article, following which the rental price would be $1 a year, thus circumventing the regulations. This practice, which originated in the United States, has not yet become extensive in Canada, but it is felt that it would seriously conflict with the working of the Act.

Paragraph (e), to which I have referred, has to do with payments under a contract which is partly for labour and partly for material. For instance, when a new engine is installed in an automobile there is the cost of the material and the labour for installing it. In such circumstances the two items must be charged separately: the labour can be charged for and collected on whatever terms are agreed upon, but the material comes under the regulations under this Act, and must be sold in accordance with them.

By a further amendment the bill would repeal paragraph (b) of subsection 2 of section 3 of the Act, and substitute the following:

"(b) requiring any person who

(i) sells goods at retail on credit,

(ii) engages in the business or makes a practice of lending money,

(iii) has an interest in a conditional sale contract, or

(iv) enters into any of the contracts mentioned in paragraphs (d) and (e) of subsection one, to keep such records and books and to furnish such information as the Governor in Council may prescribe."

The bill would further amend the Act by adding thereto a new section 3A, which would permit persons who are authorized to examine goods, books or records to take them away for use in court proceedings; but if such proceedings are not instituted within ninety days after the seizure of the goods, books or records, they must be returned to the person or the premises from which they were taken.

As I have said, the amendments, which are of a minor nature, are to close the loopholes and make for better administration of the Act. They are largely of an enabling character, under which the government must make regulations to carry out the objects of the legislation.

I am informed that the regulations are of a mildly restrictive character, and that the sale of goods has increased rather than decreased; however, the volume of goods sold on what might be called conditional sale contracts has decreased. In anticipation of the budget, buying was stimulated to some extent, and for that reason the figures available are not a good indication of the trend.

The regulations which came into force on November 1, 1950, affected automobiles, on which a purchaser paid one-third down and the balance in eighteen months. On certain other designated consumer goods the down payment was 20 per cent, with eighteen months to pay the balance. On March 19 last the regulations affecting automobiles were extended, requiring a down payment of 50 per cent and payment of the balance in twelve months; on other consumer goods a down payment of one-third was required, with twelve months to pay the balance; minimum payments of $10 monthly and $2.50 weekly were allowed.

The Act gives an arbitrary definition of what are consumer goods under the regulations. Generally, we divide goods into two classes: consumer goods, which are goods that are consumed; and capital goods, which are for production purposes. I find the line between the two classes is very narrow, but the regulations set out exactly what must be regarded as consumer goods.

In a transaction for the purchase of an automobile, the vehicle being traded in is considered part of the down payment; in the case of other articles, such as furniture, their value is subtracted from the cost price of the new merchandise. A person may sell his automobile personally, provided he has owned it for six months.

I may say that ordinary credit sales are not affected by this bill. The power to control credit has not been used up to the present time. Loan value is controlled with respect to the articles contained in Schedule B, the maximum loan value being 50 per cent in Group 1, and 66 2/3 per cent in the other groups.

The amendments contained in the bill have been drawn on the assumption that as a result of our large defence program a great deal of purchasing power will be distributed, and that the public are likely to use this purchasing power to buy consumer goods whose manufacture will require a large amount of labour and material. This would create difficulties and cause confusion in the financial affairs of the country. I do not think I can do better than to recite the preamble of the Act which was passed last session:

Whereas in the preamble to *The Essential Materials (Defence) Act* it is recited that in order to avert possible disruption of the defence preparations therein referred to, to lessen the resultant disruption of normal trade and commerce and to prevent economic disorder and hardship on a national scale, it is essential in the interest of Canada as a whole to provide for the control and regulation of the production, distribution and use of the materials and services therein referred to; and such defence

preparations may be expected to expand purchasing power and the demand for consumer goods, and at the same time limit the quantity of consumer goods available for ordinary or civilian requirements; and it may therefore be necessary, as a further measure to counteract possible adverse effects of these developments upon such defence preparations, normal trade and commerce and the economic life of the nation, to take steps to restrain the expansion of purchasing power and the demand for consumer goods by preventing inflationary expansion of currency and credit; and it is therefore essential in the interest of Canada as a whole to provide for the restriction of consumer credit:

Therefore this bill, with the amendments to which I have referred, is considered advisable in the interests of Canada.

Hon. Mr. Reid: I would like to direct a question to the honourable senator who has just outlined the bill. I am not a lawyer, and I make no apology for the fact; but it seems to me that to provide that "any person who is authorized by the regulations" may "examine goods, books or records" and take them or any of them away and retain them for ninety days, after which, if they are not used in court proceedings, he can return them, and to make no stipulation as to how soon after the ninety-day period they must be returned, is to grant the official rather extraordinary powers. The question I have in mind is whether such wide powers as these are conferred under any other statute.

Hon. Mr. Kinley: It is not quite so bad as the honourable senator suggests. When the official has reason to believe that an offence has been committed against the regulations—

he may seize and take away any of such goods, books or records and retain them until they are produced in any court proceedings, but if such proceedings are not instituted within ninety days after the goods, books or records were taken away, they shall be returned to the person from whom or the premises from which they were taken.

Hon. Mr. Reid: But is there a similar provision in any other Act?

Hon. Mr. Kinley: I am advised that this provision is taken from the Income Tax Act.

Hon. John T. Haig: It is not my intention to delay the second reading of this bill or to discuss the issues at this time, because I understand the bill is to go to committee. But a year ago, when the Act now to be amended was passed, I understood from the explanations then given that it was intended to deal with materials which might enter into defence production.

Hon. Mr. Roebuck: That is right. I explained that measure.

Hon. Mr. Haig: As I say, that was my understanding. But last Monday, when travelling to Montreal with a friend of mine who was getting a car, I found a startling state of affairs in the automobile trade. For one thing, in the case of cars imported from Great Britain—and I have specifically in mind the Vanguard—it appears that salesmen's commissions have dropped 10 per cent since April 1 because sales cannot be made at the regular prices. While buyers will pay half cash, the cheaper cars are unsaleable on contracts limited to twelve months, and as a result the car business is tied up. For the life of me I cannot see how restrictions on handling cars will benefit the war effort. The place to exercise control is on supplies of steel; if the manufacturers cannot get steel, they cannot produce.

Another thing I discovered was that in Montreal and all the towns on the road the yards are full of second-hand cars waiting to be sold. One sees them standing there by the tens and hundreds. I asked an agent at Lachute why he could not dispose of them, and he said "We cannot get the cash down-payment." As everybody knows who has had anything to do with the sale of second-hand goods, it is not a matter of getting half cash, but of being sure that the buyer will make a reasonable cash payment and can be depended upon to meet the other instalments. I saw a car which cost $3,000 new two years ago and could be had on a trade-in for $700. I said "That is a ridiculous offer". "Well," said the dealer, "my dear Mr. Senator, as you know so much about cars, I will let you have it for $700 if you are earning even as little as $250 a month." I did not accept the offer. And I do not suppose he will do any better elsewhere, for he had at least two dozen second-hand cars in his yard, and he has not sold one since the new regulations came into force. That is a bad state of things, but it is typical of what is happening all over the country.

As regards section 3A: to empower an official to go into a business house and take away the books and keep them for three months before—maybe—turning them back, is an outrageous interference with business. I do not pretend to be the best business man in the world, but from my own small experience I know that books are needed every day in the week. When our records are in the hands of the auditors for no longer than a week or ten days, they remain, of course, on the premises, and we find it necessary to continually interrupt the audit in order to refer to our books. In businesses having to do with sales of automobiles, frigidaires, electric stoves, washing machines, and the like, the books are needed every day.

If the men who are administering this legislation can satisfy us that in the interests of the defence effort it is necessary that this bill be passed, my vote will not be cast against it. But if the amendments are for

some other purposes, I want to know what those purposes are, and what is the idea behind the bill. I read in the *Winnipeg Free Press* that the bill is a part of the deliberate policy of the government; that the policy has four prongs, and this is one of them. Neither in this house nor elsewhere have we been told officially that this is so. But it is my impression, from the statement in the *Free Press* and my own observations, that the four-point policy is being carried out. I should like the officials to tell us in committee what the purpose of this legislation is. In my judgment it cannot be for any war effort; it must be to curtail buying. Why pretend that it is for a war effort? Why does the government not say that it is to cut down the capacity of the people of Canada to buy goods? As long as the sponsor of this bill promises to send it to committee, I shall agree to its second reading.

Hon. Mr. Kinley: The amendment, of course, only steps up from the original bill—

The Hon. the Speaker: I would inform the house that if the honourable senator from Queen's-Lunenburg (Hon. Mr. Kinley) keeps the floor he will be closing the debate.

Hon. T. A. Crerar: Before the debate is closed, I wish to comment on the new section 3A, which strikes me as rather extraordinary. I think the leader opposite (Hon. Mr. Haig) was on the right track when he suggested that the purpose of this bill is to discourage consumer buying. In other words, it is probably tied in more with the curbing of inflationary pressures than it is with any defence measure. Take, for example, any person engaged in the sale of secondhand automobiles. The honourable senator from Winnipeg blamed the difficulty in selling second-hand automobiles on the stringent cash payments that are required. If some government agent comes along and reasonably believes that an offence has been committed against the regulations, he may take away with him all the books and records. If the agent does not institute court proceedings within ninety days the books and records are then returned to the rightful owner. This seems to me to be an extraordinary provision.

This section may be satisfactorily explained when the bill is before committee, but I do not like this constant extension of arbitrary powers which enable government agents to interfere with the ordinary business operations of individual citizens. Certainly if a government agent seizes these records or books he should be able to determine within a week or ten days whether or not he has any evidence to support his suspicions. The idea of taking these records away and locking them up for as long a period as three months is something which should be closely inquired into in committee.

Hon. P. H. Bouffard: I agree with the honourable senator from Churchill (Hon. Mr. Crerar). I think the departmental officials should be asked to provide our committee with a reasonable explanation for the necessity of section 3A. I shall go further than my colleague from Churchill. This section does not merely involve a three-month delay in the returning of confiscated records; once the department institutes court proceedings, the books or records are held until the termination of the case. This may involve a matter of six months or even a year, and during all this time the owner is without his books or records. There is no better way to ruin a man's business than to do a thing like that.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Haig: That is right.

Hon. Mr. Bouffard: What if the information given to the agent of the department is supplied by a competitor? There would be no easier way for a man to completely ruin his competitor; and if the courts rule that no offence has been committed, the owner cannot take action against the department or the government agent.

Hon. Gordon B. Isnor: Before the sponsor of this bill closes the debate, I should like to say that I am in agreement with the general principle of this legislation because I think its purpose is to combat inflation. Certain loopholes were found in the present Act, and the purpose of these amendments is to plug those loopholes.

It is generally recognized by the retail trade that the credit regulations were of immense value both to merchants and to the buying public. The purchasers were enabled to buy goods which otherwise they would have had to do without, and by taking in additional cash the merchants were able to take advantage of a discount by paying their bills when they came due. There was a general, easy flow of money from the consumer to the retailer and from the retailer to the manufacturer. But some furniture companies, for instance, have got around one of these credit regulations. No doubt the sponsor of this bill is familiar with the so-called revolving credit system and the rental system. An article valued at, say, $600 may be rented to a consumer at $1 a month over a long period, until in time the consumer is given a bill of sale and becomes the owner. This revolving

credit system and this so-called rental system are two features which I do not feel are helping retailers to carry on business. I wonder if the sponsor of the bill would be good enough to explain to us just how he proposes to curb these things?

Hon. Mr. Kinley: Honourable senators, the purpose of the proposed new section 3A is to give persons who are authorized to examine books and goods the right to take them away and keep them so long as they are needed for court proceedings. I have no brief for that. The department will have its representatives in committee to justify this section. I think, though, there should be provision for making sure that people generally will keep the law. I say that because the selling of automobiles and other goods on credit is a business in which great ingenuity is used from time to time. The purchaser of an automobile will have to pay a deposit of half the value, and purchasers of other designated classes of consumer goods will have to put down at least thirty-five per cent of the value. The question at the moment is whether credit buying should be restricted to that degree.

The revolving credit system mentioned by my honourable friend from Halifax-Dartmouth (Hon. Mr. Isnor) was introduced in the United States, and is now used by many department stores in this country. It works something like this. The credit manager in a department might give a purchaser a credit of, say, $240 over a period of six months. The purchaser would pay in $40 the first month, and if he made no purchase that month he would not need to pay in anything next month. However, he could make several purchases, to a total of $240, without the obligation of entering into a separate contract in each case. That provided a loophole, in that the down payment was only one-sixth instead of one-third, but the loophole was not large and the matter has been taken care of in the regulations.

As to rentals, some dealers in radio and television sets have made rental agreements under which persons pay so much a month. In a year a customer who gets a set on those terms pays in its full sale value. After that a new agreement is made to rent the machine for, say, one dollar a year. Agreements to rent furniture for summer cottages and other honest rental agreements are not affected by this bill. The purpose of the bill is to prevent people from using their ingenuity to get through loopholes.

If the bill is given second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce, where officers of the Department of Finance will appear to give any further explanations required.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

GOVERNMENT EMPLOYEES COMPENSATION BILL

SECOND READING

Hon. F. W. Gershaw moved the second reading of Bill 291, an Act to amend the Government Employees Compensation Act, 1947.

He said: Honourable senators, everybody nowadays realizes the benefit of workmen's compensation Acts. If in the course of his employment a workman is injured or contracts an industrial disease, he gets compensation, and if the accident or disease proves fatal, his dependents are looked after.

The purpose of this bill is to give better compensation benefits to people working for the federal government or for corporations doing government work in the far north, in the Yukon and the Northwest Territories. At present these people are under the Yukon Ordinance, and this bill places them under a law which is exactly the same as the Alberta law with respect to workmen's compensation.

The proposed changes in the law are underlined in the bill. The first change is in the definition of "Minister," which now means the Minister of Labour instead of the Minister of Transport. This is because the functions of the Minister of Transport under the Act were transferred to the Minister of Labour by Order in Council P.C. 6470 of December 22, 1949.

The second change groups the Yukon Territory and the Northwest Territories for purposes of the operation of the Act. There are not many cases of compensation involved. For instance, last year there were 1,270 in British Columbia, but only 35 in these two northern districts.

The third change is simply to make the wording of subsection 2 of section 2 of the Act conform with changes in terminology in the National Defence Act.

Then there is an amendment providing that if, in case of an accident, the federal authorities request the compensation board of a province to make an investigation and adjudication, the Minister of Finance may make an accountable advance to the board to cover the expenses incurred in the case.

Finally, section 3 of the bill repeals sections 5, 6, 7 and 8 of the Act and substitutes therefor four new sections. Section 5 is the important one. It provides that if in the course of his employment a worker in the Yukon or the Northwest Territories suffers an accident or contracts an industrial disease, the accident or disease shall for the purposes of the Act be deemed to have occurred or been contracted in the province of Alberta. In other words, the amendment simply gives the workers all the benefits of the Alberta Act. It may be asked why the Act of Alberta has been selected. One reason is that Alberta is adjacent territory. Probably another reason is that recently Alberta made a thorough amendment of its Workmen's Compensation Act. A committee held sittings in various parts of the province, heard evidence and prepared a new Act.

In my opinion the people employed in these northern sections were quite right in demanding better terms, and I think they are getting them under this measure. According to the Yukon Ordinance, a workman who suffers an industrial accident or contracts a disease in the course of his employment is paid a lump sum; and if the accident or disease proves fatal, his widow and children are paid a lump sum. In Alberta, and no doubt in other provinces, the person involved receives so much a month, and in addition he gets medical attention, hospital and nursing, and everything possible is done to restore him to perfect health.

The one amendment in this bill, as I see it, is to bring the people concerned within the workmen's compensation laws of the Province of Alberta.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Quinn: Refer it to a committee.

Hon. Mr. Hugessen: If it is the desire of the house, I move that this bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

80713 --30½

THE SENATE

Tuesday, May 22, 1951

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

Prayers and routine proceedings.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

FIRST READING

A message was received from the House of Commons with Bill 285, an Act to amend the Canadian and British Insurance Companies Act, 1932.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Hayden presented Bill V-11 an Act to incorporate First Canadian Reinsurance Company.

The bill was read the first time.

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

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

CANADIAN SHIPS IN FOREIGN TRADE HOSPITAL GRANTS

INQUIRIES

On the Inquiries:

No. 1

By the Honourable Senator Duff:

1. How many ships of Canadian registry are in the foreign trade, giving name, tonnage and route?
2. How many government departments are concerned in the supervision of said ships?
3. What is the cost of said organization per year?
4. What is the cost of each ship to the government?

No. 2

By the Honourable Senator Reid:

1. For the fiscal year ending March 31, 1951, what is the total amount that has been granted for the construction or additions to hospitals throughout Canada?
2. What were the number of hospital beds in the various hospitals throughout Canada as at March 31, 1950, and at March 31, 1951?
3. In the grants made to hospitals for additional hospital beds, what hospitals in British Columbia received such assistance during the fiscal year ending March 31, 1951?
4. During the present year have any requests been made by the provincial government of British Columbia for a further grant to increase hospital beds or accommodation at the Vancouver General Hospital?
5. Have any such requests been granted?
6. Before any such grants for additional hospital beds are sanctioned, is any consideration given to the size of the hospital and its location in the light of the possibility of atomic warfare?

Hon. Mr. Robertson: My advice is that the answers to these inquiries will be available this week.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Roebuck, for Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill Q-11, an Act for the relief of Marie Laure Jacqueline Patenaude Racine.

Bill R-11, an Act for the relief of Muriel Edna Glass Fryer.

Bill S-11, an Act for the relief of Emma Laronde Bell, sometimes known as Emma DeLaronde Bell.

Bill T-11, an Act for the relief of Birute Elena Vaitkunaite Akstinas.

Bill U-11, an Act for the relief of George Keith Henderson.

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

THIRD READINGS

The Hon. the Speaker: When shall these bills be read the third time?

Hon. Mr. Roebuck: With leave of the Senate, I move that these bills be now read the third time.

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

LAURIER HOUSE BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill 289, an Act respecting Laurier House.

He said: Honourable senators, I am sure that one cannot but be conscious of the historical precedent that is being set in this country by the presentation of this bill and Bill 290, an Act respecting Kingsmere Park, which is to follow. In so far as I have been able to ascertain, these bills represent the only case in the annals of this dominion of such bequests of property to the state. It seems to mark a conscious effort to express in some concrete form an historical and cultural aspect of Canadian life. The fact that these particular bequests apply to the capital city of Ottawa and the federal district

surrounding it serves only to emphasize the existence of a growing spirit of Canadianism throughout this land. This example in all probability will be followed by others in different localities in Canada, and the pattern set in this legislation will be a basis for future policy and action.

We have three or four agencies of government through which the duties connected with the administration of bequests of this kind can be exercised. First, there is the Federal District Commission; then, the National Parks Branch of the Department of Resources and Development; and, thirdly, the National Sites and Monuments Commission. The recent Massey Commission had within the scope of its inquiry consideration of such subjects as historic sites and monuments, and when its report comes to be discussed there might emerge some new organization combining the functions of the three that I have mentioned into something similar to the National Trust that exists in England. That institution receives estates from people who wish to bestow them upon, or return them to, the country in which they have lived, or from owners of estates who are unable to pay death duties, which are now becoming so increasingly high. In England, of course, during the past forty or fifty years, there have been innumerable examples of bequests by very ancient families who, unable to meet death duties and other taxes charged against them, have turned over properties to the public for administration by the National Trust.

It is interesting to note that that organization was incorporated in England in 1907 under the name "The National Trust for Places of Historic Interest or Natural Beauty." The incorporating statute was enlarged in 1937, and again in 1939, in order to enable the Trust to purchase properties as well as to receive them from donors. I understand that at present about 160,000 acres of land and more than 1,000 buildings of various kinds—old manor houses and so on—are under the administration of the Trust. Anyone wishing to obtain information on the purpose and operations of the National Trust in the Old Country will find it interesting to read the bulletins that are issued about the work of this organization by the Home Office.

As an example, one of these bulletins stated that on May 17 the Lord Chancellor, Viscount Jowitt, re-opened the Iveagh Bequest, Kenwood, Hampstead Heath, which had been closed since the outbreak of war. The mansion of Kenwood, with its collection of pictures and the surrounding grounds, was left to the nation by the Earl of Iveagh in 1927. The park was handed over in trust to the London County Council, and the house to private trustees; however, the fund left by Lord Iveagh for the maintenance of the house had proved inadequate to meet the rising costs, and the London County Council agreed last year to become responsible for the house as well as the park.

I mention that by way of comment upon the fact that in England, contrary to general impressions, there is a growing volume of opinion in favour of the preservation and appreciation of old established houses, with their beautiful types of architecture. In a word, there is a decided trend in favour of the preservation of these things that stand for the culture and beauty of a thousand years of civilization in England. Recently in Chelsea, in the famous quarter known as Cheyne Row, with which the memory of Carlyle is so closely identified, 14,000 petitioners were successful in resisting an effort to raze the area for the purpose of erecting some modern apartment houses overlooking the Thames. So, that very rare spot in London will be preserved, without any possibility of depredation.

To return to the bills before us, we have only to consider the terms under which the people of Canada, through the federal government and parliament, are asked to accept the properties referred to under the clauses of the last will and testament of the late Mr. Mackenzie King, as set out in the schedule to each of these two bills.

Laurier House is for the time being to be used as an annex to the Public Archives—with the exception of the dining room and the Mackenzie King library room on the third floor, which are to remain unchanged. Each of the other rooms is to be arranged in the form of a joint museum and library. Enough historic souvenirs have been accumulated over the past fifty years by the two prime ministers who lived in that house to provide interesting furnishings for a museum and library in each room. It is expected that through the Archives students will be given facilities in Laurier House to follow any study or research in which they may be engaged. It is well known that at the present time the Public Archives, like the Library of Parliament, suffers from a shortage of space, and the increasing demands being made upon that branch of government activity is such that the use of Laurier House as an annex to the Archives is a very welcome development.

A foundation of some $225,000 was bequeathed by the late Prime Minister as a contribution to the upkeep of the house. This sum, however, will provide for little more than the salary and stenographic help of the

curator of the house. The physical upkeep of Laurier House will be a charge on the Department of Public Works, and the grounds will be maintained by the Federal District Commission. While no definite estimate of the amount required to maintain Laurier House in this way was mentioned in the other place, I understand that it will not exceed $12,000 per annum.

As I have mentioned, at the present time the Public Archives is pressed for space, and the added facilities at Laurier House will afford a useful annex for its activities. Later, when the government of the country feels that it can build and establish a new National Library where the Public Archives can be suitably placed, some other use may be found for Laurier House. At any rate there is nothing binding in the detail of this legislation, as there was nothing binding in these particular provisions of the late Prime Minister's will.

The whole proposal regarding Laurier House—and also Kingsmere, which is the subject of a later bill—must, I think, be viewed in the broadest possible way and connected with the future status of this country. There are many evidences here and there in various cultural ways of an articulate Canadianism, and there has been in this particular district a latent pressure behind the activities of the Federal District Commission, supplemented lately by the Greber plan, for the establishment in Canada of a capital that will be worthy of the achievements and the aspirations of the people of this country. In approaching the revision of the Federal District Commission Act in 1944, the late Prime Minister made the statement that he hoped that plans could be laid down for the establishment of a capital city and a federal district area surrounding it that would be worthy of the great efforts that had been put forth by our armed forces overseas during the past war and by those who had helped to support them so valiantly in the industrial life of this country during that period. I think that these bills are the final concrete expression of that aspiration.

In conclusion one may refer appropriately, I think, to the memorable words of the Honourable Joseph Howe, who, incidentally, in Nova Scotia bore a vital relationship to the establishment of responsible government in this country, as did William Lyon Mackenzie in Upper Canada. Howe said:

> "A wise nation gathers up its records, preserves its muniments, decorates the tombs of illustrious dead, restores its great public structures, and fosters national pride and love of country by perpetual reference to the sacrifices and glories of the past."

Some Hon. Senators: Hear, hear.

Hon. Mr. Lambert: I think these words have been quoted before in this house, but I make no apology for using them again now, because I submit that they are a most appropriate background for these bills. It is in the spirit of that admonition of Howe's that I would sincerely move the second reading of this bill.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lacasse: May I appeal to the usual indulgence of the Chair, and inject an observation which is not directly connected with the subject-matter before us? I take my cue from what my honourable friend from Ottawa (Hon. Mr. Lambert) has just stated. He said a moment ago, and quite properly so, that old buildings should be respected whenever possible. In that I think he is quite right. If I may be permitted, I want to add a word from personal observation, regarding our duty in a general way to preserve old buildings. Across from the Canadian National Railway station in Montreal a most solidly constructed old building has been torn down. I suppose this has been done in pursuance of a general plan; but on the face of it, I think it is a disgrace to tear down a building of such substantial character, and relatively new, which could have been converted into offices or applied to some other useful purpose. I just want to pass that remark, without insisting unduly on its significance. Recalling that material is becoming scarcer and scarcer every day, I think it is not irrelevant to what the honourable senator from Ottawa has said, and that we should hesitate a little more before demolishing such substantial structures, whatever the purpose may be.

Hon. Mr. Roebuck: Honourable senators, I have not studied the bill in its detail, nor the situation particularly, but the content of the measure seems to be satisfactory. No doubt it has been very carefully considered. I would like to pay a compliment to the sponsor of the bill on the honour which has come to him in presenting this measure to the house. As I heard him speaking, I could not but think of Marc Antony when, in telling the Roman people of the will of Julius Caesar, he said:

> It is not meet you know how Caesar loved you.

This bequest of the late Mr. King is but another of his generous acts, which were so numerous; another of his public services, which extended over so many years and were of such great value to this country. I could not let the occasion pass without some remark about how much Canada owes to the late Prime Minister, William Lyon Mackenzie King. He served Canada from

the days of his youth and now we are contemplating his last act, one of generosity and graciousness to the people of Canada. As an old friend of the late Prime Minister I wanted to say something, even in a most imperfect way, in appreciation of a fine man, a great Canadian and a true friend of us all. I also wished to call attention, in the words of the previous speaker, to the sacrifices and glories of our past which perhaps Mr. King personified more than any other Canadian.

Some Hon. Senators: Hear, hear.

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

THIRD READING

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

Hon. Mr. Lambert: Honourable senators, I had intended to suggest that if anyone wanted to have further information about the administration of these properties, I would be very pleased to have the bill referred to the Standing Committee on Banking and Commerce. If not, I would move—

Some Hon. Senators: Carried.

Hon. Mr. Lambert: I am agreeable to have the bill read a third time now.

The Hon. the Speaker: With leave of the Senate it has been moved by the Honourable Senator Lambert that the bill be now read the third time.

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

KINGSMERE PARK BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill 290, an Act respecting Kingsmere Park.

He said: Honourable senators, if I were to place an emphasis on this bequest or the one represented in Bill 289, an Act respecting Laurier House, I think I should place it in favour of this one which grants the beautiful property of Kingsmere Park to the people of Canada. The residence of two Prime Ministers, Laurier House with its fifty years of living history, will be used by students and will be open to the public from time to time. But Kingsmere Park was a private possession of the late Prime Minister, and it represents something of the stimulating quality of the outdoor glories of this country. The houses and other buildings erected on the Kingsmere property of nearly 500 acres will be in the possession of the state, and this property will provide the increasing number of people who are annually entering this district with a chance to enjoy the beauties and advantages of camp life and recreation in the Gatineau hills. This area is now an historical place, because many things to be found there suggest an association with events of our past.

The Kingsmere property will be maintained by the Federal District Commission in whose area it has been located. This bill describes the property as Kingsmere Park but this is merely for the purpose of defining the survey now being made by the Federal District Commission to establish the definite extent of the property. It will be a part of Gatineau Park, which was established in the late thirties to prevent the devastation which was taking place in that district from fires and the unnecessary cutting of trees. The action taken by the late Prime Minister was largely responsible for that whole area of some 50,000 acres being set aside as the Gatineau Park. It was Mr. King's intention that after his passing the Kingsmere property be included as part of the Gatineau Park.

The officers of the Federal District Commission will supervise the Kingsmere property formerly occupied by Mr. King, and the Public Works Department will see to it that the buildings on the property are properly maintained in all respects. The farmhouse which was more recently erected at Kingsmere was designed by the late Prime Minister himself. It is a replica of the old Cataraqui Lodge near Kingston, where the Prime Minister's mother lived for some time. This building will be open at all times for public inspection, and I believe that Mr. King's official biographer, Professor McGregor Dawson, will do his work in this locality and that he has set a period of five years in which to do it.

Honourable senators, there is nothing more I need say in connection with this bill in moving its second reading.

Hon. T. A. Crerar: Honourable senators, the measure, to which the honourable gentleman from Ottawa (Hon. Mr. Lambert) has just spoken, can quite properly be considered with the bill relating to the disposition of Laurier House.

We are indebted, I think, to our colleague from Ottawa, (Hon. Mr. Lambert) for the historical survey which he has given, and we all agree with him that these gifts mark a significant departure in the development of our national life. Most public men during their lifetime are subject to controversial criticism, and in that respect the late Mr. King was no exception. His contribution to

Canada was a notable one. It will be appraised finally in the long cool light of history, and he, like his great predecessors, will take his place in the records of our country's growth and development. But whatever difference of opinion there may have been regarding Mr. King's public actions, there can be none on this point: that he was first and foremost a Canadian, that to the extent of his ability and his powers he wished to see his country great, and, especially, to see this capital city of Ottawa take its place among the great capital cities of the world.

The purposes for which Laurier House has been given to the nation were well outlined by our colleague from Ottawa. This bequest of Laurier House, and more particularly of the estate at Kingsmere, simply marks the abiding faith that Mr. King had in not only this capital city but in his native land. It is a really significant contribution to our national development, and we can all support fully and heartily what the senator from Ottawa said on the motions for second reading of these two bills. I venture to hope with him that this new departure will be a precedent followed in other parts of Canada.

It is worth mentioning here that the great Hudson's Bay Company, which pioneered several centuries ago in the discovery and devolopment of what was then the Canadian wilderness, has recently given to the nation its property known as Lower Fort Garry on the Winnipeg River.

Hon. Mr. Reid: On the Red River.

Hon. Mr. Lacasse: The wrong colour.

Hon. Mr. Euler: "A rose by any other name—"

Hon. Mr. Crerar: I am greatly embarrassed, honourable senators, by the admonitions coming to me from all around. May I set the record straight? The Hudson's Bay Company recently gave to the nation the property known as Lower Fort Garry on the Red River, about seventeen or eighteen miles north of the city of Winnipeg. There is probably no spot in western Canada—certainly not in the Prairie Provinces—that has more historical significance than that old fort. It was built, if my memory serves me aright, about one hundred and twenty years ago. The then Governor of the Hudson's Bay Company, Sir George Simpson, took his bride home to Lower Fort Garry, and they lived there for two years. The fort stands in an excellent state of preservation, and is now in process of becoming the property of Canada. With the senator from Ottawa (Hon. Mr. Lambert), I trust that we shall have other gifts of this kind to enrich our national heritage. The National Trust in Britain, of which he spoke, is doing a notable work in the preservation of historical places in the United Kingdom. I was glad that he read the statement by Joseph Howe. In the hurry and bustle of these hectic days we sometimes forget the contribution that some of our forebears made to the development of this country. Howe was a man who lived down by the Atlantic, yet he had a vision and an imagination that comprehended the whole wide expanse of this country. Another man of the same kind, whose monument stands just west of the Library, and who also made a wonderful contribution to our national development, was D'Arcy McGee. There were Macdonald, Laurier, Borden, and many others. Mr. King was among this fraternity, and I think that today, no matter what differences of opinion we may have held in the past, it is only due his memory that we recognize the value of the contribution he made and the precedent he has established. May it be one that will grow and thrive; and may Canadians, wherever they may be and no matter what the troubles and trials of the future are, never forget the great men who laid solidly and well the foundations of this country that we are now so proud to call our Canadian nation.

Hon. W. A. Buchanan: Honourable senators, I am in accord with all that has been said by the mover of the motions (Hon. Mr. Lambert) and the senator from Churchill (Hon. Mr. Crerar). The mover mentioned the setting up of the National Trust in Britain as a precedent for what we are doing at this time in connection with the gifts of our late Prime Minister. It is well, I think, to mention also that a similar procedure has been followed by the federal government in the United States. We are all aware that the late President Franklin D. Roosevelt bequeathed his Hyde Park estate to the people of the United States, and that it is now under the control of one of the federal departments of that country. I believe that the homes of some of the early presidents of the United States also are owned by the nation.

Mr. King's gift is the first step in this direction in our country, and the national feelings of our people ought to be stirred by knowledge of the fact that one of our Prime Ministers has left practically all of his estate for their service in years to come. He has set an example which I, in common with the senators from Ottawa and Churchill, hope will be followed in the future. Those of us who are here may not see evidence of it in our lifetime, but I am sure that the gifts which are the subject of the legislation that is being put through here today

will arouse the sentiments of our people and will be an inspiration to the national life of Canada.

Hon. Thomas Reid: Honourable senators, I rise to ask a question and to make a suggestion. But first may I say that all members of the Senate, I am sure, are happy to endorse the statements made this afternoon about the two gifts that have been bestowed upon our nation.

In making my suggestion I do so as one who on numerous occasions has had the privilege of being a guest of the late Mr. Mackenzie King at Kingsmere. As everyone knows, Kingsmere was a great place of retreat for the late prime minister. One has only to visit there to realize the spiritual quietude that he could obtain by walking through the woods with no one around but those who occupied the houses at Kingsmere. The late Mr. King, in his will, used these words:

> Believing that my successors in the office of Prime Minister may find, as I have found, a renewal of strength in this quiet place, as well as exceptional opportunities for conference on national and international affairs,—

With those words in mind, I make the suggestion that if the area is to become a park, and be open to visitors, those whose responsibility it is to carry out the project should leave sufficient land surrounding the home at Kingsmere so that the Prime Minister, when he chooses to leave the city of Ottawa, may enjoy the quietude of which Mr. King spoke. I would not have the temerity to suggest the extent of the land to be reserved, but it should be adequate to provide an atmosphere of solitude.

I should like to ask the mover a question about subsection 4 of section 2 of the bill, which has to do with the demolition of buildings in Kingsmere Park. First, I draw his attention to section 4 of the bill which uses these words:

> Notwithstanding any other provision in this Act, the Minister of Public Works and the Federal District Commission shall comply . . .

and so forth. I am wondering why the Federal District Commission is not given some responsibility regarding the demolition of buildings. If the area is to be part of the National Capital, why does subsection 4 of section 2 omit any mention of the Federal District Commission? I take it that the demolition of buildings comes within the jurisdiction of the commission in the planning of the National Capital, and it is with that thought in mind that I ask the question.

Hon. Mr. Lambert: I do not think that anything has been definitely decided upon with reference to the demolition of buildings at the present time. The responsibility for the maintenance of the Kingsmere property is divided between the Department of Public Works and the Federal District Commission. The officers of the commission will undoubtedly be responsible for the protection of the property from public abuse. I believe that the visitors in that area will be casual persons who come there and travel through the grounds in the summer time. At any time when the prime minister of this country feels like making use of "Moorecroft", the summer house, or the present more permanent dwelling, as a place of residence during the summer or fall, or even the winter, he is quite free to do so. There is nothing binding in the bequest at all. It is my understanding that when the Department of Public Works attends to anything at Kingsmere they will be such jobs as painting the house, repairing a worn out floor or fixing a verandah step.

Hon. Mr. Reid: But what about the demolition of buildings?

Hon. Mr. Lambert: I will refer to that. I think that the subsection of the bill to which my friend referred has to do with some very old cottages located on the right-hand side of the road going down to Kingsmere Lake. Those cottages are not now occupied to any extent. They are of frame construction, with latticework, which has a tendency to deteriorate and be a fire hazard to this area of virgin forest. The bill would give to the proper authority the right to safeguard the rest of the area by removing those buildings when the proper time comes; but there is no immediate suggestion of doing so.

Hon. W. D. Euler: Honourable senators, it is quite evident to me from the lack of criticism that no one can possibly do otherwise than approve of the passage of these two bills today. I appreciate as much as anyone the generosity of the late Mr. King, in giving these properties to the Dominion of Canada, but this is not the time to pronounce any eulogy upon him. That has been done before by others much more capable than I. As the senator from Churchill (Hon. Mr. Crerar) said, history will make a correct appraisal of the merits, accomplishments and patriotism of the late Mackenzie King.

Perhaps I knew Mr. King better than anyone else in this chamber, for he was born in the riding which I had the honour to represent in the House of Commons for more years than I like to recall. He was elected for North Waterloo in, I think, 1909. There was an interval of time when one of the friends of the leader opposite represented the riding, after which I had the honour to be its elected member and to continue as such until I entered this chamber.

The late Mr. King was born in what was then the town of Berlin, where he remained with his father and mother until he left to attend university. He and I attended the Berlin High School at the same time. Later he had the honour of representing the same riding as I did. I had the honour of serving as you know, in his government, as did my friend from Churchill (Hon. Mr. Crerar).

I said that I did not wish to pronounce a eulogy on Mr. King, but I should like to make reference to his birthplace in North Waterloo, in the town of Berlin. The strong purpose which Mr. King always had in mind was to preserve and promote the unity of races in this country of ours. It occurs to me now, although I have thought of it before, that perhaps that strong purpose or desire of his came largely from his knowledge and observation of the fact that in the very district in which he was born there were people of foreign origin, and he knew their merits. North Waterloo is the home of the descendants of people who came from a country which has been our enemy in two great wars—the German people. I am not here to make any apologies for them or to extol their virtues, but I think Mr. King realized that he was living amongst an industrious and orderly people who made the best kind of citizens in Canada. I make this observation in the hope that in time we may forget the enmities that have been created among the nations of the world, and in future may live together in harmony as good citizens in the country to which we belong.

Some Hon. Senators: Hear, hear.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, in closing this debate, I want to add a few words in French. The bequest to Canada of Laurier House and of Kingsmere Park gives expression once more to the ardent wish of our lamented Mr. King to promote the good will, peace and unity, which are so necessary to the prosperity of the nation.

In bequeathing to the country Laurier House, which is located in the province of Ontario, and Kingsmere, which is in the province of Quebec, he illustrated this feeling very aptly.

This action, to my mind, symbolizes what his whole life stood for: union, harmony and co-operation between the two great races of Canada, the French-speaking Canadians and the English-speaking Canadians.

(Text):

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

THIRD READING

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

Some Hon. Senators: Now.

Hon. Mr. Lambert: With the consent of the Senate, now.

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

PRIVATE BILL

SECOND READING

Hon. J. A. MacKinnon moved the second reading of Bill C-11, an Act respecting The Canadian Pacific Railway Company.

He said: Honourable senators, the purpose of this bill is to enable the Canadian Pacific Railway Company to carry out the terms of an agreement with Alberta Coal Company, Limited, which provides for the purchase by the railway company of fourteen miles of railroad recently constructed by the coal company.

The Canadian Pacific is incorporated by Act of the Dominion Parliament, and of course comes under the provisions of the Dominion Railway Act. The Railway Act requires that a railway company, before it can purchase or lease the railway and undertaking of another company, must obtain the approval of parliament. The object of the bill is to accord this power to the railway company.

Section 151 of the Railway Act specifies that any such agreement must be approved at an annual general meeting or a special general meeting of the shareholders of the railway company, called for the purpose of considering such agreement, where the holders of at least two-thirds in value of the capital stock of the company are present or represented by proxy. It is practically impossible to ensure the presence or representation by proxy of shareholders representing two-thirds in value of the capital stock. Under the circumstances, the petitioner requests permission to have the proposed transaction approved by two-thirds of the votes of the shareholders present or represented rather than two-thirds of the value of the capital stock.

The line which the company will acquire, if authorized by parliament, is a spur recently constructed by Alberta Coal Company Limited, which connects with the line of the Canadian Pacific at Halkirk, in the Province of Alberta. The sole purpose of the spur is to enable the coal company to get its coal out by rail.

The agreement whereby the Canadian Pacific will acquire this spur is very much in the interests of the coal company and of

the people in this section of the province. It will facilitate the opening up of a comparatively new coal mining development. The operation of a railway company is not in the general line of business of Alberta Coal Company, and they would prefer that the spur be owned and operated by the Canadian Pacific Railway, with which it connects.

The Alberta Government has this year passed enabling legislation, which was assented to on April 7 last.

I would suggest that the bill be accorded second reading and be referred to the Standing Committee on Transport and Communications, where the agreement, the surrounding circumstances, and other relevant material may be studied.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

CRIMINAL CODE (RACE MEETINGS) BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill P-11, an Act to amend The Criminal Code (Race Meetings).

He said: Honourable senators, the amendments provided in this bill relate entirely to trotting and pacing races, and provide that where a system of *pari mutuel* betting is used in connection with such races, it must be of a kind approved by the Department of Agriculture, and the operation of the system must be carried on under the supervision of that department. Similar legislation in relation to running races already exists.

Another provision of the bill is that the percentage which may be taken by a particular association out of the moneys bet through this *pari mutuel* system shall be the same as those presently provided for in relation to running races. In short, the limitations to be applicable to trotting and pacing races are those which now exist in relation to running races.

Hon. Mr. Haig: Who has requested the bill?

Hon. Mr. Hayden: I should have said that the Department of Agriculture received a request for this legislation from the Canadian Standard Bred Horse Society and also from the Canadian Trotting Association. My information is that these bodies represent in the main the controlling trotting and pacing racing organizations in Canada, and that they were in communication with the department during 1950, and then made a request for the legislation which is now before the house.

Hon. Mr. Reid: Perhaps it does not matter a great deal, but how does this business come under the Minister of Agriculture?

Hon. Mr. Hayden: The origin of that condition goes back a long way, and even antedates any association I have with the Senate. These provisions are in the Criminal Code, and were originally put there, I assume, on the assumption that somehow or other regulations of this kind would lead to the improvement of horse-breeding; and since that is one of the functions committed to the Department of Agriculture, it came under their jurisdiction and has remained there a great many years, certainly since 1911.

Hon. Mr. Barbour: I would ask that the bill be referred to a committee.

Hon. Mr. Hayden: I intend so to move.

Hon. Mr. Hawkins: In this connection I would like to direct a question to the sponsor of the bill. Yesterday I received a protest from the Truro Raceway Limited. There is no running race association in our province, we have only trotting and pacing racing; and the Truro Raceway object to having to conform to running race rules. They claim that to limit maritime tracks to fourteen days racing per year will close existing tracks, because there will not be sufficient races for the owners to operate successfully. As there are no running races in maritime areas, the suggested bill does not apply there.

The sponsor of the bill mentioned that there would be some supervision by the Department of Agriculture. Was he referring to the federal department or to the various provincial departments?

Hon. Mr. Hayden: I will answer the second question first. The supervision is under the federal Department of Agriculture. In answering the first question I should point out that the provision limiting trotting and pacing races to fourteen days in any year has been in our Criminal Code since the days when the *pari mutuel* system of betting was set up in Canada. This would take us back to 1911 or 1912. Each association in Nova Scotia that has authority to conduct trotting and pacing races may conduct races for fourteen days and nights.

Hon. Mr. Lacasse: Do these races have to be held in one municipality?

Hon. Mr. Hayden: No, trotting races may be held three days in one municipality, four days in another, and so on. There is not the same limitation here that there is in respect to running races, but there is the over-all limitation of fourteen days. In other words, it is fourteen days per charter. As I say,

this provision has been law for so many years now that I think it has almost become part of the known rules of racing. Nothing new is being imposed in that direction by the bill before the house.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

THE SENATE AND ITS WORK

MOTION—DEBATE CONTINUED

The Senate resumed from May 16, 1951, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. George H. Barbour: Honourable senators, in the debate on this motion moved by the honourable leader of the Senate (Hon. Mr. Robertson) we have listened to a number of able speeches. We have been told the reason for setting up the Senate, or second chamber of government, and that since confederation the Senate has carried out the duties assigned to it both well and faithfully.

Since confederation this nation has been led by two political parties, the Conservatives and the Liberals. Surely they can be justly proud of their achievements. If anyone wants further proof of the work done by both houses of parliament since confederation, I would ask them to take a look at Canada. Our country stretches from Newfoundland in the east to Victoria in the west. Our lakes, rivers and seas teem with fish, and our forests are the greatest in the world. Our water power is harnessed to provide electric power and light, and our railways span the continent. Our agriculture provides food for the nation, and its surpluses go to other continents. For a nation of 13 million people our manufacturing industries represent an outstanding achievement. Our mineral wealth is great, and we have lived at peace with our neighbours for more than one hundred years.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Barbour: Canada is the greatest country in the world. Surely since confederation the House of Commons and the Senate have given us good stable government at all times, and I believe that they will continue to give the Canadian people sound and stable government in the future.

As a newcomer to this chamber, looking around and seeing my colleagues on all sides, not forgetting His Honour the Speaker, the leader of the government (Hon. Mr. Robertson) and the leader of the opposition (Hon. Mr. Haig)—senators who have spent years here—I feel that I am not qualified to make recommendations. Before the Senate was called I read an article in the press crediting the senator from Halifax-Dartmouth (Hon. Mr. Isnor) with being in favour of an elected Senate. After some four months the senator from Halifax-Dartmouth, speaking in this chamber, said in referring to what he had said some months earlier—and I quote from page 416 of *Hansard:*

> I am ready to make what is called an open confession of doubt as to whether I was right in advocating an elective Senate.

We always regard confessions as something belonging to the finer acts in life. I was reminded of a confession the senator from Montague (Hon. Mr. Grant) told me about. It seems that a man went to confession and confessed among his other shortcomings that he had stolen a short piece of rope. The clergyman remarked that this was not a very grievous sin, to which the man replied, "Yes, but there was a cow on the other end of the rope."

Some Hon. Senators: Oh, oh.

Hon. Mr. Barbour: That was not the case of the senator from Halifax-Dartmouth. He made a complete confession.

Hon. Mr. Duff: He had the bull by the tail.

Hon. Mr. Barbour: I think there are some things which we as senators can do in the places where we live during recess as well as in this chamber during sessions of parliament. Inflation is a cloud over the nation at the present time. The cause of inflation is the international tension and the large expenditures for war materials, which result in high taxes. Manufacturing companies and labour unions add their bit to inflation. Statistics show that the average wage in Canadian manufacturing rose from $42.68 on February 1, 1950 to $47.28 on February 1, 1951, an increase of slightly more than 10·7 per cent. During the same period, February 1, 1950 to February 1, 1951, the average weekly hours worked increased by less than one and one half per cent, and the cost of living index rose by 8·4 per cent.

Higher wages without an increase in production bring about higher manufacturing costs and lead to inflation.

The effect of high wages and short hours is reflected in the high price of beef and the growing scarcity of dairy products.

The Hon. the Speaker: I must call the attention of the honourable senator to the rule that the debate must be kept within the limits of the motion before the house. The motion is:

That a special committee of the Senate be appointed to inquire into, and report upon, whatever action in its opinion may be necessary or expedient to enable the Senate to make its maximum contribution to the welfare of the Canadian people.

I am wondering whether the honourable senator's remarks come within the subject-matter of this motion.

Hon. Mr. Barbour: Well, Mr. Speaker, I understood the motion was intended to cause us to consider how we as senators could make our maximum contribution of service to the welfare of the Canadian people, and it occurred to me that one of the ways in which we might do this was by giving some thought to inflation, which is one of the problems facing this country. If I am out of order, of course I will not proceed.

The Hon. the Speaker: I am sorry to be obliged to tell the honourable senator that unless he has leave of the Senate he cannot continue to discuss the question of inflation under the motion now before the house.

Hon. Mr. Haig: Mr. Speaker, I would suggest that the honourable gentleman be allowed to proceed.

The Hon. the Speaker: If the honourable senator has leave of the Senate, he may proceed.

Some Hon. Senators: Go ahead.

Hon. Mr. Barbour: I was speaking about inflation and the things that have been causing it, and I had just referred to the effect of high wages and short hours on the price of beef and the growing scarcity of dairy products.

For some time I have been alarmed at the large number of calves being sold for veal in Montreal. The Montreal *Gazette* of today, May 22, in its livestock reports from the Federal Department of Agriculture, states that Monday's receipts on the two local markets consisted of 750 cattle, 100 sheep, 500 hogs and 900 calves. If our heifer calves continue to be sold by the thousands we can expect to have less and less dairy products, and at higher prices. I am referring to this as just another matter that leads to inflation.

A black spot in Canada is the continued heavy death toll on our highways. This is something that all senators could consider in the next recess, and perhaps when we come here another year we may be able to make some helpful suggestions. We might, for example, be able to suggest what class of people are the principal offenders. It may be that we are licensing people at too young an age to drive cars. I have here some figures from the Canada Year Book for 1950, showing deaths from motor vehicle accidents in the various provinces in 1948. However, perhaps it would be out of order to present these figures at present.

Hon. Mr. Haig: Go ahead.

Hon. Mr. Barbour: By way of reminding the house of the heavy death toll on our highways I would like to read these figures:

Deaths from motor vehicle accidents by provinces in 1948:

Prince Edward Island	5
Nova Scotia	96
New Brunswick	118
Quebec	599
Ontario	790
Manitoba	81
Saskatchewan	87
Alberta	130
British Columbia	193
Total	2,099

The Year Book also gives the following table:

Deaths per 100,000 motor vehicles:

Prince Edward Island	4·43
Nova Scotia	12·58
New Brunswick	18·92
Quebec	17·85
Ontario	9·03
Manitoba	6·33
Saskatchewan	5·20
Alberta	7·47
British Columbia	10·31

You will see honourable senators, that Prince Edward Island is the safest province in which to spend your vacation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Barbour: In 1947—the last year for which I could get the official records—the number of motor vehicle accidents in Canada was 74,738; the number of persons injured in these accidents was 32,682, and the property damage caused amounted to $10,468,939. Those figures should cause us to give consideration to working out some means of reducing the heavy toll that we are paying in human lives and in money for highway accidents.

Two or three days ago some other senators and I were driving on Highway 16. When we were about ten miles from Ottawa and travelling at from 35 to 50 miles an hour we were passed by a truck which was loaded with

six new motor cars. We continued at a speed up to 50 miles an hour, but the truck soon got so far ahead of us that we lost sight of it altogether. Surely the laws of Ontario do not allow trucks with such a heavy load to travel so fast. My opinion is that trucks are responsible for a great many accidents.

An Hon. Senator: Hear, hear.

Hon. Mr. Barbour: Honourable members, I ask your indulgence for having strayed so far from the subject-matter of the motion. However, I think that the things I have mentioned are disturbing this nation and, as I said before, it seems to me that we might be able to give some thought to them during our recess.

Hon. Donald MacLennan: Honourable senators, I would rather go whale fishing at any time than make a speech or endeavour to make one, but I wish to say a few words on the motion now before us. There is a story—perhaps I have told it here before—that once upon a time the President of Yale University, having discovered that students did not attend divine service in such numbers as was desirable, resorted to the expedient of getting very famous preachers to occupy the pulpit. One of these was an eminent gentleman from New Jersey, by the name of Abbott, and before the service began he asked the President, "How long am I supposed to preach?" The President replied: "You may speak as long as you wish, but there is a tradition at Yale that no souls are saved after the first twenty minutes." I do not propose to take more than twenty minutes, if I take that.

It will be eleven years on the 16th of this month since I had the honour of being introduced into the Senate. In every year during that time, without exception, one or other of the senators got up and started to talk about himself so, to my knowledge, we have been talking about ourselves for the last eleven years, and this year there has been a spate of eloquence about ourselves. If, as we are told, the world is in a very unsettled condition, and that consequently the Government of Canada is to spend some $5,000 million in the next few years for defence purposes, one would think that these subjects would be sufficient to occupy the minds of the senators. But it has become a tradition that every year we talk about ourselves.

The honourable leader (Hon. Mr. Robertson) introduced a resolution which the honourable lady member from Rockcliffe (Hon. Mrs. Wilson) pronounced as an innocent motion. Well, if it is innocent, it, nevertheless, has brought forth many speeches. The honourable leader had scarcely taken his seat in the Senate when he interviewed the then Prime Minister, Mr. Mackenzie King, about the reform of the Senate. That eminent statesman, to whom the leader opposite has referred as a wise man, told our leader to go ahead and reform the Senate. In effect, he said: I promise you nothing, but I will agree with you. You reform it. That was in 1945, and ever since then this subject has weighed heavily on the mind of our leader. The mountain laboured and gave forth a mouse—this resolution.

Let us look at the set-up of the Senate as described by our leader. In this connection I should perhaps not refer to him as "our leader", but as "the senator from Shelburne", for he said he did not introduce the resolution as leader of the Senate or a member of the government. Consequently, I must conclude that he introduced it as the senator from Shelburne. His position reminds me of a quotation which I read from history so many years ago that I may not be able to recount it accurately. It seems that one of the early kings of England wanted to arrest a cardinal. This cardinal also happened to be the Bishop of York, and the king said "I am not arresting you as cardinal, but as the Bishop of York".

Some Hon. Senators: Oh, oh.

Hon. Mr. MacLennan: The leader of the government has introduced this motion not as a cardinal—the leader of the government—but as the Bishop of York—the member from Shelburne.

I shall refer to what the leader said about the Senate; and if we believe him there is little room for improvement in this house. First, may I call your attention to the fact that the burden of the speeches by the various senators who talked about themselves was that there was not sufficient work for the Senate to do? In this session that subject has been alluded to only casually, but there has been added a new complaint, namely, that there are not enough Tories in the Senate. I say to my friends opposite: "Don't let them pull your leg". It is remarkable that two years ago every mother's son of us, including myself, tried his very best to keep the Tories out of the other house, and now we are anxious to get them into this house.

I come now to the words of the leader in this house, and I am sure no one will deny them. He said that to be a member of the Senate

> . . . gives one an opportunity to render outstanding service to one's country, particularly at a time when it is in need of outstanding service.

I suppose that their innate modesty will allow my friends to say "Amen" to that.

The leader continues:

> May I say also that I have been delighted to be associated with the men and women who are mem-

bers of this house. I doubt if it is possible to find anywhere else, under one roof, such an accumulation of talent and of business and professional experience. We have among our members, as we have had in the past, leading newspaper publishers—

I suppose my honourable friend from Lethbridge (Hon. Mr. Buchanan) will say "Hear, hear" to that.

—men who have achieved great distinction in other lines of business, men representing in a senior way all the primary industries, prime ministers of provinces, senior ministers of the Crown in both the federal and provincial fields—in short, men of such wide experience and eminent ability in various spheres throughout this country as to be able to cope intelligently with any question that comes before parliament.

That is the personnel of the Senate.

But somebody has said that the Senate is composed of human beings; and to reform the Senate they propose to add to it more human beings, or different ones. But there is not one iota of evidence to show that they would be superior to the ones that are here now. How you are going to improve on the human aspect of the Senate, I cannot well make out.

One matter that troubles some of the senators is the question of publicity. The honourable leader in his speech referred to this problem two or three times. For myself, I am not anxious to have my picture in the paper—indeed, it is not very prepossessing in or out of the paper—for whether I get publicity or no I satisfy my conscience by doing the best I can in the Senate.

Some Hon. Senators: Hear, hear.

Hon. Mr. MacLennan: I do not know whether we should strive to get publicity for the Senate. Some of my colleagues invite it, but all they get from some columnists is adverse publicity, as was pointed out recently by the senator from Ottawa (Hon. Mr. Lambert). In 1940 a gentleman from Virginia came to Margaree Forks. There was a pool on my property, and he asked permission to fish in it. I said, "Yes, sure go ahead; I will show you where it is." On our way to the pool I asked him what he thought of Mr. Roosevelt's prospects in the coming election. He said "Roosevelt is all right; he will be elected. Why, 75 per cent of the newspapers of the country are against him!" I remember that many years ago, when someone had told a story and someone else had expressed a doubt about it, an elderly person would say, "Oh, it is true; I saw it in the paper." But nowadays the fact that it is in the paper is no guarantee in the world that it is true; the chances are that it is incorrect.

Now I will touch on the reforms that the honourable leader (Hon. Mr. Robertson) spoke about, and which are numbered in his speech.

The first was, "that the Senate should continue to be the protector of minority rights of all kinds." Well, I don't know; I never understood that we have deviated from that duty. That is not a reform; it is what we are doing now.

His second point was "that legislation which comes before the Senate should be carefully studied by us in all its stages." Right after that he said that we have established "an enviable reputation for thoroughness in this respect," and that this thoroughness had been built up in the past, but that the system has two shortcomings. I think he would like to see every member of the Senate attend the committee that he thought should be set up. But that is impossible.

The leader further said that we should give all the attention we possibly can to the legislation which comes before us, but in the next breath he added that we have established "an enviable reputation" for giving legislation our best attention.

His third proposal is that the Senate "should give the most careful consideration to governmental expenditures." That suggestion is comparatively new. I think it might be a reform; I am sure it would be if it came under the critical eye which the honourable senator from Churchill (Hon. Mr. Crerar) gives to any item that he has to deal with.

The fourth recommendation is: "that the Senate should undertake at least one public inquiry each session into some problem of current public interest, and it should report its conclusions." Well, surely a subject of inquiry would have to arise. We are not to institute inquiries for the fun of it. I am pretty sure that were some subject to arise that called for an inquiry, none of us here present would object to the investigation, but I doubt very much if we can say that we must have an inquiry, willy-nilly, every year. An inquiry into what?

The honourable leader emphasized the independence of the house, and said it would act in a semi-judicial capacity. I do not believe it has failed to fulfil its function in this respect.

Some honourable senators seem willing and ready to destroy our semi-judicial status by requiring that senators be appointed for only five years at a time. One speaker went so far as to say that senators should be elected; but strange to say, he was converted, so he declared, by the speeches he heard in this chamber.

Some Hon. Senators: Oh, oh.

Hon. Mr. MacLennan: I apprehend that he was converted, not by any speeches he

heard here, but because he knew the proposal was unpopular. I suppose that in years to come there will be a new way of referring events to that momentous date in history, the year that this great confession was made. We shall speak of the year—or perhaps the year after—the Great Confession was made.

I shall now come to the Crown Prince of the Dixiecrats of the Senate, the honourable member for Balaclava.

Hon. Mr. Hugessen: Inkerman.

Hon. Mr. MacLennan: I remember that not long ago the honourable member from Kingston (Hon. Mr. Davies) protested against a speech in which the professor of a famous college spoke in most disparaging and scathing terms of the Senate; whereupon the honourable member for Sebastapol, or Inkerman got up and looked around and said, "I, with my bow and arrow, am responsible for getting that man to speak", and he expectantly looked around for applause. He got a little, but not very much. Really, I was astounded that anyone should stand up and boast of having got a man to speak so disparagingly of the Senate. The same honourable senator followed this up by saying during the debates this year that the Senate was a most unpopular institution. He pointed his finger at everyone present. I thought at the time that there ought to be an all-seeing eye in the point of his finger, because the sweep of it was so comprehensive. He exclaimed, with a vehemence which was almost disturbing, "Make no mistake about it, the Senate is a most unpopular institution". How he got that information I do not know. I am going to say right here and now, having in the past few years travelled all over the dominion during vacation, that I can assert, as the honourable leader of the opposition (Hon. Mr. Haig) did on his return from Halifax, that I have never heard one word of criticism of the Senate, nor have I heard anything said about the Senate—

Hon. Mr. Haig: At all.

Hon. Mr. MacLennan: —at all. In all my travels I have never heard one single word of criticism about the Senate, except what I have heard in the Senate itself.

Some Hon. Senators: Oh, oh.

Hon. Mr. MacLennan: There is another point which I wish to bring to the attention of honourable senators. I have heard more criticism about the House of Commons, the courts of justice and the churches than I have about the Senate. This is just as true as I am standing here. Every year, though, we are bound to get up and invite criticism.

I do not like to use words such as "nonsense", which some people bandy about too much. Honourable senators make speeches in good faith, saying what they believe to be true, and then somebody else gets up and says "That is nonsense". Another word that is bandied about too frequently is "ridiculous". Not every senator or public man speaks ridiculously, but I really must say that some of the arguments presented by the leader of the Dixiecrats bordered on the ridiculous. One of them was that he had received a letter from a civil servant stating that he was to be retired at sixty-five, and that his pension was going to be insufficient for his needs. The senator said that this sort of thing should come to a stop—stressing the fact that we are appointed for life but that civil servants must retire at sixty-five. I do not know, but I am told that the civil servants themselves asked for this retirement provision. In any event, as the honourable gentleman from Kootenay East (Hon. Mr. King) pointed out, the honourable senator allowed himself a leeway of ten years. He advocated a retirement of senators at the age of seventy-five, not sixty-five. As a result of his eleemosynary instincts you could almost see the big round tears rolling down his cheeks when words of grief he could not speak on behalf of these civil servants. Assuming that he had said that senators should retire at sixty-five, what good would that be to civil servants? That is another point I cannot understand.

I am not going to refer to the speeches of the Johnnies-come-lately-to-the-Senate, but the leader (Hon. Mr. Robertson) suggested that the method of appointing new senators should be such that a fresh stream of information would be kept flowing into this chamber. Well, does the source of this fresh stream of information dry up as soon as new men come into the Senate. There cannot be any argument on that point.

The honourable leader of the opposition (Hon. Mr. Haig) referred to great men of over seventy-five who were still giving notable service. I think the answer here is that we are not Gladstones, Edisons or Lauriers. In any event, these men were outstanding figures before they reached the age of seventy-five. There is nothing which says that we common people of ordinary intelligence are *ipso facto* going to lose our faculties when we reach the age of seventy-five. That does not follow at all. Although I dislike using the word, I think that this argument is "nonsensical".

Since I was appointed to the Senate some eleven years ago sixty-seven senators have come into this chamber. That represents quite a steady stream of new information. The senator from North York (Honourable Sir Allen Aylesworth), a great man in his day,

is now absent from the chamber, and so too is that fine country doctor from Richibucto (Hon. Mr. Bourque). Just recently we lost another doctor, the late senator from Lauzon (Hon. Mr. Paquet). These three outstanding gentlemen are absent from the Senate these days, but have honourable senators seen any improvement in the work of the Senate? On this basis I could reform the Senate in five minutes by simply asking a few senators who are over seventy-five to remain absent for a week or two until we could determine how it would affect the work of the Senate. I think you would have to use a microscope to find any improvement.

Some Hon. Senators: Hear, hear.

Hon. Mr. MacLennan: And what about this idea of appointing Tories to the Senate? I have absolutely nothing against Tories myself. I got along pretty well with them during the seven elections in which I took part—although I must say I got along with them best when I was defeating them.

Some Hon. Senators: Oh, oh.

Hon. Mr. MacLennan: If this body is going to be a semi-judicial institution, why disturb the present set-up? Why should we make this a partisan body? Somebody suggested that one-third of the membership of the Senate should be made up of opposition members. That may be all well and good, but are senators supposed to be partisan when they come here? If not, why are they brought here?

Of all the proposed reforms that I have listened to, there has only been one that I thought ought to be considered. I refer to the suggestion that a more equitable distribution of work should be made between the Senate and the House of Commons. I think this is desirable because heretofore, as I have already said, every year the burden of our complaint has been that we have not had enough work to do. If we can get the power to amend our own constitution it is possible that this situation could be remedied. I for one think that it would be. In the meantime I take the wise advice of the senator from St. John's (Hon. Mr. Baird), to the effect that we should forget this talk about reform and attend to our business.

Most of the proposals that have been made in this debate would bring about some change, but not necessarily reform. Reform connotes improvement, and nobody knows whether some of the suggested changes would lead to improvement or not.

I sometimes think that we in the Senate are a little too proud to fight. Last November, I suppose as a consequence of some of our talk in the Senate, a lady—I use that term simply to designate sex—went to the microphone and said that the Senate was costing the people of Canada millions of dollars every year, and that the attendance of members was so small that twelve senators present at a sitting was a crowd. She evidently did not know that the Senate does not cost several millions of dollars a year, nor that the Senate could not function at all if there were only twelve members present at a sitting. But by now, especially after what was said some weeks ago by the senator from Ottawa (Hon. Mr. Lambert), she must know that what she said was false. If when she spoke she did not know that her statements were untrue, there may possibly be some excuse for her, although anyone who speaks in public ought to make sure of his or her facts. But if she did know what she was spreading around the country was false, then a dirty little word of three letters is applicable. I hope she is not the woman who, we are informed, is coming here. I have received, as I suppose all senators have, a notice from a "Radio Bureau". One paragraph of the notice reads:

> We are told that the constitution of the Parliamentary Press Gallery does not provide for radio correspondents.

Another one says this:

> News staff begins with appointment of Mrs. Frances Oakes Baldwin.

I wonder if that is the same person. Well, if she comes to my diggings she will get very short shrift.

It is remarkable, honourable senators, that many people who in a drawing room conduct themselves as ladies and gentlemen will, as soon as they get access to a magazine or newspaper or microphone, become rude, impudent and altogether insulting. It is strange to me that they do not carry their good manners to the press and to the microphone. Judging by the broadcast that Mrs. Baldwin made last November, it would appear that as soon as some people get in front of a microphone they give loose rein to their tongues and have little regard for accuracy of statement. There is a gentleman who brags about having been around Parliament Hill for twenty years. Well, if he has been around here that long the whole place should be fumigated. He is troubled with *oxyuris filiorum*—I think the honourable senator facing me (Hon. Mr. Lacasse), who is a doctor, will understand what I mean by that. It is a great pity that when this newspaper man takes his pen in hand he does not stop chewing green gooseberries. I am told by those who know him best that the more that is said about him, good or bad, the better he likes it. Consequently, I will drop the subject.

In conclusion, I thank you for putting up with me so long. I am like Private John Allen when he was addressing the Congress of the United States. He said: "Gentlemen, if you will all give me your strictest attention you will not embarrass me in the least." I have not been a bit embarrassed by your having given me your strictest attention.

Some Hon. Senators: Hear, hear.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 23, 1951

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

Prayers and routine proceedings.

QUEBEC SAVINGS BANKS BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill D-10, an Act to amend the Quebec Savings Banks Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill D-10, an Act to amend the Quebec Savings Banks Act, have in obedience to the order of reference of May 15, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Hayden: I move, with leave of the Senate, that the bill be read the third time now.

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

JUVENILE DELINQUENTS BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill D-11, an Act to amend the Juvenile Delinquents Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill D-11, an Act to amend the Juvenile Delinquents Act, 1929, have in obedience to the order of reference of May 17, 1951, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Hayden: Tomorrow.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill A-10, an Act respecting Industrial Loan and Finance Corporation.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill A-10, an Act respecting Industrial Loan and Finance Corporation, have in obedience to the order of reference of May 15, 1951, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: With leave of the Senate, I move the third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill B-10, an Act to incorporate the Baptist Union of Western Canada.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill B-10, an Act to incorporate the Baptist Union of Western Canada, have in obedience to the order of reference of May 16, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: With leave, I move the third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the report of the committee on Bill C-10, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Saskatchewan.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills to whom was referred the Bill C-10, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Saskatchewan, have in obedience to the order of reference of May 15, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

DIVORCE BILLS

SECOND READINGS

Hon. R. B. Horner, on behalf of the Chairman of the Standing Committee on Divorce, presented the following bills:

Bill W-11, an Act for the relief of Joseph Alfred Sabourin.

Bill X-11, an Act for the relief of Sarah Kamichik Coviensky.

Bill Y-11, an Act for the relief of Yvette Marsan Valiquette, otherwise known as Marie Fernande Yvette Marsan Valiquette.

Bill Z-11, an Act for the relief of Margaret Elizabeth McIntyre Williams.

Bill A-12, an Act for the relief of Mildred Ann Sinclair Allen.

Bill B-12, an Act for the relief of Gabrielle Robert Mallette.

Bill C-12, an Act for the relief of Archibald Kenneth MacLean.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

EMPLOYMENT OF CHILDREN AT SEA

MOTION FOR APPROVAL OF I.L.O. CONVENTION

On the order:

Resolved, That it is expedient that the Houses of Parliament do approve of Convention No. 58, fixing the minimum age for the admission of children to employment at sea (revised 1936) adopted by the General Conference of the International Labour Organization at its 22nd session at Geneva on the 24th day of October, 1936, as modified by the Final Articles Revision Convention, 1946, and that this house do approve of the same.

Hon. Mr. Robertson: Honourable senators, the senator who is to speak to this motion cannot be present until Tuesday next; therefore, I would ask that it be set down on the order paper for that day.

INDIAN BILL

SECOND READING

Hon. Thomas Reid moved the second reading of Bill 79, an Act respecting Indians.

He said: Honourable senators, this bill marks a forward step in legislation affecting some 136,407 Indians living throughout the various nine provinces of Canada. Before I give a brief outline of some of the main sections of the bill, perhaps I may be allowed to review the legislation affecting Indians from the time they were taken over in Canada.

The first Indian legislation was passed in the old Province of Canada in the year 1857, some 94 years ago. It was referred to as an Act for the Civilization and Enfranchisement of Indians. The Canadian Parliament later passed its first Indian Act in 1869. This act was entitled "An Act for the Gradual Enfranchisement of Indians." Between the years 1869 and 1880 this Act was amended only twice, and the first general revision took place in 1880. Since then there have been only fourteen amendments, and the present bill represents the first major attempt to revise the Indian Act in seventy-one years. For the first time in our history, Indians have sat down with a minister of the government to discuss legislation affecting them.

The problems of the Indians are rather complex and not easy of solution. There are great differences between Indians residing in the nine various provinces. For instance, the Indians of British Columbia differ greatly from those of the prairies, of Ontario, of Quebec or of the Maritimes. These differences were apparent in the representations made by the Indians in connection with the present bill. For instance, some tribes located in British Columbia wanted no change whatever in the Act, but tribal representatives from other provinces requested that the Act be repealed, and asserted that the Indians, were a sovereign power, had never been defeated in battle, and should have title to the lands on which they lived. Spokesmen of other Indian tribes requested many changes in the law. Some of the changes asked for were contentious, including questions relating to the liquor problem—a very troublesome one for the committee and the government. Other matters of considerable difficulty included education, taxation of income, and treaties. In British Columbia, where no treaties had been made with the Indians, the representations made to the government were different from those presented by Indians in other provinces where, it was claimed, treaties had been signed and violated.

Bill No. 79 is the culmination of a five-year effort. It began in 1946, when a special joint committee of parliament, consisting of members of the Senate and the House of Commons, began its deliberations on Indian affairs, which were continued in 1947 and 1948. In the first two years the committee's recommendations related in the main to administrative changes, and it was not until the year 1948 that a special report was completed and presented to parliament. In its final report the committee recommended that the Indian Act should be revised when parliament assembled in 1949. This suggestion would have been implemented at that time, but because a general election intervened the

revision was postponed until 1950. When Bill 267 was introduced in that year there was considerable objection to it. The correspondence between the Indians, certain organizations and the minister was very voluminous, and so it was deemed inadvisable to proceed with the measure.

Between 1950 and the introduction of the bill now before the house, the honourable the Minister of Citizenship and Immigration visited many Indian reserves throughout Canada and discussed with the Indians their many complaints and suggestions. He went further. Before the bill was introduced to parliament he called to Ottawa for consultation a representative group of Indians from all the provinces. This group consisted of eighteen Indians and one man described as a "white man". This delegation was augmented by seventeen other Indians who came along to give their support.

It is worthy of note that at the conferences held between the minister and the Indians, the minister read each and every clause of the proposed bill. It is also noteworthy that out of the 124 sections contained in the bill, 103 were unanimously supported. There was opposition to fifteen sections, but only six of these were opposed by a majority of the delegates, and only two were disapproved unanimously. Under the old Indian Act the minister had power to take action under seventy-eight of the sections. In the bill presented last year this number was reduced to fifty-eight. Under the present bill the number of sections giving powers to the minister have been reduced to twenty-six, representing quite a curtailment of the powers he enjoyed under the old Act. As already mentioned, the bill before us is the culmination of five years of study and effort, and directly affects 136,407 Indians in nine of the provinces of Canada.

Hon. Mr. Haig: May I interrupt to ask a question at this time? Do I understand that there are no Indians in Newfoundland?

Hon. Mr. Reid: Newfoundland adopted a policy which the other nine provinces might have been well advised to adopt: the Indians there are looked upon as Newfoundlanders. Although there are in Newfoundland some 500 men who belong to the Micmac Tribe, they are regarded as Newfoundlanders and Canadians.

Hon. Mr. Haig: Thank you.

Hon. Mr. Reid: That is why I said that the bill affects 136,407 Indians in nine provinces. At the present time the Indians in Newfoundland do not come under the administration of the Indian Act.

Honourable senators, it is my intention to deal briefly with only a few of the important sections of the bill, because at the close of my remarks today I shall move to refer the bill to committee. One of the important sections is the one dealing with the definition of an Indian. The bill sets out specifically the requirements for determining who is or who is not entitled to be registered as such. It will be noted that quarter-bloods—defined in the bill as persons whose mother and father's mother are not entitled to be registered, and born of a marriage entered into after the coming into force of the new Act—shall not be entitled to be registered, as it is thought that persons who have only a small proportion of Indian blood in their veins should not be given the legal status of an Indian. The children affected, however, may remain on the reserve until the age of twenty-one. This will not in any way alter the status of persons who are now recognized members of bands, and will not, in any event, become operative for about half a century, as two generations by consecutive marriages to non-Indians would be involved.

Sections 18-41 deal with Indian reserves and surrenders, and they have been simplified and clarified. New procedures have been provided to meet problems of administering reserves and surrendered lands. Provision is made for the setting up of a reserve land register, in which shall be registered certificates of possession and occupation. This provision is set out in section 21 of the bill.

The restrictions on the sale or barter by Indians, without permission, of produce from reserves in Manitoba, Saskatchewan and Alberta, have been liberalized by providing that the minister may exempt any band from the necessity of obtaining a permit before produce may be sold.

The provision in the present Act for the involuntary removal of Indians from a reserve adjacent to or within a municipality having a population of not less than 8,000, has not been carried forward into the bill. The minister, in moving second reading of the bill in the House of Commons on March 16, indicated that it was considered that such a provision was "discriminatory and should have no place in the legislation of Canada".

Sections 42 to 52 deal with the descent of property, wills and intestacy. The provisions for the administration of estates have been completely revised and brought more into line with established practice in the provinces.

Sections 53 to 60 deal with the management of reserves and surrendered lands. In keeping with the recommendation of the

Special Joint Committee of the Senate and House of Commons on Indian Affairs, provision is made for granting greater responsibility and authority to the bands—through their band councils—in the conduct and management of their reserves.

Sections 61 to 68 deal with the management of Indian moneys. The present sections of the Act dealing with the management of Indian moneys have been simplified and broadened, after consultation with financial advisers, and greater scope has been given to the Indians, through their band councils, with respect to the expenditure of band funds.

Section 69 deals with loans to Indians. As in the present Act, provision is made for loans to bands, groups of Indians or individual Indians, for the purpose of purchasing farm machinery, livestock, fishing equipment, seed grain and so forth; and new purposes have been added, namely, the purchase of motor vehicles, fencing materials and other equipment, gas and oil, repairs and wages. This is designed to encourage and assist Indians in utilizing the resources of the reserves by establishing revenue-producing projects.

Sections 72 to 85 have to do with the elections and powers of band councils. The election provisions have been revised to provide uniform methods and procedure for elections, and are designed to meet present and future requirements of Indian communities. The right to vote in band elections and other votes under the Act has been extended to all members of the band who are twenty-one years of age and over, and who are not otherwise disqualified. Formerly only males could vote. Secrecy of voting has been provided for. Those bands who are not under the elective system may choose their chief and councillors according to band custom, as under the present Act. The powers of the council are broadened to bring them more into line with those ordinarily exercised by municipal authorities, in order that the Indians may become more self-reliant and have greater power of governing themselves and the reserves upon which they reside.

One of the most contentious questions raised by the Indians is that of taxation. This is covered by section 86. The exemption from taxation and legal process of real and personal property held by Indians on reserves has been retained and is more clearly stated. This is subject, however, to the provision that the exemption on personal property shall not apply to Indians—other than veterans of World War I and World War II, and their wives—who execute a waiver of exemption from taxation pursuant to the Dominion Elections Act, 1938, as amended in 1950. In my opinion the only Indians who really had a claim to tax exemption under the present Act were the ones of British Columbia. I say that because when the British crown colony of British Columbia signed the agreement to come into confederation it was specifically stipulated on behalf of the colony that the Indians of British Columbia were to be treated as liberally by the dominon as they had been by the colony, and the Indians contend that at that time they were not subject to taxation.

The legal rights of the Indians are dealt with in sections 87 to 89 of the bill. Provincial laws of general application are made applicable to Indians; subject, however, to the terms of any treaty, the Indian Act, and any other Act of the Parliament of Canada. As in the present Act, Indian real and personal property held on a reserve is not subject to seizure or hypothecation of any kind, except on suit by another Indian.

Intoxicants are dealt with in sections 93 to 98. Senators who were members of the joint committee will remember how very contentious the liquor question was when we were discussing Indian problems. The sections dealing with intoxicants have been rearranged and modified to suit present-day conditions. From early times the use of intoxicating liquor by Indians and the supplying of it to them has been prohibited. In the bill there has been a departure from complete prohibition, and an Indian may purchase and consume intoxicants upon licensed premises where such consumption is lawful under the laws of the province; subject, however, to request by the Lieutenant Governor in Council of the province concerned and proclamation by the Governor in Council. As in the present Act, the sale, manufacture and possession of liquor on Indian reserves will still be prohibited, and Indians will not be allowed to possess package goods, whether on or off reserves.

Another important and contentious question, enfranchisement, is dealt with in sections 108 to 112. Under the present Act, Indians who wish to be removed from the provisions of the Act may obtain that result by enfranchisement on their own application. The enfranchisement sections of the bill have been revised for the purpose of facilitating enfranchisement of Indians. As under the present Act, provision is made for enfranchising individuals and entire bands, and there is a new provision which would allow the department to enter into arrangements with any province or municipality to furnish such financial assistance as may be necessary to implement the wishes of a band applying

for enfranchisement. Provision for enfranchisement without consent in certain circumstances has been continued.

May I take just a minute to say that I am one of those who contend that it is high time we gave the franchise to all Indians. It may interest honourable senators to know that British Columbia has shown leadership in this respect, in giving the vote to Indians, and that at the present time one of the electoral districts on the coast is represented in the legislature by a full-blooded Indian. I have long contended that once we give the vote to Indians every candidate for election to public office—to a school board, municipal council, provincial legislature or to parliament—especially if running in a district which embraces an Indian reserve, will seek to get as many Indian votes as possible, and therefore will pay more attention to the life and welfare of the Indians. When that reform comes about the Indians will no doubt have a voice in parliament, and I feel that they will then receive far more considerate treatment than they have had in the past.

As I said at the beginning, I am touching only upon certain sections of the bill, those that I believe will be of special interest to members of the Senate. The next sections that I wish to mention are 113 to 122, which deal with schools. The provisions with respect to the education of Indians have been revised and amplified to meet new requirements and needs. Provision is made for the establishment of schools for children of Indians working and living off reserves, and the entering into agreements with provinces and territories, local school boards, and religious and charitable institutions, to provide for the education of Indian children in association with other children. And as in the present Act, the rights of religious minorities have been provided for.

May I again express a personal opinion? This strikes me as an important step towards making the Indians into, shall I say, true Canadians. In British Columbia we had a striking example of the good results of non-segregation of children. People of many races came to live in our province, and their children attended the public schools and grew up as Canadians. That policy tended to unity and to the making of better citizens. I am one of those who believe that when you send children to separate schools you cause a division that remains, to at least some degree, even after the children have grown up, and that this is not a good thing for a country. I realize that there are people who hold a different view, but I am frank to say that that is how I feel about the matter. In British Columbia there are a thousand Indian children attending public schools, running around and playing with other children, and I say that that makes for unity. In my opinion, any other system makes for disunity.

Hon. Mr. Euler: Does my honourable friend apply that to the Japanese children born in Canada?

Hon. Mr. Reid: I know my honourable friend would be the last to dispute the fact that many of the Japanese were good citizens. In answer to his question, I say that I would apply that policy to many children born in this country of Japanese parents.

Hon. Mr. McIntyre: Does the honourable gentleman know if the federal government pays $20 for each Indian pupil going to school in British Columbia?

Hon. Mr. Reid: I am not clear on that, but an answer can be obtained when the bill goes to committee.

Hon. Mr. McIntyre: That sum is paid for each Indian pupil in Prince Edward Island.

Hon. Mr. Reid: I should imagine that the Indians of British Columbia are treated as liberally as those of Prince Edward Island, but in any event I shall see that the question is answered in committee.

I have touched on the sections which I think are of greatest interest to honourable members. The bill contains 124 operative sections, and an additional section providing that the Act shall come into force on a day fixed by proclamation.

Honourable senators, in conclusion I wish to make a few general remarks. The Indian has been a problem ever since Canada was taken over by the French, and later by the British. We now realize that segregation was a mistake. But of course hindsight is much better than foresight, and one must remember that conditions in Canada one hundred years or more ago were vastly different from those of today. The placing of Indians on reservations might have looked like a good solution in those far-off times, but it was a mistake; and like most mistakes, it cannot be readily remedied over night.

To my mind the Indians are little different from other human beings, and they are acting in very much the same way the rest of us would act if we were to be made wards of the state, treated like children or worse, and placed in compounds or reservations, separate and apart from all others. After all, it should not be forgotten that they were here first. Something similar to the view of affairs taken by many Indians is today evident in the refugee camps of Europe, where one of the problems of the welfare organizations of the United Nations has been

the great numbers who, after having been fed and clothed and their general wants looked after, refuse to leave these camps and assume some responsibility for their own welfare.

The granting of the full franchise to our Indian population will in time no doubt bring about a further betterment in their condition, but I do not believe its full extent will be realized for at least another generation. The mistake committed by us in segregating the Indians on the various reservations and treating them as children or something inferior had, however, one redeeming feature: it protected them against exploitation and prevented them from being robbed of their land—as happened in the United States—by the ruthless adventurers of that day. The United States chose to survey certain portions of land for the Indians, and to allow them to dispose of it as they wished. It was not long before ruthless real estate agents had taken the land from the Indians, who soon were sitting destitute on the doorstep of the government. So, what at this time may appear to have been a mistake was of some good, in that it prevented the Indians of Canada from exploitation.

May I at this point suggest that the various provinces be encouraged to assume responsibility for the Indian population within their boundaries, and that the federal government should undertake to make the necessary provision to allow the provinces to do so. British Columbia is, I believe, the first province to show leadership in this field, in authorizing and setting-up by statute a provincial advisory committee on Indian affairs. The provinces are well equipped to look after the health, welfare, education and other interests of Indians in the various localities. I suggested in the committee, and I repeat now, that the federal government should give some thought to co-operating with those provinces which are willing to assume responsibility for the Indians. As I say, British Columbia is willing to take over and look after the Indians, as it did when it was a Crown colony.

I have one more thought that I think I should express. There is a great deal of commendation and credit due to the Honourable Minister of Citizenship and Immigration for the work he has done.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: I doubt if we have ever had a minister who was so sympathetic towards the Indians, or who has given as much time and thought to their welfare as has the Honourable Mr. Harris. I take this opportunity of complimenting him highly, and in doing so I am sure I voice the sentiments of all members of the Senate.

Some Hon. Senators: Hear, hear.

Hon. F. W. Gershaw: Honourable senators, I should like first of all to congratulate the honourable senator from New Westminster (Hon. Mr. Reid) on his able presentation of this measure. Bill 79 is really a treaty with the Indians, and as such will become part of the record of the transactions between those early occupants of this country and ourselves.

Speaking more particularly for the central West, I may say that for two long centuries before confederation the Company of Gentlemen Adventurers trading in the region of Hudson's Bay had control of that vast territory. Then in 1869, just two years after confederation, an agreement was concluded by which they gave up their charter to the Imperial Government; and in 1870, by Royal Proclamation, the country between Ontario and British Columbia became part of the Dominion of Canada.

In that vast region stretching 900 miles westward from Winnipeg there were a number of half-breed settlements, a few white settlers and some white traders around the Hudson's Bay forts; also, there were some very brave and heroic christian missionaries, plus some 30,000 Indians, living a wild nomadic life and frequently engaging in tribal warfare. There was, unfortunately, also an overflow of lawless men from the south, who repeated amongst these primitive people the exploitations which made Montana infamous. These lawless men would trade a small rusty tin cup of whiskey for a good buffalo robe. When trading of this character had gone on for some time, the drink-crazed Indians would commit almost any crime. There was no law enforcement, and consequently debauchery and murder were common. This culminated in the Cypress Hills massacre, which so shocked the people of the Dominion of Canada that some 300 young men were recruited in the East and went to the West. They were the originals of the Northwest Mounted Police. They made an amazing march across the continent to the foothills of the Rockies, and there made a great record for themselves in the enforcement of law and order and the protection of the lives and property of the people who lived there.

When this great territory became part of the dominion, many problems presented themselves to the government. First, they had to secure title of the property from the Indians. They also had to survey the land and establish some means of communication, and most important of all, they had to establish a rule of law in that district where savages had roamed for so long.

Several of these problems had to be dealt with at once. There were, for instance, a good many squatters on the land in that country, and the government made it known that *bona fide* settlers would have their rights respected. There are still squatters on the lands of Western Canada, and their rights are still being respected. There was also the half-breed population, and because of their relationship to the Indians, it was felt that something should be done for them, so about 1,400,000 acres of land was set aside for their use. Unfortunately, scrip was issued; each scrip being good for 160 acres of land, and a settler could locate on any section that was opened up for settlement. As this scrip was transferable, it became at once a subject of speculation. These half-breeds, either because of their bad habits or—at times—their dire poverty, would exchange the scrip for liquor or for trinkets or general supplies which were of very little value. So although the government from time to time set aside additional lands for the half-breeds, they got very little out of it, but trading in the scrip was the foundation of some great fortunes.

It was necessary to deal with the Indians in a very different way. The tribes roaming in any district were regarded as having the Indian right or the Indian title for that district. Consequently the officers of the Crown had to deal separately with the tribes in these various districts, and they did so by making a number of treaties,—eight in all. The first two resulted in the turning over to the Crown of a large part of Manitoba; by the third, a part of Saskatchewan was disposed of; by the fourth, a district around Lake Winnipeg; later, northern Saskatchewan and southern Alberta were included; and in 1899 the final treaty was made, relating to the Peace River country. The terms of these treaties were not all alike, although the records seem to be a little indefinite on the exact provisions they contained. Speaking generally, it may be said that apart from the reserves the Indians turned over to the government the title to the great areas which they had occupied for ages, and promised to keep the terms of the treaties and to obey Canadian laws. Fire-water was not to be sold on the reserves. In return for these concessions, each Indian was given an initial payment of $12, and it was provided that each man, woman and child on the reserves would receive an annuity of $5 "as long as the sun shines, the winds blow, and the streams run down to the sea". The chief of each tribe was allowed $25 annually, and each of the councillors or head men got $15 a year. Also, each of these ranking officers received a suit of clothes every three years. Schools were to be established, and an annual grant made for ammunition, fish-nets, twine and things of that kind. But the chief thing that the Indians received was the reservation of land for each tribe, on the basis of 640 acres for each family of the tribe. Also, once and for all the government agreed to give the Indians farm implements, cattle and horses. It was not then contemplated that these supplies would be repeated; but since then, of course, they have been renewed at different times.

The officers of the Crown had to be extremely tactful in making these treaties, because the Indians were apprehensive. They were alarmed at the sight of surveyors engaged in dividing up their territory into townships, sections and so on, and they did not want to have trains disturbing the solitude which had been theirs for so long.

Treaty No. 7 was signed on September 22, 1877 with great pomp and dignity. Thousands of Indians gathered at the Blackfoot crossing in southern Alberta. Each tribe was assigned a special place on a meadow, where they erected their brightly-painted tents, and danced and sang, and the children cried and laughed, and the dogs barked and the merchants hawked their goods, while on the distant hills the shaggy buffalo could be seen grazing. About eighty Mounted Police were there, brilliantly dressed in their uniforms of scarlet and gold.

That was the situation when the Queen's representatives came to make the treaty. But progress was very slow. The chiefs got into a huddle time and time again, and could not agree; day after day passed without any progress being made. At last the chief of chiefs, Crowfoot, announced his intention to mark his "X" on the paper, and his example was quickly followed by the other fifty-two chiefs. "I will be the first to sign", he said, "and I will be the last to break my bond". This chief, who was really a great man, was then at the height of his career. His was an imposing presence. Like Saul of old, he stood head and shoulders above his people and he was a great leader. We all recall how in the darkest days of the war Winston Churchill stirred the very souls of the people by saying, "We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender". Crowfoot, away back in those days, when faced with similar circumstances, said "Though our enemies be as strong as the sun and as numerous as the stars of heaven, yet will we defend our laws". He and his like were among the striking men who emerged from those very primitive conditions.

The transfer of this property from the Indians to the white people came about with very little in the way of clashes or bloodshed. It is true that some three thousand Sioux Indians, under Chief Sitting Bull came from the northern States into Canada and offered the Canadian Indians blankets and ponies and other things if they would join them in wiping out our Mounted Police, and then cross the border and help them to exterminate the American forces. But Crowfoot's advice prevailed. He wished to remain loyal to the reigning monarch, Queen Victoria, and he persuaded his warriors not to join the Sioux. He liked the Mounted Police. He said, "They come to protect us, as feathers protect the birds from the frosts of winter." Later, Louis Riel drew up a bill of rights—and a very good bill of rights it was—and sent it to Ottawa: as it did not get attention there as quickly as he thought it should, he staged the Rebellion of 1885. But apart from that outbreak, all the transfers were made peacefully.

Since then, the government and the people of Canada have realized that the land thus transferred to them was worth much more than they paid for it. It has proved a great boon to our people. On the other hand, we on our part have given the Indians much more than was provided for in the treaties. For instance, agricultural units operated by qualified officers have been established on the reserves; much has been done to promote the education and the health of the Indians, and Indian mothers, of course, get the family allowance. Assistance has also been given to build up the funds of the Indian bands. For instance, the Blackfoot Indians, finding that they did not need 640 acres for each family of five, in 1910 sold 115,000 acres for $1,600,000. This money was earmarked as follows: $50,000 for horses, cattle and feed; $350,000 for homes, roads, fences on the reserves, and things of that kind; the interest on the balance to be applied to the maintenance of old and infirm Indians.

So today we have this treaty, which will be added to the others on the records.

As the honourable member for New Westminster (Hon. Mr. Reid) explained, it seems certain that this treaty was thought out with great care. We in Canada have perhaps the highest standard of living of any country in the world except the United States, and when this bill is put into operation it will be a recognition of our debt to the Indians. It will give them an opportunity to improve their standard of living and to become a part of the Canadian community. In that way they will enjoy the benefits of our laws and assume some of the responsibilities of Canadian citizenship.

Some Hon. Senators: Hear, hear.

Hon. W. A. Buchanan: Honourable senators, I am not going to attempt to discuss the provisions of this bill, because they have already been adequately explained by the honourable senator from New Westminster (Hon. Mr. Reid); but may I say that as a fellow senator from Alberta I am proud of the eloquence of my colleague from Medicine Hat (Hon. Mr. Gershaw).

Some Hon. Senators: Hear, hear.

Hon. Mr. Buchanan: I am proud also of the wide knowledge he possesses of our Indian tribes in Western Canada.

In rising this afternoon it is not my purpose to try and enlighten the house with respect to our Indians; my purpose is to try to impress upon my colleagues the possibilities that exist amongst our Indian citizens if they are given the opportunities which this Act, among other things, can provide.

My memory goes back a long time to a night in the City of Toronto when, as a newspaper reporter, I was assigned to cover a meeting in Massey Hall. Booker T. Washington, famous American negro, was the principal speaker, and assembled with him on the platform were some very distinguished men. The most striking memory of that evening is that these men, eminent in their particular fields, represented different colours and races. I remember that at the conclusion of the address by Booker T. Washington a prominent Canadian Indian moved the vote of thanks: I suppose most members of the Senate are familiar with his name—Oronhyatekha. He was a graduate in medicine, and at that time was the head of a fraternal order which I think is still in existence. The motion of thanks was seconded by a negro by the name of Hubbard, who at that time was a member of the Toronto Board of Control. That meeting left a lasting impression on me, because it gave evidence of the equality of the races in Canada, and the equality of opportunity for all colours and races that should exist everywhere throughout our dominion.

Some Hon. Senators: Hear, hear.

Hon. Mr. Buchanan: That is the thought I am trying to impress upon honourable senators in dealing with this measure today.

I have known the Indians of Alberta for a long time and I have noted their advancement. Although not rapid, it has been steady. The Blood Indian Reserve, one of the largest

Indian reserves I suppose in all Canada, is located close to my city. While all Indians are not competent farmers there are some who have been very successful. I remember only a few years ago reading about the estate of an Indian living on a reserve amounting to over $100,000. How was he able to amass that amount of money? It was because he was successful in the raising of livestock. That is an illustration of the possibilities that exist for Indians. There is being cultivated today on the Blood Indian Reserve the largest area of wheat land in all of Canada. I admit that it is not being cultivated by the Indians, but the example is being set for them, and after a certain period of time they will take over this land and carry on its cultivation. In the meanwhile the Indians are receiving a considerable share from the proceeds of the crops that are raised there.

May I say something else about the Indian tribes in the West, and particularly about those with which I am most intimately acquainted? Our Indians answered Canada's call to arms in the first two World Wars, and they are enlisting now as a result of our country's most recent call to arms. In both World Wars some of our Indians attained the rank of commissioned officers, showing that they possessed qualities of leadership, bravery and initiative. This also is an illustration of their deep devotion to Canada and appreciation of what this country has endeavoured to do for them throughout the years.

In August of this year His Excellency, Viscount Alexander, will visit Southern Alberta to be made an honorary chief of the Blood Tribe of Indians. I am afraid that honorary chiefships are being distributed almost as freely these days as honorary university degrees, although I must confess that I myself have been honoured by receiving one of them.

Some Hon. Senators: Hear, hear.

Hon. Mr. Buchanan: The honorary chiefs of the Blood Tribe have been brought together to form an organization to co-operate with the Indians and assist them in solving their many problems. If necessary, this organization will bring these problems to the attention of the appropriate departments in Ottawa. More than that, the honorary chiefs propose to create scholarships to enable our Indian students to move into higher institutions of learning, and to provide equipment for manual training and domestic science training in their existing schools. I know this evidence of good will on the part of those who have been made honorary chiefs is bringing a striking response from the Indians themselves.

In the past, I am afraid, we have looked down upon these descendants of the original settlers of Canada; but from this time forward we must regard them differently. If we help to develop their latent possibilities, the Indians can become full-fledged and useful citizens of this country; and that should be the aim of all legislation such as we now have before us. It seems to me that if in any case they have moved backward—and in some cases they have—the fault is not theirs, but ours, for whatever weaknesses they may have are due almost wholly to the bad example set them through the years by their white neighbours.

I rose, inspired principally with this thought: Today we find nations divided on the questions of race and colour. I do hope that in Canada our minds and our legislation will be broad enough to treat the Indians as fellow citizens, and that we shall not be satisfied until we have ensured to them the same opportunities as are accorded to the rest of us. I believe they have potentialities that are not generally recognized, potentialities that could bring some of them to be leaders amongst us. When I read lists of successful students in university examinations I do not find exclusively Anglo-Saxon names; I find as well names that have been brought here from Central and Northern Europe, from Asia and elsewhere. Some of the most brilliant students in our schools, at least in my city, are those of the Japanese and Chinese races. Now, in considering the bill before us today we are thinking in terms of people who are native to this country, whose ancestors were here long before our own came. We are trying to do something to help them, to promote their welfare. It is a good cause, and I am entirely in sympathy with it. And I trust that from now on we shall keep in mind the broader aspect of equality for people of all races who come here to live and who obey our laws and try to be good citizens of Canada.

Some Hon. Senators: Hear, hear.

(Translation):

Hon. Aristide Blais: Honourable senators, if I take the liberty of expressing myself in French on this occasion, it is because French is the first foreign language which the Indians heard in this country.

The bill of which the senator from New Westminster (Hon. Mr. Reid) and the senator from Medicine Hat (Hon. Mr. Gershaw) have spoken is the result of the discussions which took place between the Minister of Indian Affairs, the special parliamentary committee on Indians, and the delegates of the various Indian tribes which were invited to Ottawa to attend these discussions and to make

representations. I do not intend to go into the details of the measure for our colleagues have just done so.

The Indian Act was closely examined and a new Act, so to speak, has been substituted to the first one which had given rise to such severe criticism and to reforms of all kinds.

It is needless for me to attempt to discuss the bill in detail. Those of my colleagues who spoke before me have dealt with all the angles of the measure.

If I rise to speak today, it is because I want to take advantage of this opportunity to express my happiness and my satisfaction at the efforts made during the last few years to improve the lot of our Indian brothers and to prepare them to enjoy later on all privileges which are the right of any Canadian citizen.

How times have changed in the last fifty years, but how slow we have been to look into the suffering of a people whom civilization and, it must be admitted, even the lust for gold, have pushed back, like the prairie buffalo, into the reserves where they did not fare so well. However, thanks to God and to a better administration this is no longer the case, and today the Indians are treated with the consideration which is due to every citizen. Little by little, as they take advantage of the educational facilities which are increasing in their midst, the Indians will come to hold an enviable place in our community. Several of them have already reached the top of various professions and in the field of domestic arts. Before long, because they are talented and assimilate knowledge easily, they will become our serious rivals.

Our friend from Margaree-Forks (Hon. Mr. MacLennan) told us yesterday that senators had the unfortunate habit of talking about themselves more often than they should. I admit that it is unwise and often in bad taste to do so but, as a matter of fact, are we not always speaking of ourselves, even when we seem to be dealing with other matters?

Personally, I am forced to draw upon memories of fifty years ago when I speak of a people I have always loved because of its native ease, its love of freedom, its kindness and its gratitude for the slightest good turn.

My very first patients at St. Albert were Indians and, from the start, we were good friends. I am one of the few doctors who have been called in to attend an Indian woman at child-birth and I am very proud of it. Ordinarily, the mid-wife—thanks to the gymnastics to which she subjected her patient, and which often included a short ride on horseback—was most successful even when the delivery was expected to be difficult. It was only when the mid-wife had exhausted all her means and the patient was no longer in condition to help herself, that the doctor was called in.

The city of Edmonton is surrounded with Indian reservations all situated near attractive lakes and small streams and where hunting and fishing gave plentiful yield in the blessed years of 1900 and 1901. These lakes had not yet been spoilt, I might say, by civilization, and it was a fine sight to see these children of the forest who smelt of moccasin leather and of tobacco scented with red withe. They felt confined and were uneasy in their reservations. They missed the wide open spaces, buffalo hunting on the plains, and canoeing on the rivers, fishing and camping as they fancied.

There is held each year in Edmonton a fair which is called the Exhibition. This fair, which lasts a week, is usually held at the beginning of July and it creates much rejoicing. As in Calgary today the Indians are wont to parade about in their best outfits at the opening ceremony. Horse racing attracts people from all around, and even the Indians sometimes take part in the competitions. Indians from the Hobbema tribe in Callihoo, from St. Ann's Lake, White Whale Lake and Stony Plain come in great throngs.

In 1902 the Exhibition was held below the town, near the Saskatchewan River. Indians camped nearby and I noticed that there stood among the tents a very large one which seemed to be used by the chieftains for their pow-wow.

Before 1900 Indians usually diverted themselves with games and dances; among the latter being the "sun dance" which was a great attraction. Due to certain abuses, it had been forbidden some years before my arrival.

I was acquainted with a half-breed, a Mrs. Page, to whom I had rendered some services. One afternoon she told me that in a few moments, a "sun dance" would take place in the big tent—in camera however—to honour the chieftains before a big pow-wow which was to be held shortly. All this was to take place in the greatest secrecy. She said: "If you care to be present, I will introduce you to the Chief and will recommend you as a doctor to the Indians". I accepted with pleasure. Inside the tent, Indian women were seated in a circle behind the chiefs, who were conversing among themselves. After having been duly introduced and recommended by Mrs. Page, my presence

did not seem to bother them in the least. Suddenly, I saw emerging from an adjacent tent a crowd of young Indians, all painted in showy colours and very lightly clad. Instantly they started dancing furiously, with alternating voice and foot accompaniment, and gestures addressed to the chiefs. After each dance, young Indian girls threw on the ground presents which consisted of necklaces or embroidered belts. This went on until one by one the dancers became completely exhausted. They were dripping with perspiration and the paint which covered them made a sort of multicoloured coat.

The Big Chief, who had precedence over the others and who presided at the meeting, then rose with dignity and welcomed all the other chiefs, and the pipe of peace passed from one to the other until everyone had had a good smoke.

Then the floor was given to each one of the tribal chiefs, who rose in turn to thank the Big Chief and to honour him.

Among those tribal chiefs there was one by the name of Alexander, whom I will long remember. He came from the Calihoo Reserve: a man of about fifty, well set and determined looking. He rose and drew an idyllic picture of times gone past, when their forefathers were free to roam the plains, hunting buffalo, fishing in the rivers and pitching their tents wherever they pleased. The tribes moved with the seasons. Those were the happy days. But the white man appeared and gradually drove the Indians from their territory until they were confined to the reserves chosen beforehand by the government. They had no choice but to submit to the conditions imposed upon them, and thereafter a sad life started for them, deprived as they were of all freedom, often lacking care and proper food, and increasingly exposed to disease. All this he said eloquently and sometimes with the violence which comes of a deep feeling.

This speech having been interpreted for me by Mrs. Page, I was strongly impressed. I understood that all was not well on Indian reservations and that some clauses of the treaties were not always respected.

If I have mentioned the gist of the Chief's speech it is to show that conditions were far from satisfactory for the Indians in those days.

How times have changed! Due to progress, and due also to a healthier administration and to more frequent visits from officials of the Indian Affairs Branch, conditions have greatly improved in later years. I should mention as well the religious institutions which have built convents, schools and even hospitals, along the Mackenzie and in certain reservations, from Chippeyan to Aklavik. There you will find teaching and religious orders who have devoted themselves for the last hundred years to the education and care of Indians. All this is done with the patience, the self-denial and the charity which characterizes all those orders. I cannot praise too highly those apostles who, without any remuneration, we might say, lead a hard and often dangerous life for the Indian's benefit.

Already a huge step has been made. I trust that in time to come a revision of this treaty may be made so that our Indians may benefit from living conditions which vary from day to day.

(Text):

Hon. Mr. Beaubien: On behalf of the senator from Churchill (Hon. Mr. Crerar), who is unavoidably absent from the chamber, I move the adjournment of the debate.

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

CANADIAN COMMERCIAL CORPORATION BILL

SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill 284, an Act to amend the Canadian Commercial Corporation Act.

He said: Honourable senators, I do not know why I have been chosen to explain this bill when there are so many keen legal minds in this chamber, unless it is that on many occasions I have been rather critical of the Canadian Commercial Corporation for the lack of contracts awarded in the Maritimes. I am afraid that I will not be able to give as interesting a background for this measure as the previous speakers gave for the Indian Bill. Without mentioning any particular senator, I may say that the speeches on that measure were most informative and provided a colourful background of the subject under discussion.

The Canadian Commercial Corporation Bill was passed by the House of Commons on May 18, 1951. In making my explanation, I wish to refer to the connecting bill, which provides some background for this measure. It will be recalled that on April 1 of this year a new department, known as the Department of Defence Production, was established. At that time the purchase of defence supplies and the carrying out of defence projects for

the Department of National Defence was transferred from the Canadian Commercial Corporation to the new department. During the life of the new department, the Canadian Commercial Corporation will of course continue to carry on the duties for which it was originally constituted, namely, the import and export on a government-to-government basis of commodities; the acquisition, stock-piling and warehousing of certain strategic materials required in this emergency period; and certain special duties assigned to it from time to time by the Minister of Defence Production. Exports to foreign countries consist of relief and defence supplies. These include a very considerable volume of defence supplies for the United States, all the orders for which have been and will continue to be funnelled by the procurement agencies of the government of that country through the Canadian Commercial Corporation.

The shifting of our own defence purchasing from the Corporation to the Department of Defence Production calls for many changes in the Canadian Commercial Corporation Act, and this is regarded as an appropriate time to introduce into the Act other amendments which experience has shown will further improve the service being rendered by this Crown company. The bill before us, therefore, proposes the following changes.

Section 1 redefines "minister" to mean the Minister of Defence Production, who is to be responsible for the activities of the corporation. The present Act designates "minister" as the Minister of Trade and Commerce.

Section 3 of the bill would remove any legal doubt there may have been that the corporation could use its own funds in performing the duties which any other Act of parliament may authorize it to perform, and that under the minister's direction it could perform any services in respect of which he is authorized by any other Act to employ the corporation. If it is found that the corporation, under its corporate powers, has acquired funds in excess of its needs, these can be returned to the Consolidated Revenue Fund, subject to withdrawal again in whole or in part, should such funds be required for the corporation's purposes. Question has been raised from time to time as to the right of the corporation to re-deposit and later withdraw funds which it found necessary to carry on its operations.

Section 5 of the bill contains an amendment of a minor character, having to do with the officers and directors of the company. The Act requires that there be from five to nine directors. As there are now six directors, it is suggested that a quorum of the board be reduced from five to three.

Honourable senators will recall that the Canadian Commercial Corporation was established in 1946 with a temporary life of approximately three years, but that its operations proved so successful that an amendment to the Act was passed in 1949 repealing this temporary feature. The majority of its officers and staff have had continuous purchasing experience dating back to the last Great War, and it is considered only fair that such employees and others who have given satisfactory service should be brought under the Civil Service Superannuation Act, in the same way as the employees of certain other Crown companies have been brought under it. Consequently, this bill would give the Governor in Council the power to designate certain officers and employees as civil servants, to receive superannuation benefits. This, in effect, would make them permanent civil servants.

One might ask why Canadian Commercial Corporation, with its excellent record in the past, should not have been allowed to continue purchasing for the Department of National Defence while the Department of Defence Production dealt with the planning and extension of production facilities and other emergency requirements. It was decided after careful study that defence purchasing was so closely allied to the over-all production picture that the two should not be separated. Therefore the experienced purchasing agents and staff of the corporation were transferred on a temporary basis to the new department. In this way the new department has been given the full benefit of the organization built up by Canadian Commercial Corporation.

As already mentioned, all the corporation's export-import, stock-piling, warehousing and other special duties are retained by it, so that it continues as a Crown company of great usefulness. It may well be that at the end of this emergency period the duty of purchasing for the Department of National Defence will be restored to it.

I do not think it is necessary to say anything further. The bill is clear-cut. I intend to move that it be referred to a committee, and any further questions can be answered there by the Parliamentary Assistant or by the proper official, who will be in attendance.

Hon. Mr. Reid: I wish to ask the honourable senator a question, but before doing so may I say that it is my recollection that when the Canadian Commercial Corporation was created, it was set up for a fixed term of years, not permanently.

Hon. Mr. Hayden: The change was made by a subsequent amendment.

Hon. Mr. Reid: The change to make it permanent?

Hon. Mr. Hayden: Yes.

Hon. Mr. Isnor: I think the corporation was first set up for three years, and by an amendment in 1949 the temporary feature was eliminated.

Hon. Mr. Lambert: That is so.

Hon. Mr. Reid: That is how these things are done. The other house and the Senate are invited to set up Crown corporations to carry on for the time being; then, before people are aware of the change, and with very little protest from their representatives in either place, these companies are made permanent. I ask honourable senators to give some attention to the wider powers they are asked to confer on this corporation. I speak as a layman; perhaps I have not full information. In the second note on section 3 it is stated that the paragraphs are added "to resolve the legal doubt raised as to whether the corporation may exercise a power not included among its specified purposes." By the amendments before us, powers and functions vested in the minister are to be exercised by the Canadian Commercial Corporation itself. With that, of course, I do not agree.

My question to the honourable senator who introduced the bill has to do with the granting of superannuation to employees who, I take it, have been with the corporation since 1949. Is it intended that when the Superannuation Act is made applicable to them, money will be taken from the treasury to augment or meet back payments—

Hon. Mr. Haig: Yes.

Hon. Mr. Reid: —for the years in which they have been in the service? I see nothing either in the Commercial Corporation Act or in the present bill which would prohibit the corporation from going that, because the framing of regulations regarding superannuation is left entirely to them. Does the honourable senator from Halifax-Dartmouth know whether the treasury is to be charged with the back payments on superannuation for the few civil servants, either in the medium or the higher brackets, who have been engaged by the corporation since 1949?

Hon. Mr. Isnor: I do not recall that I looked into that particular matter, but I know from experience, as many honourable senators do, that it is not unusual to transfer employees from one department to another after a lengthy period of service. I would point out that the great majority of the employees affected by this legislation were engaged, not in 1949, but in 1946. At one time there were—if my figures are correct—as many as 660 employees. Today the number is only about 35; and because of their past services, extending over five years or more, and the manner in which they have carried out their duties—as I believe, very helpfully to this country—it was felt that it would be only fair to allow them this benefit.

Hon. Mr. Reid: May I point out that I am not referring to civil servants who were in other departments and have been transferred. To provide for them in this way is only natural and right. I was speaking of civil servants engaged, not under the Civil Service Act but by the Canadian Commercial Corporation, and who when this bill goes through, although they have not contributed to superannuation, will be entitled to the benefits of the Superannuation Act.

Hon. Mr. Isnor: I think it is reasonable to suppose that of the sum required to bring their contributions up to date part will be paid by the employees themselves and part by the government. Certainly the principle of employer-contribution is common in private enterprise. As a businessman I might inaugurate a pension scheme—I have done so—and I might decide that it was good business to pay the whole amount rather than require any of it from the employees. And I might not limit my contribution to 1947 and subsequent years, but extend it over a period which would provide a satisfactory allowance upon retirement at the age of 65. I think the same reasoning applies to governments.

Hon. John T. Haig: From the very beginning I have been opposed to legislation of this kind. I was not in favour of it before and I am not in favour of it now. It puts power in the hands of a few civil servants, as though they were some outside corporation under government control, to buy goods for the government. But protest is useless. This is part of the program submitted to the people of Canada in 1949, and the government was returned to power. My honourable friend the senator from Halifax-Dartmouth (Hon. Mr. Isnor) made quite a story out of his explanation of the bill; but if I remember correctly the corporation now has only about thirty-five employees.

Hon. Mr. Isnor: Yes—now.

Hon. Mr. Haig: I do not know why the Department of Defence Production has seen fit to perpetuate this organization. It is just another of those agencies which adds to the costs of government. As an honourable senator pointed out very clearly this morning in committee, the maintenance of these

boards and commissions and similar organizations is multiplying the numbers of civil servants who have to find something to do to occupy their time. The result, as I have said, is that costs are increasing.

Some honourable members may say that in 1949, by a large majority, the people voted for the return of a government which is responsible for acts of this kind. You may say that in three or four weeks several by-elections will be held and that the people will again vote for that government. That may be true, but it does not alter the hard fact that our cost of living is today higher than it ever has been, and I do not see how legislation of this kind is going to reduce it. I was in agreement with the honourable gentleman from New Westminster (Hon. Mr. Reid) when he inquired whether certain civil servants will be assisted by the treasury in having arrears of charges paid by the government to bring their superannuation payments up to date. Last March this house put through a special vote of $75 million to help meet the shortage in the Superannuation Fund. At that time the minister said he was not sure whether this sum would cover the shortage, or words to that effect. I will not go any further in interpreting his remarks, but I am persuaded that this is the sort of thing that contributes to the deficiency of the superannuation account. It is no book-keeping matter. If any honourable senator had to pay the taxes himself in a private business he would be very much concerned about it.

Let me tell the house about the school board in the City of Winnipeg. A superannuation fund for teachers was started in that city in 1905. At first the teachers were required to pay in $5 a year, and then the payment was increased to $10 and later to $25. These small payments may have seemed sufficient at the time, but by 1930 some of these teachers were on superannuation and the fund was woefully short. As a result the City of Winnipeg had to come through with a large sum of money to make up the deficit. It is still paying into the fund, and for another twenty years will be making payments that originally should have been made by the teachers. We are doing the same kind of thing here. We should not extend superannuation benefits to people who originally could not qualify for them, if thereby we jeopardize the rights of civil servants who have been obliged to make contributions to the fund over many years. I do not think what was said by the honourable gentleman from Halifax-Dartmouth (Hon. Mr. Isnor) will come about.

Hon. Mr. Isnor: What was that?

Hon. Mr. Haig: That they will be able to catch up with what should have been paid in before. That is not the history of the way these things work; it is just the reverse.

I have said several times before, and I repeat now, that it is bad business to place Acts such as this on our statute books. Ultimately we shall have to pay for these mistakes. This sort of thing drives the country into controlling the business of individuals, and there is not a single socialist organizer or campaigner in Canada who would not admit that this is what he wants. Well, if this is what is wanted, let us face the matter squarely and admit that our aim is to become a Socialist state wherein the government controls everything. One of the jokes about the socialist state is this. The Labour government in Great Britain has indicated that it is in favour of socialism, and it is socializing industry and everything else in that country. "But," you say "the British Government pays its people for the goods it takes away from them". Pays them in what? In pieces of paper signed by the government, which may or may not be worth something. The British Government is kicking now because the Iranian Government wants to nationalize the Anglo-Iranian Oil Company by unilateral action. Well, what is the fundamental difference in principle? There is none at all. Canada has been built into a great country by private enterprise, but every time we do something like this we make it more difficult to carry on in the future.

When goods are required for defence purposes why are tenders not called for on a national basis, so that the merchants of Halifax, Winnipeg and Vancouver may have the same rights as the merchants of Ontario or Quebec to get these contracts?

Hon. Mr. Isnor: Tenders are asked for.

Hon. Mr. Haig: That may be, but this corporation has full control over who gets the contracts.

Hon. Mr. Lambert: Would the honourable leader opposite have done away with the Department of Munitions and Supply during the last war?

Hon. Mr. Haig: I do not know about that. I do know that we carried on without that department during the first World War, and we only added about $2 billion to the public debt of the country; but when we carried on with that department during the second World War we added $16 billion to our public debt. The department may have saved money somewhere, but I do not know where.

Hon. Mr. Duff: Why didn't the Department of National Defence handle this rather than the Department of Munitions and Supply?

Hon. Mr. Haig: It always did in the past. But that is not the point involved here. There were no military operations in 1946 when this legislation was first passed.

Hon. Mr. Lambert: There is now.

Hon. Mr. Haig: There is no military operation yet.

Hon. Mr. Lambert: A billion dollars' worth a year.

Hon. Mr. Haig: That is something else altogether. There is no urgency to have this legislation passed today or tomorrow or the next day, but a state of urgency existed in 1914 and again in 1939.

Hon. Mr. Lambert: I would draw my honourable friend's attention to the fact that this corporation is the responsibility of the Minister of Defence Production, and its main function is the purchase of defence production and supplies.

Hon. Mr. Haig: Then why was the number of employees decreased from approximately 1,000 to 35? We are merely going through the motions in passing this legislation. I do not see that it will do one single thing to reduce the terrific burden of taxation on our people. Prosperity may exist in certain European and other countries as long as the American people are willing to lend money, but not a minute longer. There was a financial collapse the minute the United States stopped lending money to Germany in 1929. I am afraid the same thing will occur here. The people of Canada can carry the burden imposed by these things only as long as the world is in its present state of inflation; but we are piling up future liabilities. It is true that our national debt is about $18 billion. I think my honourable friend, the deputy leader of the government (Hon. Mr. Hugessen), will agree with that.

Hon. Mr. Lambert: The gross debt is about $16 billion.

Hon. Mr. Haig: Well, that is a tremendous debt to pay, unless we can control the value of money in this country.

Hon. Mr. Reid: That is just the federal debt.

Hon. Mr. Haig: Yes.

It is no answer to say that only thirty-five persons are employed by the corporation. I am opposed to the setting up of these companies. If I were a C.C.F. candidate and thought that party would be successful at the next election, and that the Senate might be hostile to the party's legislation, I would delight to have a measure like this on the statute books of this country.

Hon. Mr. Duff: Don't join that party.

Hon. Mr. Haig: I have expressed my personal view. I will not oppose the bill, but I do not like legislation of this kind.

Hon. A. K. Hugessen: Honourable senators, I have always had a very great deal of admiration for my honourable friend the leader of the opposition (Hon. Mr. Haig), but I think that admiration is even higher at this particular moment than at any previous time, because never before have I known that he possessed the ability to make an enormous mountain out of such a tiny molehill as this particular bill happens to be. After all, what is the purpose of this bill? The Canadian Commercial Corporation was set up in, I think, the year 1946—

Hon. Mr. Haig: Correct.

Hon. Mr. Hugessen: —as the successor of the old Department of Munitions and Supply. At that time it was hoped that the corporation would be needed for only a short time, and it was given a life of three years. However, the unfortunate development of affairs has been such that we now have to consider the possibility of again needing something in the nature of a Department of Munitions and Supply, and the purpose of this very innocent amendment is to substitute the Minister of Defence Production for the Minister of Trade and Commerce as the one whose responsibility it will be to administer this corporation, which may or may not become vitally necessary at some time in the future. That is really all that the bill involves.

Hon. Mr. Reid: Does the bill not increase the corporation's powers?

Hon. Mr. Hugessen: Oh, no. Section 3, which deals with powers, simply provides that the minister may delegate to this corporation under his control certain functions which are conferred upon him by other Acts of parliament, and also that the corporation may exercise any powers which are conferred upon it by other Acts of parliament.

I was really astonished to find my honourable friend the leader of the opposition (Hon. Mr. Haig) using this small bill as a peg upon which to hang a severe attack upon the government's policy of setting up and operating the Canadian Commercial Corporation and, where necessary, taking over the economy of the country from private hands. That, I submit, has really nothing whatever to do with the bill. The bill merely continues in the hands of the minister—hereafter the Minister of Defence Production instead of the Minister of Trade and Commerce—a stand-by power which proved to be vitally important in the interests of this country during the

last war. The unfortunate fact—we all agree that it is unfortunate—is that we have to preserve this skeleton organization in the event of possible trouble in the future. That is all there is to the bill, and I do not think I need say anything more about it.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Golding: Send it to committee.

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

The motion was agreed to.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 285, an Act to amend the Canadian and British Insurance Companies Act, 1932.

He said: Honourable senators, this bill contains two amendments. The first amendment extends to the participating policyholders in Canadian life insurance companies having a capital stock the right to vote by proxy. The second amendment guarantees to participating policyholders in the same companies what may be regarded as an opportunity for a larger participation in the profits from the business that is done in relation to participating policies.

May I attempt just a brief explanation of these two amendments? From 1910 down to 1950 a person having a participating policy in the amount of $2,000 or more in a Canadian life insurance company with a capital stock was entitled to vote at meetings of the company. In 1950 parliament removed the $2,000 qualification, so that thereafter every participating policyholder could vote at his company's meetings. But in order to vote at a meeting he had to appear there personally. On the other hand, participating policyholders of mutual life insurance companies were permitted to vote at company meetings in person or by proxy; and of course shareholders in life insurance companies having a capital stock might vote in person or by proxy.

The proposed amendment would simply extend the right to vote by proxy to participating policyholders in life insurance companies having a capital stock. The usual conditions are attached to the exercise of the right to vote by proxy. That is, the proxy of the policyholder must himself be a policyholder; the completed form of proxy must be filed within a certain period before the date of the meeting; and the participating policyholder must at some time during the year be informed in a notice sent to him by the company—on a dividend statement or a receipt for premium—that he has the right to vote by proxy and that upon application to the company he will receive a form of proxy which he may fill in and return to the company.

Hon. Mr. MacLennan: Why does he have to apply for the form?

Hon. Mr. Hayden: Well, that happens to be the procedure laid down. I suppose the alternative procedure would be the sending out by the companies of proxy forms to all policyholders.

Hon. Mr. Haig: Is there any limit to the period within which proxy forms may be sent out in advance of the date of meeting?

Hon. Mr. Hayden: No, but the Act requires that proxies must be filed within ten days of the date of the annual meeting.

Hon. Mr. Haig: Within ten days prior to the meeting?

Hon. Mr. Hayden: Yes, ten days. At some time during the year a participating policyholder will be advised through the medium of a premium receipt or dividend statement of his right to attend and vote in person or by proxy and he may obtain a blank form of proxy by writing to the secretary of the company.

I intend to move later that this bill be referred to committee. If an additional right is to be conferred upon certain people it may be well to find out how many of them appreciate it and will exercise it. That may be the answer; I do not have any other to suggest at the moment.

Hon. Mr. Haig: Let me see if I correctly understand my friend. Did he say that during the year notices will go out, and the recipients must write in to say whether they want to vote by proxy or not?

Hon. Mr. Hayden: No; they must write in and apply for a blank proxy form.

Hon. Mr. Haig: If I did that ten years in advance, would the proxy still be good at the end of that period?

Hon. Mr. Hayden: No. My friend has hit on a point that will undoubtedly be developed when the bill is considered in committee, namely, what has been the practice in the operation of mutual companies, where proxies are accumulated indefinitely. I think

we will be told at that time what the administrative practice will be and what period of time will be recognized as the life of a proxy. I am not prepared to discuss that point now. I would much prefer to have the Superintendent of Insurance discuss it in committee. My understanding is, as I say, that there will be a definite limitation to the life of proxies.

Hon. Mr. Haig: That is what I am getting at.

Hon. Mr. Hayden: That matter can better be dealt with in committee.

I now come to the other amendment. Since 1910, under the provisions of the Act, participating policyholders have been entitled to have set aside for their account 90 per cent of the profits set aside for distribution to shareholders and participating policyholders. That provision may have been all right in 1910, but as the companies grew they found, as a matter of sound business policy, that it was better voluntarily to set aside a larger percentage than 90 per cent for the account of participating policyholders. This practice has been so regular over a period of time as almost to amount to a rule of law. The percentage set aside varies in such amounts as 92½ per cent and 95 per cent, and in a great many cases it is higher than the statutory requirement of 90 per cent.

The government has taken the position as a matter of policy, supported by the life insurance companies, that now is the time to put into statutory form the practice that has been recognized by the companies over a period of years. In other words, such a change would remove the element of doubt, or the possibility of exploitation of the interests of the participating policyholder in the company. Such exploitation might take the form of a reduction. For instance, a company may for years have followed the practice of setting aside 92½ per cent or 95½ per cent of the profits to be credited to the participating policyholders' account. But in some year the company might decide to increase the amount to be credited to the shareholders' account and reduce to the statutory limit of 90 per cent the amount to be aside for the participating policyholders' account. The practice of setting aside more than 90 per cent has, as I have said, become so common that it is now considered the proper time to give it statutory effect.

For that purpose the bill grades the percentages, with a floor 90 per cent. A life insurance company which has a volume of business in relation to participating policies of not more than $250 million, shall set aside 90 per cent of the profits resulting therefrom, to be credited to the participating policyholders' account. A company with a volume of between $250 million and $500 million in any one year shall set aside 92½ per cent for that purpose; if the volume is between $500 million and $1 billion per year, 95 per cent must be set aside; and when the volume is more than $1 billion, the company must set aside 97½ per cent of its profits.

In passing I may say that the establishment of these grades of percentage does not mean that any life insurance company will have to contribute more by virtue of the proposed regulation than it is today contributing voluntarily. I may say further that in relation to some of the companies in the larger brackets the contribution to the participating policyholders' account has been, and I am sure will continue to be, in excess of the percentage that will be required by statute. In short, conditions changed to such an extent between 1910 and 1951 that it was thought that 90 per cent should be made the floor instead of being the only percentage required by law. There has been a tremendous increase in the volume of business of life insurance companies since 1910. It is by reason of that trend that this amendment is being sought.

If the bill is given second reading, I intend to move that it be referred to committee.

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

REFERRED TO COMMITTEE

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

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Salter A. Hayden moved second reading of Bill V-11, an Act to incorporate First Canadian Reinsurance Company.

He said: Honourable senators, this is not an unusual bill; in fact, in the ordinary session of parliament a number of bills to incorporate new insurance companies are presented. This bill follows the form prescribed for the incorporation of insurance companies, and it has been approved by

both the Law Clerk of the Senate and the Superintendent of Insurance.

The powers in general permit the company to engage in all the usual forms of insurance. The basic subscribed capital is $250,000, of which $100,000 must be paid in. The company will then be qualified to carry on in certain fields of insurance. As a matter of fact, however, it is intended in the first instance that this company shall operate only in the field of reinsurance in relation to risks arising out of fire insurance coverage.

The bill was read the second time.

REFERRED TO COMMITTEE

Hon. Mr. Hayden moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 24, 1951

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

Prayers and routine proceedings.

GOVERNMENT EMPLOYEES COMPENSATION BILL

REPORT OF COMMITTEE

Hon. Mr. Beaubien presented the report of the Standing Committee on Banking and Commerce on Bill 291, an Act to amend the Government Employees Compensation Act, 1947.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce to whom was referred Bill 291, from the House of Commons, an Act to amend the Government Employees Compensation Act, 1947, have in obedience to the order of reference of May 21, 1951, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Robertson: Next sitting.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Mr. Robertson: Honourable senators, before the Orders of the Day are proceeded with I should like to say for the information of the house that while at the moment I am not at all sure how much legislation will be before us at the first of next week, there is now, and will be next week, a considerable amount of work in committees. Therefore it is my intention, when we adjourn this afternoon, to move that we stand adjourned until Monday evening next at 8 o'clock.

Hon. Mr. Haig: I was hopeful, honourable senators, that the leader would see fit to adjourn the house until Tuesday afternoon, so that some of us might attend the opening of the Canadian International Trade Fair in Toronto on Monday next. This is a very important event in the life of Canada, and even in the international business world of today. If it is necessary that the house meet Monday night, some of us will have to be absent.

Hon. Mr. Beaubien: The fair will be on for two weeks.

Hon. Mr. Haig: But there is a desire to have distinguished Canadians present for the opening.

Some Hon. Senators: Hear, hear.

DIVORCE BILLS

SECOND READINGS

Hon. R. B. Horner, on behalf of the Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill W-11, an Act for the relief of Joseph Alfred Sabourin.

Bill X-11, an Act for the relief of Sarah Kamichik Coviensky.

Bill Y-11, an Act for the relief of Yvette Marson Valiquette, otherwise known as Marie Fernande Yvette Marson Valiquette.

Bill Z-11, an Act for the relief of Margaret Elizabeth McIntyre Williams.

Bill A-12, an Act for the relief of Mildred Ann Sinclair Allen.

Bill B-12, an Act for the relief of Gabrielle Robert Mallette.

Bill C-12, an Act for the relief of Archibald Kenneth MacLean.

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

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

Hon. Mr. Horner: Next sitting.

INDIAN BILL

SECOND READING—DEBATE CONTINUED

Hon. T. A. Crerar: Honourable senators, the problem of a native population is one that is not peculiar to Canada alone. Many countries of the world have been taken over by a white population, and in almost every case difficult problems have developed in dealing with the natives. In the United States, for instance, the Indian problem has been a troublesome one. The treatment of the native population in South Africa is today discussed widely in the international press. New Zealand is, I think, the only country which has been fortunate in its dealings with its natives, the Maori.

The change of attitude by the public generally towards the Indians in Canada is significant. It is perhaps fair to say that 75 years ago the consensus of opinion of the public generally was that the problem of the Indians would ultimately solve itself by the extinction of these people. It was a harsh view, but we looked at things somewhat differently in those days. Today there is an awareness on the part of the Canadian people that there is an obligation to the native Indian population, because in centuries past we took their country from them, and later, as the white population spread, segregated the Indians upon reserves and felt that we had discharged our duties to them. That old conception led, of course, to a weak

administration of native Indian affairs. It is within the recollection of many who are listening to me today that in the period I speak of, sixty to seventy-five years ago, Indian agents were appointed by the political party in power. It is not unfair to say that in many cases, quite irrespective of which party held office, these agents received their appointments as a reward for party service. The qualifications required for the delicate task of supervising the Indians under their charge was almost wholly ignored. At that time, prior to the turn of the century, there was no regard on the part of the government for the health of the Indians, and epidemics frequently decimated whole tribes. They got the white man's diseases, and they had not the immunity to those diseases which the white population had built up over decades and even centuries. Diphtheria and measles swept away scores and sometimes hundreds of children over large areas of the country. The adult population was ravaged by smallpox, and—probably the greatest scourge of all—tuberculosis.

I said a moment ago that a new conception and a keener sense of our responsibility to the Indian population have arisen, and I would like to sketch very briefly some of the forward steps which have been taken in recent years. When, at the end of 1935, I took a place in the government, one of the divisions of public administration confided to my supervision was the Indian Affairs Branch, as it was then called; and for years I possessed the very dignified and high-sounding title of "Superintendent-General of Indian Affairs in Canada." I confess that when I assumed this responsibility my knowledge of the Indian problem was of the most superficial kind. But I endeavoured to acquaint myself with the obligations I had undertaken in respect of the Indians.

A short time after I was put in charge of this administration I was visited by a delegation of doctors, who came from nearly every province in Canada. In their respective provinces these doctors had the supervision of the eradication of tuberculosis amongst the white population. I recall very well their interview with me. Prior to that time the matter had been mentioned to me by the late Dr. David Stewart, Superintendent of the Ninette Sanatorium in Manitoba. During his lifetime Dr. Stewart was probably the outstanding Canadian authority on tuberculosis.

This delegation urged upon me the vast importance of the Indian Affairs Branch doing something to arrest the spread of tuberculosis amongst the Indians. Quite apart from the humanitarian aspect of the question, they put before me an argument that I thought was wholly unanswerable. They said that every Indian reserve in Canada was a centre of infection for the spread of tuberculosis, and that they could never eradicate this dread disease from the white population until it was controlled amongst the Indians. That struck me as a valid argument. They gave me instance after instance of the toll that tuberculosis was taking among the Indians. I said to them: "Very well, gentlemen, I want you to confer together and submit a recommendation to me as to how the Indian Affairs Branch can make a start towards controlling this disease." They held a meeting, and their first recommendation to me was that we conduct that year, which was 1936, an x-ray survey of Indian schools. They assured me of their co-operation in the supply of equipment for this purpose. I had no money for the carrying on of this work, so when our estimates were under consideration I had to put this proposal to the then Minister of Finance, the Honourable Mr. Dunning. After some discussion I was successful in obtaining a grant of $50,000 to begin with, and the survey of many Indian schools was undertaken and a report presented to the department.

I am bound to say that the survey revealed a shocking state of affairs. There was scarcely an Indian school, as I recall now—not one—that did not have among the children within its walls one or more cases of active T.B. And of course that was a danger not only to the children in the schools but to those who were ministering to their needs.

From that experiment there was developed the idea of having T.B. hospitals for Indians. The first such hospital put into operation was in the province of Manitoba. The Anglican Church had a school about twenty-five miles north of Winnipeg on the Red River, a school which many years before had been in the midst of the reserve known as the Peguis Indian Reserve. Some members of this house will remember the rather animated debates which took place almost fifty years ago over the disposition of that reserve. The land there was fertile and excellent in every way, and white settlers were going in, and as a result the Indians agreed to move to a new location about 150 miles distant. Thus there was no longer any need for the Indian school that I mentioned. We bought the school from the Anglican Church for, as I recall, about $8,000 or $9,000, and we spent an additional $9,000 or $10,000 in converting the building into a hospital of forty beds. At that time I decided that the proper thing to do was to put the administration of this hospital under the Manitoba Sanatorium

Board, which had the necessary equipment and experienced men for supervision; and this was done. It was arranged that the board would render its accounts to the federal government, which would audit and pay them as they became due. I understand that arrangement with the province of Manitoba is still in effect.

Later on another Indian school that had come into disuse in British Columbia—a large Indian school at Sardis, near Chilliwack, some sixty miles or so from Vancouver —was taken over by the department and remodelled into a T.B. hospital. And before I left the department we had taken steps to secure the Air Force Hospital at The Pas. That afterwards came under the administration of the Indian Affairs Branch, and has been enlarged since; and today a considerable number of Indian patients afflicted with T.B. are being cared for there. Of course since then several other hospitals have been acquired. One is at Sioux Lookout, for the Indians in that part of Ontario; and a large hospital was built, I think, at James Bay. The building of others I understand, is under consideration.

I am quite certain that by giving this medical care, and without any very great expense, we can make a definite reduction in the incidence of T.B. among the Indians. I remember that the late Dr. Stewart, whose name I mentioned a moment ago, told me he thought the wisest plan would be to have comparatively small hospitals near where the Indians reside. He had observed the Indians who occasionally had been sent to the Ninette Sanatorium, and he said that in the strange environment, separated from their friends, they fretted to a degree that definitely retarded their recovery.

The chief economic difficulty in this problem arises from the Indians in the northern parts of the western provinces and Quebec and Ontario. According to the information given yesterday by the senator from New Westminster (Hon. Mr. Reid) the total Indian population today is approximately 136,000. Roughly one-third of the total Indian population lives in these northern areas. Some of the Indians get intermittent jobs with companies fishing the northern lakes, but their main source of revenue in these areas is from trapping.

And here a problem arose. When the natural resources were transferred to the Prairie Provinces there was a complete lack of vision on the part of those charged with the administration, in that ample provision was not made for the protection of the Indian trappers in the north. The trapping then was open to competition by whites, half-breeds and Indians, with the result that there was no conservation and the population of fur-bearing animals went steadily down. About fifty years ago, when that country was still virgin wilderness, the numbers of muskrat pelts shipped from The Pas in northern Manitoba were around 400,000 annually. Forty-five years later this number had dropped to around 20,000 and the muskrats appeared to be headed for ultimate extinction in this area. This created a problem in the Indians Branch because of the considerable cost of maintaining these people. It was a problem also for the provinces, particularly Manitoba. So in 1936 I approached Mr. Bracken, then Premier of Manitoba, with a suggestion for the development of a fur area on the Saskatchewan River east of The Pas. The idea was not original with me. A local trader, located about seventy-five miles east of The Pas, had a few years before got a lease of 50,000 acres from the provincial government and proceeded to develop the muskrat population in that area. He demonstrated beyond any question of doubt that under favourable conditions the rat population would be restored. With that experiment in mind, and having in view also the needs of those Indians and the practical certainty that the Manitoba government was interested in taking off relief the half-breeds and poor white trappers in that area, we reached an agreement with the Manitoba Government whereby that entire area was set aside for joint development by the federal and provincial governments, and no trapping was allowed there for several years. I shall presently give the figures of the return from that development, but first I wish to say that we initiated similar developments in the northern part of Saskatchewan and in the province of Quebec. And here I wish to say that at all times during my period of administration, and I believe since, the department in dealing with this problem has had full and complete co-operation from the Quebec Provincial authorities. Later, certain steps were taken in British Columbia.

In dealing with this question I wish to give a few figures which will indicate the success which attended the scheme. I do so for the reason that, as far as my knowledge and observation go, this is the only method by which we can satisfactorily provide for the Indians located in remote regions where there is no agriculture, and where for generations they have been dependent upon trapping.

Speaking first of the Summerberry area, which is east of The Pas, and to which I referred a moment ago as having been

developed by the Manitoba Government and the federal authorities, I have this note:

The cost of this development to the federal treasury in the period from 1938 to 1941 was $187,598.

That cost was due, I may say, to the building of certain dams and canals to bring the water on the ranches to a proper level.

The note continues:

The federal contribution to the development ended in 1941, at which time the area came into production and the province assumed all the costs of development and administration. In the period from 1941 to 1949, inclusive, $2,103,023 was paid to trappers on the project, of whom approximately 60 per cent were treaty Indians. Indians still participate and will continue to participate in the benefits of this project in spite of the fact that no financial contribution has been made since 1941.

If the Indians comprised 60 per cent of the trappers, a hasty calculation will indicate that they got three-fifths of the income, or a total of $1,275,000 over a period of eight years. The result was that more than a hundred Indian families were taken off relief, and they have remained off it from that day to this.

In discussing the bill I shall refer later to certain Indian characteristics, but in the meantime I would say that in this case we provided that the fur trapped by the Indians was to be sold under the supervision of the department. There were two reasons for this arrangement: first, that the Indian did not know the value of his furs on the market, and if he sold on his own account unscrupulous traders would take advantage of him; and second, that if he sold the fur and got all the money in his pocket at one time he would probably provide for his needs in the way of flour, tea and sugar for the next few weeks, and then go out and squander the balance. So we arranged that each Indian should be credited with the amount brought by his furs, and that he be paid so much a month throughout the year for himself and his family. That is why these families which I mentioned a moment ago were taken off relief.

I now come to Saskatchewan.

Hon. Mr. Haig: I think the honourable gentleman may have forgotten a point. Was there not a provision as to how much trapping could be done?

Hon. Mr. Crerar: Yes. I will come to that in a moment.

In the province of Saskatchewan equally good results accrued. There was a possibility of bringing back the beaver population in that area, and I have this note on the point:

Beaver production on a sustained yield basis rose from 1,600 pelts in 1946 to 8,328 valued at $157,399 in 1949.

And that will expand as the program develops.

Now I wish to say a word about Quebec, and it will conclude the three instances which I will give. I may say that similar work is in hand in the Province of Ontario and in the Northwest Territories, but in Quebec there is full co-operation by the provincial government. We secured three areas—and I think another one or two have been added since I left the department. The results are worthy of note. I have here the figures on the trapping of beaver. In the James Bay country, where there are about 5,000 Indians, the beaver had practically disappeared and the muskrats were on the way out. This resulted from the conditions which I described earlier as existing in Manitoba, namely, all-over trapping by half-breeds, whites and Indians all scrambling to see how much they could get, and no thought being given to conservation.

In 1949 I find that there were four areas in production in the northern part of Quebec and one in the St. Johns country. The total beaver taken was 6,950, at a value of $142,254. In the following year 10,500 beaver were taken, with a total value of $275,000. I am told by the officers in the Indian Affairs Branch that this program is developing, and they look forward ultimately to the time when these Indians will be self-supporting by reason of this steady revenue from fur trade.

In my record as Minister of the Department of Mines and Resources I perhaps have not much to be proud of, but I have no hesitation in saying to this honourable house that this is one development of which I am really proud.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: I want to pay tribute here to the officers of the department of that time. In the initial years of the operation of the Department of Mines and Resources we were fortunate to have Dr. Charles Camsell as deputy minister. There was no one in this country who understood the problems of the north and of the Indians better than Dr. Camsell. We were equally fortunate in having Mr. Hoey, who has since retired, as the Director of Administration. He was succeeded by a very excellent man. Major MacKay, who came here from Vancouver, and who, I may say to the glory of my friend from Cariboo (Hon. Mr. Turgeon), who introduced him to me, has proved a very competent official.

That, honourable senators, covers the little story I have to tell about some of the background of this bill.

I come now to the bill itself. Yesterday the honourable senator from New Westminster (Hon. Mr. Reid) stated that there had been practically no revision of the Indian Act since 1869, save the revision in 1880. That fact indicates the rather widespread indifference to the Indian problem which prevailed during the first half of this nation's story. The genesis of this bill lies in the excellent work done by a joint committee of the Commons and the Senate over a period of some three years. While the bill does not incorporate all the recommendations which were made by that committee, those who prepared it had the advantage of the study which the committee made, and the legislation which they have produced is, in my judgment, a vast improvement on the old Indian Act. As a matter of fact, but for the war the Indian Act would have been before parliament for revision in 1941, or even a year earlier.

The main principle of the bill—and I have read all the sections—is the maintenance by the government of what I may describe as "wardship". In other words, the Indians are wards of the state. That relationship, which existed from early days, is continued almost in its entirety, and I think very wisely. This is necessary, as it appears to me, mainly for one reason. Certain characteristics are common to all Indians wherever you find them, the most notable being the inability of the individual Indian to discipline himself for his ordinary day-by-day needs. This fact was noted centuries ago when the early explorers went through this country. At that time, of course, the Indians were very much better off. They could hunt the buffalo on the prairies, they could shoot deer in the forests, they could take fish from the lakes and streams; and in these ways they secured not only much of their food, but materials for their clothing and their habitations. With the extension of white settlement and the placing of the Indians on reservations, these opportunities naturally disappeared. But the inability of the Indian to provide for more than the needs of the moment and to exercise, in the larger sense, self-discipline, must be, I think, a governing consideration in the handling of the Indian problem. Some people, moved by the best of intentions, believe that the right way to help the Indian is to try to make him a white man overnight. There never was a greater fallacy. The principle which runs through the bill and which I have described as wardship, the realization that the Indians are wards of the state, is a wise one.

The provisions of the bill relating to reservations, administration of resources, property, intestacy, and the like, strike me as admirable; indeed I would say the same of the bill as a whole.

Take the question of education. Without doubt the process of building the Indian to a point—it may be a long distance down the years—where he can take his place as an ordinary citizen of Canada, discharging all the responsibilities of citizenship, depends very largely for its success on the kind of education he receives. I do not wish to be critical of the past. It is interesting to look for a moment at the development of the idea of education as far as the Indians are concerned. I would say it had its beginnings when Christian missionaries of all the churches went into the remote parts of the country to carry the gospel to those who at that time were pagans. The idea developed that if the Indian children were taken from the reserves and put into residential schools they could be taught what may be briefly described as the white man's ways. That was a commendable intention, but it was not without one weakness which I shall presently point out. Indian children at the age of six years were taken to a residential school, where they remained almost continuously until they became sixteen years old. They then graduated and left the school. For ninety-nine out of every hundred there was no place to go but back to the reserve, to parents and relatives whom they had left ten years before. The girls had learned the art of making themselves attractive; the boys had been taught manners and how to read and write. But when they returned to the reserve, in many cases they went back to the teepee; and the transformation was altogether too great. I recall that when I held this grandiose title of "Superintendent-General of Indian Affairs", I was visited at The Pas on one occasion by an old Indian chief from a reserve in northern Manitoba who protested against the children of the tribe being taken to residential schools. He said "When they come home again, the boy, who should have been with his father learning to trap, knows nothing about it; the girl, who should have been learning useful needlework, has no idea how to make furs into garments." There was a good deal of truth in that. I realize that perhaps it is not yet possible to eliminate the residential school, but the day school should be brought to the Indian community to enable the children to spend their evenings with their parents. This has an excellent influence on the parents as well as on the children, and there is no doubt that this system would help to elevate the whole standard of these people.

I think that on the whole the enfranchisement provisions are wise ones. There are some who believe that the Indians should be given the franchise on a wide scale; but that mistake has not been made in this bill. It is necessary to keep clearly in mind the distinction between the status of the Indian and that of the ordinary citizen. Under the old Act an Indian who so wished could be enfranchised, and every year a number of Indians received the franchise. In other words they ceased to be Indians under our laws, and became ordinary citizens. This is the road along which we must travel to reach our ultimate goal. The sections dealing with the franchise provide that individual Indians may, with the approval of the minister, seek and secure it. They also provide that groups of Indians may, by a majority vote, seek and secure enfranchisement.

Hon. Mr. MacLennan: Do they lose anything by being enfranchised?

Hon. Mr. Crerar: Yes, they lose certain rights, such as some exemption from taxation, which they enjoy on their reserves.

We should also examine in committee the provisions dealing with intoxicants and the sale of liquor to Indians. In general these provisions are satisfactory, but there is a curious provision to the effect that upon the request of a province the Governor in Council may allow Indians to purchase liquor in public places in that particular province. In other words, they may frequent beer parlours. There is some doubt in my mind about the wisdom of this provision.

There is only one section dealing with health; it provides that the government may make regulations. The health of the Indians now comes under the Department of Health and Welfare. I doubt whether it was wise to make this transfer from the Indian Affairs Branch, because two departments have to deal with what is essentially one problem.

Honourable senators, I have just about concluded my remarks, and I dare say you are all thankful. If you are not, you should be.

Hon. Mr. MacLennan: It has been very interesting.

Hon. Mr. Crerar: In closing I wish to stress the seriousness of the problem we are facing. The Indian population is increasing at the rate of about one or one and a half per cent a year. There are now 136,000 Indians in Canada. We are constantly improving their living and nutritional standards, and providing them with better health services. All this results in the acceleration of the rate of increase of their population. So before many years we can look forward to the time when the Indian population will reach, say, 150,000—and it will continue to increase as the years pass by. If we are not to annually increase the burden on the Treasury to maintain these people, it is absolutely vital that as far as possible the Indians be brought to a state where they are self-supporting. The fur development program is helping that class of Indians who live in the northern parts of our provinces, and the development of farming methods is assisting the Indians in the agricultural areas. We must clearly realize that only through wisdom, patience and sympathetic understanding on the part of other Canadians, can we achieve the ultimate goal of enabling the Indians to stand on their own feet and not be a charge upon the rest of the community.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I would remind the honourable gentleman from Churchill (Hon. Mr. Crerar) that I asked him a question, and he said he would answer it later in his speech. The question was: What conservation provisions were made as to trapping on these reserves?

Hon. Mr. Crerar: I may say that there is nothing I dislike more than to weary the house, and perhaps I missed some points I might otherwise have covered.

Hon. Mr. Haig: I think this is important.

Hon. Mr. Crerar: Trap lines have been assigned to Indians in Manitoba and boards have been set up in each province to supervise fur development. The Manitoba board, which is typical of the others, consists of three members; two of these represent the provincial government and one represents the Indian Affairs Branch of the federal government. That is the point I overlooked explaining to my honourable friend, and I apologize to him for it.

Hon. Mr. Haig: Thank you for the information.

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

THE SENATE AND ITS WORK

MOTION WITHDRAWN

The Senate resumed from Tuesday, May 22, the adjourned debate on the motion of Hon. Mr. Robertson for the appointment of a special committee to inquire into and report upon how in its opinion the Senate may make its maximum contribution to the welfare of the Canadian people.

Hon. Wishart McL. Robertson: Honourable senators, the honourable gentleman from St. Jean Baptiste (Hon. Mr. Beaubien) adjourned

the debate on my behalf, I having intimated that as soon as it became clear that no other member of the house wished to discuss this resolution, which has been standing on the Order Paper for some time, I would close the debate. As it now appears that no one else desires to say anything on the resolution, I will begin by stating—as I intimated when I introduced it—that it would be agreeable to me, if honourable senators so desired, that it should be withdrawn. However, I am bound to say that originally I intended, if the resolution was withdrawn—provided the views expressed in the debate seemed to warrant this course—to substitute for it a more specific one, authorizing the establishment of a committee, naming its personnel and setting out the terms of reference which might have appeared to commend themselves to a majority of the Senate. It may be recalled that when I spoke to the resolution I asked the honourable senators to regard whatever suggestions I might make as being put forward merely for the purpose of opening the debate, and that I reserved the right to change my suggestions in the light of comments by honourable senators. Had the general feeling been that a committee should be set up, and had I been asked for my opinion as to what matters might be usefully referred to it, I probably would have changed a number of my original suggestions, not necessarily because my own views had changed, but for reasons of propriety, perhaps, or other reasons. On the other hand, during the course of the debate questions arose which had never occurred to me when I moved the resolution, and if I had had an opportunity of suggesting the terms of reference for a committee I would have included those questions.

A majority of those who spoke to the resolution felt that certain matters relating to the future of the Senate might be usefully discussed. But there were sharp differences of opinion at to what those matters were and as to the medium through which they might best be considered, if considered at all.

I wish to thank honourable senators who participated in the debate for the time and thought they gave to the subject-matter. I invited the greatest possible participation: I said I feared criticism less than indifference.

It has been said that perhaps I should have consulted some of the senators about the bringing in of the resolution. My answer is this. It was my feeling that to ask any of my colleagues to share the responsibility with me would be unfair to them; so I decided to take it upon myself alone. Consequently, when I introduced the resolution no other senator was committed in any way, shape or form as to the position that he or she might take with respect to it. That includes the senator from Inkerman (Hon. Mr. Hugessen), who very kindly consented to second the motion, simply for the purpose of having it brought before the house. In the result we had, as a distinguished colleague said to me, what might be called a discussion in Committee of the Whole.

In other circumstances, and especially because of what I said originally, I would endeavour to reconcile the conflicting viewpoints and substitute for this resolution an order of a specific nature, provided I could secure for it the support of a majority. It goes without saying, of course, that no committee dealing with a matter of this kind would be of any value unless it had the support of a very considerable majority of senators. However, for reasons that I need not elaborate I do not feel equal to undertaking this responsibility at the present moment. If nothing else develops in the meantime, and if sufficient support is in evidence next session I shall try to prepare a proposal that would reconcile the conflicting viewpoints and commend itself to a majority of the members of the Senate.

I realize notwithstanding what I intimated when introducing the resolution, that in asking that it be now withdrawn and not proposing its replacement by a more specific one, I may be causing disappointment to some senators, junior and senior, who are interested in the question of Senate reform and who over quite a period of time urged me to do something in the matter. However, I suggest, there is no need for them to be unduly depressed or disappointed. After all, our parliamentary institutions are the product of a very long period of time, and their best features have been developed gradually from year to year—indeed, in the Old Country, from generation to generation. It is only natural that any proposal to change these institutions, however slightly, should be so questioned as to give the appearance for the moment of being strongly opposed. Established practices are never changed without a good deal of consideration. That has been true in the past, it is true today, and it will undoubtedly remain true in the future.

I do not apologize for having introduced the motion; for while those who spoke on it expressed a wide difference of opinion as to details, the majority felt that some changes in our present practices might usefully be adopted. I may say that it was brought forward as a result of my personal convictions and some active urging, not only by junior senators but by some of the veteran members of this house.

I hope that the junior senators will not, because they are newcomers, take too seriously the criticism and even the ridicule of a few. Despite the fact that I have been here eight years, and have been a government leader longer than anyone now living, I am still regarded by a few as a newcomer, and I have received my share of criticism and even ridicule. I try to profit by the criticism and ignore the ridicule. I am convinced that the members of this house are resolved that the Senate should continue to make its maximum contribution to the welfare of the Canadian people; however, there are sharply different views as to how that should be accomplished. Nothing that I have heard during the debate has changed my original view: indeed, the debate has only served to strengthen my keen regret that the ability and experience of the members of this house cannot be more fully utilized. But it is easier to state the problem than to solve it; the finding of an acceptable solution is not simple.

I beg, therefore, honourable senators, with the leave of the Senate and with the consent of the seconder (Hon. Mr. Hugessen), to withdraw this motion.

Some Hon. Senators: Hear, hear.

The Hon. the Speaker: Honourable senators, has the honourable senator the consent of the house to withdraw the motion?

Some Hon. Senators: Carried.

The motion was withdrawn.

The Senate adjourned until Monday, May 28 at 8 p.m.

THE SENATE

Monday, May 28, 1951

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

Prayers and routine proceedings.

CANADIAN SHIPS IN FOREIGN TRADE

INQUIRY

Hon. Mr. Duff inquired of the government:

1. How many ships of Canadian registry are in the foreign trade, giving name, tonnage and route?
2. How many government departments are concerned in the supervision of said ships?
3. What is the cost of said organization per year?
4. What is the cost of each ship to the government?

Hon. Mr. Robertson: The reply to the honourable senator's inquiry is as follows:

1. As of April 30 sixty-one Canadian flag ocean-going dry cargo vessels and 14 tankers of 1,000 tons gross and over were engaged in foreign trade other than on the Great Lakes. The routes on which most of these vessels trade vary from voyage to voyage.

2. Department of Transport (Nautical Services and Steamship Inspection Service).

3. The services performed by the Nautical Services and the Steamship Inspection Service pertain to shipping generally, and in the department's system of accounting the administration costs incurred in rendering services with respect to ships in the foreign trade are not segregated. The total administration costs of the Nautical Services and the Steamship Inspection Service for the fiscal year 1950-51 was $684,577.70.

4. See answer to No. 3.

HOSPITAL GRANTS

ORDER FOR RETURN

Hon. Mr. Reid moved for a return showing:

1. For the fiscal year ending March 31, 1951, what is the total amount that has been granted for the construction or additions to hospitals throughout Canada?
2. What were the number of hospital beds in the various hospitals throughout Canada as at March 31, 1950, and at March 31, 1951?
3. In the grants made to hospitals for additional hospital beds, what hospitals in British Columbia received such assistance during the fiscal year ending March 31, 1951?
4. During the present year have any requests been made by the provincial government of British Columbia for a further grant to increase hospital beds or accommodation at the Vancouver General Hospital?
5. Have any such requests been granted?
6. Before any such grants for additional hospital beds are sanctioned, is any consideration given to the size of the hospital and its location in the light of the possibility of atomic warfare?

RETURN TO ORDER

Hon. Mr. Robertson: I table a return giving the information asked for.

JUVENILE DELINQUENTS BILL

THIRD READING

Hon. W. A. Buchanan moved third reading of Bill D-11, an Act to amend The Juvenile Delinquents Act, 1929.

He said: Honourable senators, when, some ten days ago, I sponsored this bill, the honourable senator from Ponteix (Hon. Mr. Marcotte) thought it should be submitted to a committee for study. It was then referred to the Banking and Commerce Committee. I hoped that a representative of the Department of Justice would appear before that committee to answer any questions that might be asked, but no one attended for that purpose; consequently I gave the honourable senator from Ponteix an assurance that answers to the questions in which he was particularly interested would be secured from the Department of Justice and submitted to the Senate when the bill came up for third reading.

The honourable senator inquired particularly as to the age limits in force in the various provinces, and he also wanted to know what form the request from each province in which the age limit was raised from sixteen to eighteen years had taken. The information that has come to me from the department is to this effect:

The age limit has been raised from sixteen to eighteen years in the following instances:

British Columbia—1922: Request made by dispatch to Secretary of State from the Lieutenant-Governor of British Columbia enclosing a certified copy of a minute of the Executive Council of British Columbia praying that a proclamation be issued, etc.

Manitoba—1925: Request made by letter to the Minister of Justice from the Attorney-General of Manitoba.

Alberta—1935: Request made by letter to the Minister of Justice by the Attorney-General of Alberta on behalf of the Government of the Province.

The present bill enables Alberta, at its request, to drop back to the sixteen-year limit.

Quebec—1942: Request made by letter to the Minister of Justice from the Attorney-General of the Province of Quebec.

No change has been made in Ontario, Saskatchewan, Nova Scotia, New Brunswick, Prince Edward Island. The age limit is still sixteen years in these provinces.

The Act is not in force in Newfoundland.

Hon. Mr. Marcotte: Honourable senators, I have been supplied with a copy of the statement which has just been read by my honourable friend from Lethbridge (Hon. Mr. Buchanan). The information it contains is in one respect satisfactory, and in another absolutely unsatisfactory. By that remark I

mean that I now know which provinces have invoked the provisions of the Act in order to obtain permission by order in council either to raise or to reduce the age limit. But the manner in which this has been provided for is objectionable in the light of the principle which was discussed last year, namely, that a government, whether federal or provincial, has the right to administer the Act but has not the right to legislate—which in effect is what this amendment permits.

I am not going to raise any objection to this bill, which has been asked for by the province of Alberta. All it does is to make the law in that province the same as the law in some of the other provinces. The present provision has been in effect for 22 years, but there is no reason in the world why a boy of sixteen should be tried under the Criminal Code just because he happens to live in a particular province. There are other ways of dealing with him. The Criminal Code is a federal law and should apply to all citizens of Canada in the same manner. As I say, I am not going to object to the bill, but I should like to give notice to the leader of the government that at the next session of parliament I am going to ask for the institution of an inquiry based on the principles that were discussed at the last session of parliament, and on which we unanimously agreed. Such an inquiry would be of great value and assistance not only to the youth of this country but to the people generally.

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

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill W-11, an Act for the relief of Joseph Alfred Sabourin.

Bill X-11, an Act for the relief of Joseph Kamichik Coviensky.

Bill Y-11, an Act for the relief of Yvette Marson Valiquette, otherwise known as Marie Fernande Yvette Marson Valiquette.

Bill Z-11, an Act for the relief of Margaret Elizabeth McIntyre Williams.

Bill A-12, an Act for the relief of Mildred Ann Sinclair Allen.

Bill B-12, an Act for the relief of Gabrielle Robert Mallette.

Bill C-12, an Act for the relief of Archibald Kenneth MacLean.

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

GOVERNMENT EMPLOYEES COMPENSATION BILL

THIRD READING

Hon. Mr. Gershaw moved the third reading of Bill 291, an Act to amend the Government Employees Compensation Act, 1947.

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

PRIVATE BILL

SECOND READING

Hon. Arthur W. Roebuck moved the second reading of Bill O-11, an Act respecting Canadian Slovak Benefit Society.

He said: Honourable senators, this is purely a technical bill. The society was incorporated in 1945 under the name of the Canadian Slovak Benefit Society. Under the Canadian and British Insurance Companies Act—there is a provision that a certificate entitling the society to commence business must be taken out within a period of two years; otherwise, the incorporation lapses, except for the purposes of winding-up the society's business. In this instance the certificate was not taken out in time, and in 1948 I moved for the passage of a bill extending the period for two years. The bill was passed, but again the time expired, and this is the second occasion on which I have asked for an extension of time to allow this society to commence business.

The explanation is that the Canadian Slovak Benefit Society proposes to take over the business conducted by the National Slovak Benefit Society, an unincorporated body, and apparently a good deal of difficulty has been encountered in the making of what is called a "national survey" sufficient to satisfy the Department of Insurance with regard to obtaining a certificate to allow the commencement of business. No less than three auditors, or accountants, have been engaged on this work. The first one took ill and resigned, and two others have followed him. I am advised that the survey is now complete, and that it is sufficient to satisfy the department. Therefore, if the extension now asked for is granted the company will actually commence business.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Roebuck: I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

INDIAN BILL

SECOND READING—DEBATE CONTINUED

Hon. J. H. King: Honourable senators, I probably owe an apology to the Senate for having adjourned this debate. I did so, however, with the consent of our leader.

I have been intensely interested in the inquiry made by the joint committee of the two houses of parliament into Indian affairs in Canada. I have attended committee sittings, listened to evidence given by officers of the department and by Indians, and I have had conversations with the present minister. Unfortunately, I was not present when my good friend the senator from New Westminster (Hon. Mr. Reid) explained the bill. I was also absent when the senator from Medicine Hat (Hon. Mr. Gershaw), the senator from Lethbridge (Hon. Mr. Buchanan) and the senator from St. Albert (Hon. Mr. Blais) spoke on this measure. To my surprise, the bill was explained and apparently fathered by western senators.

I had the good fortune to hear my friend the able senator from Churchill (Hon. Mr. Crerar), a former Minister of the Department of Mines and Resources, speak on Thursday last. It was most interesting to listen to him as he told us what has happened in the department with respect to Indian Affairs during the past ten or fifteen years. The gentlemen who have spoken have covered the ground so thoroughly that, as I say, I should probably apologize, for my inability to further enlighten the Senate or the public on the question now under consideration.

As a boy in the Province of New Brunswick I knew the historic Indian tribe, the Micmacs. I recall that I was rather frightened of them. Later I moved West, and in those early days I frequently saw Indian women on the station platforms, dressed in blankets and with their children on their backs. Later I went to the Kootenay, and there I came in contact with the Kootenay Indians.

Two notable characteristics of the Indians are that they are stubborn and impassive. I do not believe they are cruel. I never had an Indian ask me for money without offering something in return. Indeed, I have great respect for them and as I read more of their adventures and activities in North America I am impressed by this native population, which has struggled so long and survives today.

The senator from Churchill, enlightened us by relating what the department has done in recent years in the way of constructing hospitals and schools. The bill before us provides that the Indians of today will have the opportunity of going to the public schools and mixing with their fellow Canadians. To me that is a very important step in the emancipation of the Indian population.

Although there is little left for me to say on this subject, because of my interest in Indians I have made some inquiries of the department as to the part the Indians have played in the military life of Canada. In reply to an inquiry about the number of enlistments by the Canadian Indians in the First and Second Great Wars, I have been informed as follows:

> They have well and nobly upheld the loyal traditions of their gallant ancestors who rendered invaluable service to the British cause in 1776 and in 1812, and have added thereto a heritage of deathless honour which is an example and an inspiration for their descendants. According to the official records of the department more than 4,000 Indians enlisted for active service with the Canadian Expeditionary forces. This number represents approximately thirty-five per cent of the Indian male population of military age in the nine provinces, and it must be remembered, moreover, that there were undoubtedly cases of Indian enlistment which were not reported to the department. The Indian soldiers gave an excellent account of themselves at the front, and their officers have commended them most highly for their courage, intelligence, efficiency, stamina and discipline.
>
> In daring and intrepidity they were second to none, and their performance is a ringing rebuttal to the familiar assertion that the red man has deteriorated.

That is a fair statement, and it is confirmed by departmental records of the service which the Indian soldier gave in two great wars. He was under no compulsion to enlist: he enlisted voluntarily, to the extent of over 30 per cent of their entire male population. I believe that over 5,000 Indians served in the First Great War and over 4,000 in the last war. I know from personal observation that these boys mixed freely with our own men, and were appreciated and admired by them. That is not to be wondered at. When our ancestors came to America, the Indian did his best, with the rude equipment he had, to defend not only himself but the country which belonged to him.

I am very pleased to have the opportunity of making these references to our Indian population.

I have made some inquiries on a subject mentioned by my good friend from Churchill (Hon. Mr. Crerar), namely, the health and the medical treatment of Indians. Undoubtedly the building of hospitals in or near reserves has greatly benefited these people. The Indian woman—I do not call her 'squaw', because that word should be dropped from our vocabulary—now goes to the hospital and is properly cared for. Her children now are born free of contagion, and they are not

allowed to come in contact with T.B. until they have undergone vaccination with what is known as B.C.G., which acts as a preventive and an immunizer against tuberculosis. This treatment is not new. It was developed by two French scientists, and for a considerable time was not much in use; but of late years, particularly in European countries, it has been employed very extensively. It is essential that the subject to be vaccinated is free of tuberculosis. Some three or four years ago, when a joint parliamentary committee on health was sitting, a distinguished professor, from the University of Montreal, I believe, explained to us how effective this treatment had proved in the province of Quebec. Parents are urged, almost compelled, to bring children to the clinic to receive this treatment within a few days of their birth and before there is a possibility of contamination. As the honourable senator from Medicine Hat (Hon. Mr. Gershaw) knows, the same course has been followed in Alberta.

I am informed that probably nowhere has immunization been made more effective, and more extensive records kept on the subject, than in Sweden. I believe that this vaccine will do much to eliminate tuberculosis from our Indian people. It is being administered also to our white babies. We have reason to hope that an effective means has been found to eradicate one of the greatest and most virulent diseases that our people, and particularly the Indians, have suffered from.

An interesting branch of ethnology, and one of which I wish I knew more, deals with the movement of races over various parts of the world. I suppose the greatest migration that ever took place was from Eastern Asia, probably over the Behring Straits, to the North American continent. The land was desolate and uninhabited, but these immigrants somehow crossed the northern waters and spread themselves over the area from the Arctic Circle to at least as far south as the Mexican border. This movement must have gone on for centuries. It will be recalled that when Columbus and Cabot discovered this continent they found the land from the far north to the Gulf of Mexico occupied by Indians who, under most primitive conditions, had established their home life and their tribal systems over all that vast territory. One has but to think of this achievement to realize that these people possess great qualities, for Nature is pitiless to those who have not the means, the knowledge and the courage to cope with her. Were the history of the Indian settlements of North America known to us, it would be an inspiring story; but unfortunately these people had not learned how to record their achievements, and all we have are the stories which they handed down from generation to generation.

The honourable senator from Churchill (Hon. Mr. Crerar) has reminded us that we in Canada have been busily engaged in attempting to protect fur-bearing animals, to conserve the great fisheries of the Fraser river, and to foster the halibut industry. Is it not wise and fitting that at this time we should aid and perpetuate the people who came to this country and established themselves so long ago, and who are well worth preserving?

I think this bill might be regarded as a partial emancipation, and I feel that every white Canadian has something to give in order that our Indian population may enjoy the same advantages that we give to those people who come here from Asia and from Europe.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. King: I am satisfied that there will be great improvement under this bill. I am also satisfied that if we educate the young Indian and give him opportunity to enjoy the higher standard of living which is ours today, he will co-operate with us and play a part in our Canadian life. I have known a certain lumberman for many years. During the war when he was short of labour he went up to James Bay and brought down a number of Indians and built homes for them. He has told me that they are good workmen in the bush as well as in the sawmill and around the lumber yard. I am sure that with education and encouragement these people will become a useful factor in the development of our great country.

Honourable senators, I am pleased to be present tonight to endorse the principles embodied in this bill. I think we should commend the minister for the great thought and care he has given to this matter. It was only after many consultations with the officers of the department and the Indians themselves that he introduced this bill; and, although it may not satisfy everyone, it is a great step forward in the development and assimilation of our Indian people. Honourable senators, I think we should abolish the words "squaw" and "papoose" from our vocabulary.

Some Hon. Senators: Hear, hear.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, it seems fitting that I should, on behalf of my fellow citizens of Quebec, join with my honourable colleagues who spoke before me in support of our brothers and predecessors, the Indians.

It has been said of them that the world was their kingdom. Well, we have taken away from them most of that kingdom, so that anything we can do now to improve the lot of these first inhabitants of our great country is sure to be appreciated by all Canadians.

The record shows that the Indians belong to a chivalrous race. Our esteemed colleague from Kootenay East (Hon. James H. King) told us a moment ago that the valiant Indians of Canada did not fail their country in its hour of need. Indeed, during the last war, approximately 35 per cent of them enlisted in our armed forces.

Let us continue to protect our Indians. It is sometimes claimed that they act like overgrown children. All the more reason, then, to look after them. Let us pay particular attention to their needs; and inasmuch as it is the Indians who started to develop our great country, let us show them that we are grateful. Since it is they who allowed us to build this new world and possibly to bestow upon it the benefits of Christian civilization, let us recognize our debt and ensure their proper security. Let us consider this question, and if we can possibly improve their status, so much the better! Let us take up the task with constructiveness and with a spirit of brotherly love: tomorrow, our Indians will be so grateful to us that they will no longer harbour any resentment against us for having conquered them. They will become, if that is possible, better and more useful citizens, not only to their own race but to their country, which is also ours.

(Text):

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

REFERRED TO COMMITTEE

Hon. Mr. Reid moved that the bill be referred to the Standing Committee on Immigration and Labour.

The motion was agreed to.

IMMIGRATION COMMITTEE

ADDITION TO PERSONNEL

Hon. Mr. Robertson: On May 15 the honourable gentleman from New Westminster (Hon. Mr. Reid) suggested that the honourable senators who were members of the Joint Committee on Indian Affairs, which functioned some years ago, should have the privilege of sitting on whatever Senate committee was designated to deal with the Indian Act. I would point out that with the single exception of the honourable senator from Peterborough (Hon. Mrs. Fallis), the honourable senators serving on that joint committee are members of the Standing Committee on Immigration and Labour, to which this bill has been referred. Therefore, with leave of the Senate, I move that the name of the Honourable Senator Fallis be added to the list of senators serving on the Standing Committee on Immigration and Labour.

The motion was agreed to.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, before moving the adjournment, I wish to inform the house that I have suggested to the Whip, the Clerks, and the Chairman of the Standing Committee on Immigration and Labour, that a meeting of that committee will be held immediately after the Senate rises tomorrow. I wish also to remind the house that an important meeting of the Standing Committee on Finance is to be held tomorrow morning at 10.30, and that an important meeting of the Banking and Commerce Committee will take place Wednesday morning. There is not much business on the Order Paper for tomorrow and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), who is going to move the motion standing in my name, has kindly consented to let the matter stand so that the Committee on Immigration and Labour will be able to give ample time to the consideration of the Indian Act.

Honourable senators will be able to decide upon future sittings of the committee in order that attention can be directed to this important measure as early as possible. I would remind honourable senators who are not members of the committee that they are welcome to attend the meeting. They will of course not be able to vote on amendments to the bill, but I suggest that all who find it convenient to attend should do so.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, May 29, 1951

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

Prayers and routine proceedings.

PRISONS AND REFORMATORIES BILL

FIRST READING

A message was received from the House of Commons with Bill 191, an Act to amend The Prisons and Reformatories Act.

The bill was read the first time.

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

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

LENGTH AND MASS UNITS BILL

FIRST READING

A message was received from the House of Commons with Bill 293, an Act respecting Units of Length and Mass.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Wood presented Bill D-12, an Act to incorporate General Insurance Co-operative.

The bill was read the first time.

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

Hon. Mr. Wood: Thursday next.

PRIVATE BILL

FIRST READING

Hon. Mr. Howard presented Bill E-12, an Act to incorporate Missisquoi and Rouville Insurance Company.

The bill was read the first time.

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

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

Hon. Mr. Haig: Before the motion is put, if it were not that I suspect that the honourable gentleman from Wellington (Hon. Mr. Howard) will not be here two days from now, I would insist on another day's delay before the second reading of the bill. However, as I understand that he will only be here tomorrow, I think we had better get on with the bill.

The Hon. the Speaker: Ordered that the bill be placed on the Order Paper for second reading tomorrow.

IMMIGRATION COMMITTEE

ADDITION TO PERSONNEL

Hon. Mr. Robertson: Honourable senators, with leave of the Senate, I move that the name of the Honourable Senator Gershaw be added to the list of senators serving on the Standing Committee on Immigration and Labour.

The motion was agreed to.

CHANGE OF PERSONNEL

Hon. Mr. Robertson: It has been drawn to my attention that the Honourable Senator Farquhar was a member of the Joint Committee on Indian Affairs which sat a few years ago. Therefore, in pursuance of the suggestion that those senators who served on that joint committee should have the privilege of sitting on the Senate committee dealing with the Indian Act this session, I beg to move, with leave of the Senate, that the name of the Honourable Senator Farquhar be substituted for that of the Honourable Senator Robertson on the Standing Committee on Immigration and Labour.

The motion was agreed to.

EMPLOYMENT OF CHILDREN AT SEA

MOTION POSTPONED

On the motion:

Resolved, That it is expedient that the Houses of Parliament do approve of Convention No. 58, fixing the minimum age for the admission of children to employment at sea (revised 1936) adopted by the General Conference of the International Labour Organization at its 22nd Session at Geneva on the 24th day of October, 1936, as modified by the Final Articles Revision Convention, 1946, and that this house do approve of the same.

Hon. Mr. Robertson: I have asked the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), who, as I stated last night, is going to move this motion on my behalf, to let it stand today. This will give the Committee on Immigration and Labour, which is to sit immediately the Senate rises, ample opportunity to study the Indian Act. May I point out that any senator who is not a member of this committee is welcome to take part in its deliberations.

The motion stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 30, 1951

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

Prayers and routine proceedings.

PETITION OF RIGHT BILL

FIRST READING

A message was received from the House of Commons with Bill 192, an Act to amend the Petition of Right Act.

The bill was read the first time.

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

Hon. Mr. Robertson: Tuesday next.

CUSTOMS BILL

FIRST READING

A message was received from the House of Commons with Bill 198, an Act to amend the Customs Act.

The bill was read the first time.

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

Hon. Mr. Robertson: Tuesday next.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 285, an Act to amend The Canadian and British Insurance Companies Act, 1932.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 285, an Act to amend The Canadian and British Insurance Companies Act, 1932, have in obedience to the order of reference of May 23, 1951, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Robertson: Next sitting.

CRIMINAL CODE (RACE MEETINGS) BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill P-11, an Act to amend the Criminal Code (Race Meetings).

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (P-11), an Act to amend the Criminal Code (Race Meetings), have in obedience to the order of reference of May 22, 1951, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Robertson: Next sitting.

CANADIAN COMMERCIAL CORPORATION BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 284, an Act to amend the Canadian Commercial Corporation Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 284, an Act to amend the Canadian Commercial Corporation Act, have in obedience to the order of reference of May 23, 1951, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Robertson: Next sitting.

CONSUMER CREDIT (TEMPORARY PROVISIONS) BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 195, an Act to amend the Consumer Credit (Temporary Provisions) Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 195, an Act to amend the Consumer Credit (Temporary Provisions) Act, have in obedience to the order of reference of May 21, 1951, examined the said bill, and now beg leave to report the same with the following amendment:

1. Page 2, line 16 delete "ninety" and substitute "thirty".

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

Hon. Mr. Robertson: Next sitting of the house.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. J. A. McDonald, for Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills pres-

ented the report of the Committee on Bill V-11, an Act to incorporate First Canadian Reinsurance Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill V-11, an Act to incorporate First Canadian Reinsurance Company, have in obedience to the order of reference of May 23, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

PRIVATE BILL

SECOND READING

Hon. C. B. Howard moved the second reading of Bill E-12, an Act to incorporate the Missisquoi and Rouville Insurance Company.

He said: Honourable senators, this is a standard bill, exactly the same in its wording as several bills which have been before us on previous occasions. It is to legalize the machinery necessary to transfer from provincial to federal jurisdiction a company which has been in existence many years. The bill has been examined by and is perfectly satisfactory to the Superintendent of Insurance. If it should receive second reading, I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills, so that it may be discussed and examined and its contents compared with other bills of a similar nature.

The Missisquoi and Rouville Insurance Company has been in operation in the province of Quebec, with its head office in Frelighsburg, for a hundred and sixteen years. It is probably the oldest insurance company in Canada. Besides doing business in the two counties of Missisquoi and Rouville, it has operated all over the province of Quebec. It is now proposed that it shall carry on business all across Canada, and for this purpose, of course, it seeks a federal charter, and will be subject to federal jurisdiction.

It is necessary in order to form the new company, and to include certain provisions and protective clauses in the bill. For instance, the amount to be subscribed before the general meeting for election of directors is called is $100,000. The company cannot commence any insurance business until at least $200,000 has been paid on the subscribed capital stock. The shareholders will elect a majority of the board, and the remainder will be elected by the mutual members. The protective feature appears in clause 20, which provides that the company shall not begin operations until all the necessary requirements have been complied with and a certificate has been issued by the Superintendent of Insurance.

Hon. Mr. Aseltine: Is this a mutual insurance company?

Hon. Mr. Howard: It is what is called a combined company, composed of stockholders and mutual members.

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

REFERRED TO COMMITTEE

Hon. Mr. Howard moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

EMPLOYMENT OF CHILDREN AT SEA

MOTION FOR APPROVAL OF I.L.O. CONVENTION

Hon. Arthur W. Roebuck moved:

That it is expedient that the Houses of Parliament do approve of Convention No. 58, fixing the minimum age for the admission of children to employment at sea (revised 1936) adopted by the General Conference of the International Labour Organization at its 22nd Session at Geneva on the 24th day of October, 1936, as modified by the Final Articles Revision Convention, 1946, and that this House do approve of the same.

He said: Honourable senators, I am privileged and honoured, through the courtesy of the leader of the government, in having the opportunity of explaining this resolution. Although the resolution is a simple one, it raises questions of considerable interest. The first is as to the protection of childhood, which always appeals to the young men of this chamber.

Some Hon. Senators: Oh, oh.

Hon. Mr. Roebuck: Parental instincts are touched whenever children are mentioned. There is reason too, so far as the sea is concerned, for taking good care of young people employed aboard ship. After all the world is large; the sea extends all the way around it, and masters of ships have traditionally been high-handed and it is known that great brutality has at times existed on the sea.

Hon. Mr. Duff: Tut, tut! Nonsense!

Hon. Mr. Roebuck: The "Admiral" has never observed it, and I am certain that no brutalities or high-handed methods were ever

practised on a ship of any description of which he was in command. Still I think there is plenty of substantiation of my statement that there has been brutality on ships at sea.

Hon. Mr. Quinn: Certainly there has.

Hon. Mr. Roebuck: I am sure honourable senators will agree with me that the protection of very young people at sea is something that interests and concerns this house and the public at large.

The motion is interesting also because of the glamour of the sea. Anything that has to do with the sea seems to appeal to people of our race, who for many centuries have been living beside the sea.

For many years the International Labour office has been struggling with the problem of the employment of very young people—whom we may call children—at sea. They have adopted a succession of conventions. The explaining of this motion is not without difficulty because, in the first instance, it involves a clear understanding of the law of Canada as it now exists, and in the second instance, an understanding of the convention which we are asking the Parliament of Canada to approve, prior to its ratification by the Government of Canada, and its implementation, if required.

The basic law with regard to children at sea is to be found in the Canada Shipping Act, in the Statutes of 1934. It must be remembered that I am trying now to describe the law as it stands in Canada and not as the resolution may affect it. You will find in section 279 of the Canada Shipping Act, this provision:

(1) No child, being a person under fourteen years of age shall be employed in any vessel except to the extent to which and in the circumstances in which such employment is permitted under the Convention set out in Part I of the First Schedule hereto.

Observe that this refers to children under fourteen years of age.

(2) This section shall not apply to a vessel in which only members of one family are employed.

(3) No young person not being a child and being a person under eighteen years of age shall be employed or work as a trimmer or stoker in any vessel except

(a) in a school ship or training ship where the work is of a kind approved by the minister, and is carried on subject to such supervision as the minister may approve;

(b) in a vessel which is mainly propelled otherwise than by means of steam; . . .

Then jumping to subsection (6):

No young person under eighteen years of age shall be employed in any capacity in any vessel unless there has been delivered to the master of the vessel a certificate granted by a duly qualified medical practitioner certifying that such person is fit to be employed in that capacity.

The conventions, which become schedules to the Act, and the relevant sections, are printed with the Act but add little to it.

Article 2 provides:

Children under the age of fourteen years shall not be employed or work on vessels other than vessels upon which only members of the same family are employed.

This is already covered by the Act.

Article 3 reads:

The provisions of Article 2 shall not apply to work done by children on school-ships or training-ships, provided that such work is approved and supervised by public authority.

This provision is even more drastic in the Act than it is in the convention.

Article 4 reads:

In order to facilitate the enforcement of the provisions of this convention, every shipmaster shall be required to keep a register of all persons under the age of sixteen years employed on board his vessel, or a list of them in the articles of agreement, and of the dates of their births.

In Part III—the draft convention fixing the minimum age for the admission of young persons to employment as trimmers or stokers—Article 3 reads:

The provisions of Article 2 shall not apply:

(a) to work done by young persons on school-ships or training-ships, provided that such work is approved and supervised by public authority;

(b) to the employment of young persons on vessels mainly propelled by other means than steam; . . .

That was the law in 1934, and I can assure you that it was in full compliance with the international conventions of that date.

In 1948 Canada passed an amendment to the Canada Shipping Act, which reads as follows:

Subsection one of section two hundred and seventy-nine is repealed and the following substituted therefor:

No child, who for the purposes of this section is a person under fifteen years of age,—

Observe that it is fifteen years, not fourteen.

—shall be employed in any vessel except to the extent to which and in the circumstances in which such employment is permitted under the Convention set out in Part I of the First Schedule hereto.

That is the schedule which I have already read.

So the law was changed in 1948 by raising the age limit from fourteen to fifteen years. At that time some teeth were put into the legislation by adding as subsection 11 to the above section, the following:

Every person who violates this section is guilty of an offence and is liable to a fine not exceeding one hundred dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment.

That is the law as it stands today.

We come now to the convention of the International Labour Organization, to which I referred. I should make clear the fact that a convention of this kind, even though it is approved by this house and ratified by parliament, does not by such action only become the law of Canada. It merely obligates Canada to implement the provisions of the convention, by legislation. That is to say, the legislation need not necessarily use the words of the convention or adopt all the exceptions that it provides, but it must live up to the spirit of the general provisions. That is my understanding of the effect of documents of this kind.

May I now lay before the house Convention No. 58, the convention in question? It is as follows:

Convention fixing the minimum age for the admission of children to employment at sea (Revised 1936).

The General Conference of the International Labour Organization,

Having been convened at Geneva by the governing body of the International Labour Office, and having met in its twenty-second session on 22 October 1936, and

Having decided upon the adoption of certain proposals with regard to the partial revision of the convention fixing the minimum age for admission of children to employment at sea adopted by the conference at its second session, the question forming the agenda of the present session, and

Considering that these proposals must take the form of an international convention, adopts this twenty-fourth day of October of the year one thousand nine hundred and thirty-six the following convention, which may be cited as the Minimum Age (Sea) Convention (Revised), 1936:

Article 1

For the purpose of this convention, the term "vessel" includes all ships and boats, of any nature whatsoever, engaged in maritime navigation, whether publicly or privately owned; it excludes ships of war.

Article 2

1. Children under the age of fifteen years shall not be employed or work on vessels, other than vessels upon which only members of the same family are employed.

2. Provided that national laws or regulations may provide for the issue in respect of children of not less than fourteen years of age of certificates permitting them to be employed in cases in which an educational or other appropriate authority designated by such laws or regulations is satisfied, after having due regard to the health and physical condition of the child and to the prospective as well as to the immediate benefit to the child of the employment proposed, that such employment will be beneficial to the child.

Honourable senators will observe that that exception is not provided for in the law of Canada, as I have read it. Other than the proposed change that the minimum age be fifteen instead of fourteen years, section 2 of Article 2 contains the major change provided by the convention which we are now asked to approve.

The convention continues:

Article 3

The provisions of Article 2 shall not apply to work done by children on school-ships or training-ships, provided that such work is approved and supervised by public authority.

Article 4

In order to facilitate the enforcement of the provisions of this convention, every shipmaster shall be required to keep a register of all persons under the age of sixteen years employed on board his vessel, or a list of them in the articles of agreement, and of the dates of their births.

Article 5

This convention shall not come into force until after the adoption by the International Labour Conference of a convention revising the convention fixing the minimum age for admission of children to industrial employment, 1919, and a convention revising the convention concerning the age for admission of children to non-industrial employment, 1932.

That has been done.

Continuing:

Article 6

The formal ratifications of this convention shall be communicated to the Director-General of the International Labour Office for registration.

Article 7

1. This convention shall be binding only upon those members of the International Labour Organization whose ratifications have been registered with the Director-General.

2. Subject to the provisions of Article 5 above it shall come into force twelve months after the date on which the ratifications of two members have been registered with the Director-General

3. Thereafter, this convention shall come into force for any member twelve months after the date on which its ratification has been registered.

Article 8

As soon as the ratifications of two members of the International Labour Organization have been registered, the Director-General of the International Labour Office shall so notify all the members of the International Labour Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other members of the organization

Article 9

1. A member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the Director-General of the International Labour Office for registration Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each member which has ratified this convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 10

At the expiration of each period of ten years after the coming into force of this convention, the governing body of the International Labour Office shall

present to the General Conference a report on the working of this convention and shall consider the desirability of placing on the agenda of the conference the question of its revision in whole or in part.

Article 11

1. Should the conference adopt a new convention revising this convention in whole or in part, then, unless the new convention otherwise provides,

(a) the ratification by a member of the new revising convention shall *ipso jure* involve the immediate denunciation of this convention, notwithstanding the provisions of Article 9 above, if and when the new revising convention shall have come into force;

(b) as from the date when the new revising convention comes into force this convention shall cease to be open to ratification by the members.

2. This convention shall in any case remain in force in its actual form and content for those members which have ratified it but have not ratified the revising convention.

Article 12

The French and English texts of this convention shall both be authentic.

The foregoing is the authentic text of the Minimum Age (Sea) Convention (Revised), 1936, as modified by the Final Articles Revision Convention, 1946.

The original text of the convention was authenticated on 5 December, 1936, by the signatures of Paal Berg, President of the Conference, and Harold Butler, Director of the International Labour Office.

The convention first came into force on 11 April, 1939.

That, gentlemen, is the convention that we are asked to approve. It provides that no child under the age of fifteen years be employed aboard ship, with the exception—if I may repeat—that:

. . . national laws or regulations may provide for the issue in respect of children of not less than fourteen years of age of certificates permitting them to be employed in cases in which an educational or other appropriate authority designated by such laws or regulations is satisfied, after having due regard to the health and physical condition of the child and to the prospective as well as to the immediate benefit to the child of the employment proposed, that such employment will be beneficial to the child.

I submit to honourable senators that Canada has already complied with the terms of this convention. In 1948 the minimum age was raised to fifteen years, but we have not adopted the exception to which I have just referred. It seems obvious to me that an exception is not necessarily taken advantage of; in other words, we have gone further than the convention provides, and I should hope that we will not take advantage of the exception. It has been pointed out elsewhere that it would open the door to the exploitation of children between the ages of fourteen and fifteen years; and as far as Canada is concerned its adoption is unnecessary.

There is in the Canadian law a proviso with respect to employment when a whole family takes part in the operation of a ship. My general knowledge in this regard is not sufficient to tell the house whether such operations take place in Canada, but I know it is the custom in some parts of the world, in the carrying trade between ports, for a whole family, as a family, to take over a junk and operate it, so that from babyhood the members of the family live on a ship, and as soon as they can perform any useful work in connection with the operation of the ship, they do so. When the international convention was under discussion it was thought inappropriate that we should interfere with that state of things. There could be no real objection to it. I do not know that it exists in Canada. The provision is in our laws as well as in the convention, but at the moment it is not a matter of great interest.

Upon ratification of the convention by the government, after approval by the two houses of Parliament, these will be our obligations:

1. To communicate ratification to the Director of the International Labour Office.

2. To take such action as is necessary to give effect, by legislation or otherwise, to the provisions of the convention, if that has not been done.

3. To make periodic reports to the International Labour Office on the measures taken to give effect to the provisions of the convention.

You will have observed that the obligation is a continuing one, and that the conventions when ratified last for a period of ten years; that unless some action is then taken, they are renewed from time to time for ten year periods.

So far as the fifteen-year age limit is concerned, it is very moderate compared with similar provisions in other laws. For instance, our Family Allowances Act requires, under penalty of cessation of the allowance, that the child shall attend school until the age of sixteen.

Honourable members will note that the convention came into effect upon ratification by two members. That took place in the year 1939. The question, of course, has been asked why is it only now that we have undertaken to ratify a convention which others ratified in 1939 and which came into effect in 1936? The answer is that usually there is a delay of anywhere from two to four years in the ratification of conventions because of the necessity of detailed study by governments and statesmen of the countries affected, and that was the case in connection with this undertaking. As honourable senators know, the Second Great War broke out in 1939, and nothing was done with the International Labour Organization during the hectic war years until 1945. Then

Canada took action, and in 1946 the statute was amended, in the form that I have read, to raise the age from fourteen to fifteen years.

Hon. Mr. Vien: Was that in 1946, or 1948?

Hon. Mr. Roebuck: I thank the honourable senator. It was in 1948 that we made the change. Now, having complied substantially with the terms of the convention, we are ready to ask the approval of parliament and then to ratify the convention. Thereafter, if the government sees fit, it may bring in legislation to introduce the exception to which I have referred, and to which I object; but I do not think it is likely to do so. I believe we have now gone as far as is necessary to fully implement the convention.

Hon. Mr. Vien: Will the honourable senator allow a question? What benefit can accrue from ratification at this time, since we have already—in 1948—implemented by special legislation the main objects of the convention?

Hon. Mr. Roebuck: Well, we are members of the International Labour Organization; we took part in their deliberations; and it seems, to me at least, courtesy as well as good business to join others in the ratification of conventions which we are actually assuming.

Hon. Mr. Vien: My point is this: Why is it necessary to do that, when in 1948 we passed legislation which practically covers, and indeed improves, the convention itself?

Hon. Mr. Roebuck: Why is it necessary to ratify?

Hon. Mr. Vien: Yes.

Hon. Mr. Roebuck: Observe, gentlemen, that already ten countries have ratified the convention and bound themselves, each one to the others, to carry it out. Why would we not ratify such a convention, which we are asking other countries to adopt?

Hon. Mr. Paterson: We already have done so.

Hon. Mr. Roebuck: Then, since we have already observed the convention, why not ratify it? Let me tell you that our usual method is ratification after implementation rather than before. There is one occasion on record—I cannot remember the details—when we did ratify a convention prior to the adoption of the necessary legislation, and having done so, found that it was *ultra vires* of this parliament. That taught us a lesson, namely, to pass legislation and have it safely on the books before ratifying something which we have not the power or the desire to carry out.

The countries that have already ratified this convention are: Belgium, Brazil, Bulgaria, France, Iraq, the Netherlands, New Zealand, Norway, Sweden, and the United States of America. The United Kingdom is in the same position as we are: it has not ratified the convention. But somewhat recently it passed the required legislation, and I have no doubt it will ratify the convention in due season, and endeavour to get others to ratify this and other conventions of a similar humanitarian character, so that the law may become as standard, as uniform and as widely applied as possible. That, I think, is the real purpose of these proceedings.

Hon. Mr. Vien: Will the honourable senator allow me to put my question a little differently?

Hon. Mr. Roebuck: Certainly.

Hon. Mr. Vien: In passing the legislation in 1948, when this convention, dated 1936, was before us, why was not the convention ratified concurrently with that legislation?

Hon. Mr. Roebuck: That question I cannot answer. The delay from 1948 to the present moment is not great.

Hon. Mr. Vien: I am not objecting in principle to ratification.

Hon. Mr. Roebuck: Quite so.

Hon. Mr. Vien: I am trying to find what benefit can accrue from our present action, when we have already implemented by specific legislation the purposes of the convention. Why was not this convention ratified when the legislation was before parliament in 1948?

Hon. Mr. Roebuck: I cannot answer that question; but the delay, as I have pointed out, meant nothing. It is true that we could have ratified the convention immediately following the passing of the Act. Perhaps some officials have been negligent in the matter.

Hon. Mr. Horner: I wonder if the honourable senator has any knowledge of what advantage the other member countries of this convention have taken, if any, of the age exemption for boys about which he has spoken?

Hon. Mr. Roebuck: I have no knowledge of that. What I have knowledge of is the report of the International Labour Conference of 1936, entitled *Report on Agenda*, and it discloses the attitude adopted by the different countries. Canada is reported thus:

> The Department of Marine is not opposed to the raising of the minimum age from 14 to 15 years for children employed at sea.
>
> It observes, however, that considering the position taken by the various provinces in regard to the Minimum Age Conventions and the practice in force respecting the age limit for admission of

children to employment in the other industries, the proposed revision might result in discrimination against the shipping industry in Canada.

I also have before me the record of proceedings of the International Labour Conference, twenty-first session and twenty-second session, Geneva, 1936. I thought it might be interesting to point out the paragraph relating to Canada:

Government Delegates: The Honourable Norman McL. Rogers, M.P., Minister of Labour; Member of the Privy Council of Canada. Mr. Walter A. Riddell, Dominion of Canada Advisory Officer accredited to the League of Nations; Chairman of the Governing Body of the International Labour Office; Chairman of the Joint Maritime Commission of the International Labour Office.

These two eminent statesmen who took part in the framing of this legislation in 1936 have passed away, but I have no doubt that if they are looking on now they will be pleased to see their work approved by the Parliament of Canada and the convention ratified by the Government of Canada. When this legislation was approved at Geneva, the employers' delegate for Canada was Mr. A. L. W. MacCallum, Manager of the Shipping Federation of Canada, Montreal; and the workers' delegate was Mr. W. A. MacDonald, General Secretary and Treasurer of the National Association of Marine Engineers of Canada, Halifax. Therefore, when this provision was passed back in 1936 it had the concurrence of the representatives of both the employers and the workers.

Honourable senators, unless there are some more questions, I think I have stated the case.

Hon. Mr. Reid: Could the honourable gentleman tell us as to what extent this convention has been carried out by the different nations? It is one thing to ratify an agreement and it is another thing to carry it out. A nation may ratify an agreement but take years to put it into effect. Canada, of course, did this before ratifying it.

Hon. Mr. Roebuck: It is beyond me to answer that question. I have read the names of the ten countries which ratified the convention, but it would require a detailed study of the laws of each of those countries to reach a conclusion as to whether they had implemented the terms of the convention. I presume, however, that any country ratifying a convention of this kind would implement it, and I hope they have all done so in this case.

Hon. R. B. Horner: If it is in order, I should like to make a few remarks at this time about what has been said by the honourable senator from Toronto-Trinity. He said he hoped the government would not pass any legislation to create an exemption in the case of boys between the ages of fourteen and fifteen without a complete medical examination. I should like to see the government pass such legislation. It takes a person a long time to learn the shipping business.

Hon. Mr. Duff: What!

Hon. Mr. Horner: An amazing number of crimes are being committed across our country by boys around fourteen years of age. Idleness is perhaps one of the main reasons for these crimes, and I certainly think that these boys could be well employed aboard ship. I hope that if we pass this convention there will be some way to make it possible for healthy young boys to be engaged in at least part-time work on the sea. My experience has been that if you are not taught how to work when you are young the chances are that you will never become efficient.

Hon. Mr. Duff: Quite right. Put them to work early.

The motion was agreed to.

PRISONS AND REFORMATORIES BILL

SECOND READING

Hon. H. R. Emmerson moved the second reading of Bill 191, an Act to amend the Prisons and Reformatories Act.

He said: Honourable senators, this is a bill to amend the Prisons and Reformatories Act.

Section 1 of the bill reads as follows:

Section 18 of the Prisons and Reformatories Act, chapter 163 of the Revised Statutes of Canada, 1927, is repealed and the following substituted therefor—

And it goes on to give the substitutions.

Sections 18 to 21 of the Act deal with what are called "improved" prisons, with respect to which the lieutenant-governor of the province makes rules for insuring that a correct record of prisoners' daily conduct, and so forth be kept. In these prisons remission of sentence may be earned by good conduct. The Act provides that the lieutenant-governor must make the rules, which precludes rules being made for the Northwest Territory and the Yukon, where there is no lieutenant-governor. The bill would make it clear that in these territories the Governor in Council may make such rules. Any institution where rules of this kind are made for prisoners may be declared by the Governor in Council to be an "improved" prison; and the provisions for remission of sentence, and so on, will apply.

For the information of the house I shall read sections 19, 20 and 21 of the Act. They are as follows:

19. Any judge sentencing any prisoner to imprisonment in any prison named in the proclamation in the last preceding section mentioned,

may sentence such prisoner for a term not more than one-sixth longer than the maximum term at present prescribed by law for the offence; and any such sentence may be carried out in such prison, although it is for any term not exceeding two years and four months.

20. Every prisoner sentenced to such prison shall be entitled to earn a remission of a portion of the time for which he is sentenced, not exceeding five days for every month during which he is exemplary in behaviour, industry and faithfulness, and does not violate any of the prison rules; and if prevented from labour by sickness, not intentionally produced by himself, he shall be entitled to earn, by good conduct, a remission not exceeding two and one-half days for every such month

21. Every such prisoner who commits any breach of the laws or of the prison regulations shall, besides any other penalty to which he is liable, be liable to forfeit the whole or any part of any remission which he has so earned.

The Act takes cognizance of the fact that various provinces have different types of reform institutions.

Section 2 of the bill would add Part X, which is new, to the Act. This is being done at the request of the Alberta Government. This part would provide for the transfer of certain prisoners from jails to the Bowden Institution, which was set up in 1950.

Hon. Mr. Reid: I should like to ask a question or two of the mover of this bill.

Section 2 would appear to apply only to the Province of Alberta. As you know, in the Province of British Columbia there is an institution called New Haven, which operates on the Borstal system. There young offenders are given what we regard today as more modern treatment than they would receive if they were incarcerated in a jail. I am wondering whether this institution would come under this new part, or whether the amendment applies only to Alberta.

Section 1 of the bill would seem to provide that in prisons which keep daily records of conduct the prisoners shall have certain rights. Are there provinces in which the prisons do not keep proper records?

Hon. Mr. Emmerson: In reply to the honourable senator, I may say that the various provinces have various types of reform institutions. Parts II to IX of the Act provide that these institutions may be used for the imprisonment of certain types of offenders, such as juveniles, for instance, and I would direct the attention of the honourable gentleman to Part VIII, which relates particularly to his own province.

I move the second reading of the bill.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Emmerson: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

LENGTH AND MASS UNITS BILL

SECOND READING

Hon. Cyrille Vaillancourt moved second reading of Bill 293, an Act respecting Units of Length and Mass.

He said: Honourable senators, this short bill is self-explanatory, but a layman like myself cannot be expected to give the explanations which only a technician could give.

The present Canadian standards of length and mass were derived from the British Government in 1873, when our country first passed its Weights and Measures Act, fixing standards in accordance with the Imperial standards. During the subsequent 78 years scientific metrology has made notable progress. Special laboratories set up by major nations have established accurate measurements. In Canada a special section of the National Research Council deals with this work.

After many years of research, it was discovered that the former yard and pound standards varied slightly. The international standards for the metre and the kilogramme, as established by the International Bureau of Weights and Measures in Paris, are notably invariable. For these reasons, it was suggested at the Imperial Scientific Congress in 1946 that the standard yard and pound be defined in relation to the international metre and kilogramme.

If all nations adopt the same ratio between the yard and the metre, and between the pound and the kilogramme, there will be in the future but one standard of weights and measures. Thus many problems which arise in the field of international trade and science will be settled. Since 1898, in Great Britain, an order in council has prescribed the ratio between the pound and the kilogramme and the same situation exists in the United States.

The purpose of this bill is to establish the same ratio for Canada. No change will be effected, and all subsequent changes in the pound standard will have no bearing. The effect of this bill will be to base the units of measurement on standards whose stability is proved to be as close to perfection as possible.

The second part of the bill provides that the National Research Council shall maintain the standard yard and the standard pound in terms of the proposed units. At the present time the standards used in Canada are deposited with the National Research Council

and here in the Parliament Buildings; only yesterday I saw with my own eyes these standards of bronze and platinum, and if anyone wants to see them he can apply to the Clerk of the Senate, Major Moyer, who undoubtedly will be pleased to show them. Most likely, until now, very few people have had this opportunity.

This bill provides that the standard be the international metre, deposited with the International Bureau of Weights and Measures in Paris. This bar, the most invariable of all measuring bars to be found in the United Kingdom, the United States, France, or Canada, is measured with a wave-length of light. Do not ask me how these wave-lengths are taken. Only a technician could tell you.

You may ask the difference between the present Canadian standard of length and mass and the proposed standards. For the present, the Canadian pound and the one proposed in this bill are similar. As to the yard, it differs slightly, by less than one part of one million, from the former Canadian basic standard. The difference is so slight that it has no importance.

Hon. Mr. Marcotte: Will the honourable senator permit a question? How many feet, or how many inches, will there be in one yard?

Hon. Mr. Vaillancourt: Look at the bill:

The standard unit of length for Canada is the yard which is nine thousand one hundred and forty-four ten-thousandths of the international metre.

Hon. Mr. Marcotte: That does not tell me anything. I would like to know how many feet or how many inches are in a yard. That is a very plain question. The honourable senator says that it is some part of something we do not know anything about; and as a Canadian I would like to know how many inches or feet there are to a yard. I don't know.

Hon. Mr. Euler: Ask Mr. Einstein.

Hon. Mr. Haig: It will be three feet.

Hon. Mr. Marcotte: I am as well able to read as some other honourable senators. What I am told does not give me an answer. I ignore it.

Hon. Mr. Vaillancourt: The bill will be referred to a committee.

Hon. Mr. Reid: I take it that the yard and the pound will still be used.

Hon. Mr. Vaillancourt: Yes.

Hon. Mr. Reid: The bill will not in any way commit us to the use of the metre.

Hon. Mr. Roebuck: The honourable senator for Kennebec (Hon Mr. Vaillancourt) has told us that this bill is going to change the Canadian yard and the Canadian pound by so many thousandths or millionths of a metre or a kilogramme, but he has not told us whether we shall weigh more or weigh less, or whether we shall measure more or measure less.

Hon. Mr. Euler: It will be inflationary, you may be sure!

Hon. Mr. Robertson: The government in its wisdom will see that each of us weighs less and measures less!

Hon. Mr. Aseltine: I don't think we had better pass this!

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

REFERRED TO COMMITTEE

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

Hon. Mr. Vaillancourt: Honourable senators, with leave of the Senate, I move that this bill be referred to the Committee on Banking and Commerce. Presumably the meeting will be attended by specialists who will be able to explain if the yard is to be a little longer or a little shorter.

The motion was agreed to.

APPROPRIATION BILL NO. 3

FIRST READING

A message was received from the House of Commons with Bill 353, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1952.

The bill was read the first time.

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

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

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, for your information I may state that tomorrow afternoon, if the supply bill then receives the approval of this house, there will be the Royal Assent; and it is my intention at that time to ask the house to adjourn until Tuesday evening next.

The Senate adjourned until tomorrow at 3 p.m.

80713—33½

THE SENATE

Thursday, May 31, 1951

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General acquainting him that the Honourable Patrick Kerwin, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

INDIAN BILL

REPORT OF COMMITTEE

Hon. W. A. Buchanan presented the report of the Standing Committee on Immigration and Labour on Bill 79, an Act respecting Indians.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Immigration and Labour to whom was referred the Bill (79, from the House of Commons), intituled: "An Act respecting Indians", have in obedience to the order of reference of 28th May, 1951, examined the said bill and now beg leave to report the same with the following amendments:

1. Page 16, line 47. Delete the word "and" immediately after the word "brother" and substitute therefor the word "or".

2. Page 39, line 16. Insert a comma after the word "municipality" where it appears the second time in the said line.

3. Page 39, line 17. Delete the word "that".

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

Hon. Mr. Robertson: Next sitting.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K Hugessen presented the report of the Standing Committee on Transport and Communications on Bill C-11, an Act respecting Canadian Pacific Railway Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications to whom was referred the Bill "C-11," intituled: "An Act respecting Canadian Pacific Railway Company," have in obedience to the order of reference of 22nd May, 1951, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Hugessen: With leave, I move the third reading now.

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

DIVORCE BILLS

FIRST READINGS

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

Bill F-12, an Act for the relief of Marion Evelyn Peak Collins.

Bill G-12, an Act for the relief of John Brock Short.

Bill H-12, an Act for the relief of Joseph Duchesne.

Bill I-12, an Act for the relief of Eugenie Marjorie Ross Finley.

Bill J-12, an Act for the relief of Helen Marion Peacock Rondeau.

Bill K-12, an Act for the relief of Ruth Mary Halsey Shaw.

Bill L-12, an Act for the relief of Rodolphe Boisjoly.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

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

STANDING COMMITTEES

ADDITIONS TO PERSONNEL

Hon. Mr. Robertson: Honourable senators, with leave of the Senate, I move that the name of the Honourable Senator Quinton be added to the list of senators serving on the Standing Committees on Miscellaneous Private Bills, Transport and Communications, and Finance.

The motion was agreed to.

Hon. Mr. Robertson: Honourable senators, with leave of the Senate I move that the name of the Honourable Senator Basha be added to the list of senators serving on the Standing Committees on Natural Resources, Transport and Communications, and Finance.

The motion was agreed to.

CANADIAN COMMERCIAL CORPORATION BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 284, an Act to amend The Canadian Commercial Corporation Act.

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

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 285, an Act to amend the Canadian and British Insurance Companies Act, 1932.

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

CRIMINAL CODE (RACE MEETINGS) BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill P-11, an Act to amend the Criminal Code (Race Meetings).

Hon. Mr. Reid: May I ask the honourable leader a question? The explanatory note to this bill reads:

> The amendment places racing associations conducting *pari mutuel* betting on trotting and pacing races under the same supervision as those conducting such betting on running races . . .

One would judge from this explanatory note that this amendment is all the bill contains. Are there other amendments in this bill?

Hon. Mr. Robertson: As I was unable to attend the meeting of the Banking and Commerce Committee which dealt with this bill, I am not in a position to answer my honourable friend. Perhaps the third reading of the bill can be delayed until the chairman of the committee is present, or perhaps some honourable senator may be able to answer the inquiry of the honourable gentleman.

Hon. Mr. Haig: The amendment also provides that associations conducting *pari mutuel* betting on trotting and pacing races may retain only the same percentages from *pari mutuel* pools as those which may be retained by associations conducting running races. And, of course, only eight races are to be held in a day.

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

THE CONSUMER CREDIT (TEMPORARY PROVISIONS) BILL

CONCURRENCE IN COMMITTEE AMENDMENT

The Senate proceeded to consideration of the amendment made by the Standing Committee on Banking and Commerce to Bill 195, an Act to amend the Consumer Credit (Temporary Provisions) Act.

Hon. Mr. Hugessen, for Hon. Mr. Hayden, moved concurrence in the amendment.

The motion was agreed to.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

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

APPROPRIATION BILL NO. 3

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 353, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1952.

He said: Honourable senators, this is a request for further interim supply for the public service of the present financial year. The bill provides for the usual one-twelfth of all items to be voted in the main estimates for the fiscal year 1951-52, excluding items 62, 121, 204, and 470, eleven-twelfths of which, as honourable senators may recall, was granted by a previous supply bill. The general proportion of one-twelfth for all services is intended to provide for ordinary requirements to the end of June. The total of that individual item, honourable senators is $206,696,711.58. An additional one-twelfth is required for fourteen special items.

Honourable senators will recall that circumstances sometimes make it necessary to request special amounts to meet certain seasonal expenses, or in cases where the heaviest expenditure is more likely to be incurred in the early part of the fiscal year than to be evenly distributed over the entire year. These special amounts, as was the case in previous interim supply bills, are required for such items as quality premiums on high-grade hog carcasses, general administration costs, and certain obligations of the Department of Mines and Technical Surveys and of the Department of Resources and Development, with respect to which the heavier part of the expenditure must be made early in the year.

Honourable senators, the first item in this special group is under the general heading of Agriculture, where an additional one-twelfth of the original vote of $5,536,000 is required.

A further one-twelfth is required by the Department of External Affairs to adequately finance the various missions abroad, and to cover expenditures abroad on behalf of other government departments, pending recovery from the particular departments concerned. Requirements abroad are heavier this year than normally.

In the Department of Justice an additional one-twelfth of $15,000, is required immediately for the payment of gratuities to the

widows and other dependants of judges who died while in office. I am advised that only a small portion of the present supply of funds remains unexpended.

A further group of special items appear under the heading of Department of Mines and Technical Surveys. Honourable senators realize that many surveys are carried on by this department; and, in order to take advantage of as long a season as possible, they should be under way now.

An additional one-twelfth of $263,473 is required for the Public Archives. I am advised that this amount is needed to meet an overdue payment on a contract for the purchase of the Levis Papers from Sotheby Company, London, England, and of papers belonging to the same collection from an individual in the United States. These payments were due in April.

The amount required for the Department of Resources and Development is one twelfth of $381,095. My information is that this item has to do with studies and surveys on the Columbia River watershed in Canada, and is to enable the department to provide for the early equipping of survey parties, and their despatch to the field to take advantage of as long a season as possible.

The next item has to do with the Canadian Government Travel Bureau, for which an additional one-twelfth of $1,503,197, is required. This is to cover heavy expenditures for tourist advertising and publicity in the early months of the year, and which must be paid immediately to take advantage of discounts offered for prompt payment.

The final item in this special category is under the Department of Trade and Commerce, and has to do with the Canadian International Trade Fair, being held in Toronto from May 28 to June 9, 1951. Because of the early date at which the fair is being held, a large proportion of the expenditure under this item is necessary at this time.

The bill provides for a total sum of $208,274,991.25, of which slightly more than $1,500,000 represents the additional one-twelfth on the fourteen special and seasonal items.

I may point out that in form the bill is exactly the same as the one passed this time last year, and bills passed in previous years. Its passage will in no way prejudice the rights and privileges of honourable senators to criticize and discuss any item in the estimates which may come up for consideration from time to time throughout the remainder of the session; and the usual undertaking is given that such rights and privileges will be respected, and will not be curtailed or restricted in any way as a result of this measure having been passed.

Hon. John T. Haig: I should like to ask the honourable leader a question about the item under External Affairs. Is there any special reason for the item being increased this year?

Hon. Mr. Robertson: I have no specific information on that point. The amount of the original estimate was $4,492,816. It seems to me that the amount is somewhat less than last year. Perhaps some of the members of the Finance Committee could advise me on this. An additional one-twelfth is now required for various expenditures abroad on behalf of other government departments, pending recovery from the particular departments concerned. These have made the immediate requirements heavier than in other years. I would commend the details of the item to the alert and efficient Finance Committee which we have set up.

Hon. Mr. Haig: Thank you.

I should like to refer briefly to the last item in the special category which the leader mentioned, that of the Canadian International Trade Fair which opened in Toronto on Monday last. I attended the fair that day, and I must say I was disappointed in not seeing more senators there. The distinguished senators from Margaree Forks (Hon. Mr. MacLennan) and Blaine Lake (Hon. Mr. Horner) were there, but I saw no others. In my opinion this Trade Fair is making a worth-while contribution, and I think senators should attend. I do not think that in future this house should sit on the opening day of the fair. Its members should attend the fair.

I am not an expert on exhibits, but I do think that by attending such an exhibition one learns something of the progress that is being made in other parts of the world. There was a fine display of industrial machinery at the fair, and Japan and Germany were well represented. It struck me, however, that there should have been a larger exhibit of Canadian manufactures. I think the government, and particularly the Minister of Trade and Commerce, deserve great credit for the stimulus they gave to the organization of this fair. It is performing a real service for our country. The chief speaker at the opening was Sir Robert Sinclair. His address was very notable, but admirable though it was, I was less impressed by it than by his remark that Canada is doing something for the world and at the same time helping herself. I would not under-rate the work done by our

embassies and trade agents in various countries. Doubtless they do a lot of good. But an exhibition of this kind is of striking importance, for it brings people from all parts of the world to see our country and what it can produce.

On the opening day the weather was lovely. Although it rained in Ottawa, the weather man knew that some distinguished senators had arranged to visit Toronto and determined to give us a fine time, so he kept the rain way. We were all delighted with our reception at the fair. I am sure that every senator received an invitation from the promoters; and I suggest that next year we all make it our business to attend the fair, and get an idea of what Canada can do and how trade can be promoted outside of the usual channels.

Hon. Mr. Roebuck: I am very glad to hear the commendation by the leader of the opposition (Hon. Mr. Haig) of the great fair that is being held in Toronto. But why, I ask, should we postpone our visit till next year? The fair is continuing all this week and, I understand, all next week, and even though the train service may be none of the best, it will carry us to Toronto and back at a minimum of expense. I am sure the promoters would be very glad to see all honourable senators over the week-end.

Hon. Mr. Robertson: To dispel any misunderstanding which may have arisen as to the delegation which attended the fair, I might observe that what it lacked in numbers it made up in quality.

Some Hon. Senators: Hear, hear.

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

THIRD READING

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

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

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

PRIVATE BILL

SECOND READING

Hon. Thomas H. Wood moved the second reading of Bill D-12, an Act to incorporate General Insurance Co-operative.

He said: Honourable senators, I would like to make a brief explanation of this bill. The petitioners, whose names are set out in section 1, are: Robert L. Stutt, director of field services, Saskatchewan Wheat Pool; H. A. Crofford, general manager, Co-operative Life Insurance Company; Avery F. Sproule, first vice-president, Saskatchewan Wheat Pool; C. A. Gaarnaert, fieldman, Saskatchewan Wheat Pool; D. G. Macdonald, secretary-treasurer, British Columbia Fishermen's Federation; Alexander Laidlaw, associate director, St. Francois Xavier Extension Department; A. W. Friesen, president of The Co-operative Union of Canada, and director, Saskatchewan Wheat Pool.

It will be noted that most of these petitioners are farmers and fishermen, who, like the farmers and fishermen in many parts of Canada whom they represent, wish to own and operate their own insurance society on a mutual, non-profit basis.

As indicated in the bill, the guarantees required before the proposed company can begin operations will be provided.

In the past the Dominion Government has seen fit to incorporate companies similar to the proposed General Insurance Co-operative; in fact this bill is similar to one recently sponsored by the honourable senator from Rosetown (Hon. Mr. Aseltine). Other organizations which have been similarly incorporated are the Co-operative Life Insurance Company and the Wheat Pool Insurance Company, the latter being owned by the three western wheat pools.

The solicitors for the petitioners, through personal interviews and exchange of letters with the Superintendent of Insurance, have clarified all the essential features.

If the bill receives second reading, I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills, where the representatives of the sponsors of the measure will be in attendance to supply any further information that is required.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Wood: I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, I move that when this house adjourns today it stands adjourned until Tuesday, the 5th day of June, at 8 o'clock in the evening.

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Eileen McDermott McRandall.

An Act for the relief of Laurice Mary Michael Shatilla.

An Act for the relief of Mihaly Kovacs.

An Act for the relief of Rebecca Glicofsky Brown.

An Act for the relief of Selma Rokowsky Kirzner.

An Act for the relief of Ferdinand Langlois.

An Act for the relief of Violet Edith Macdonald Harris.

An Act for the relief of Francoise Brunet Crassowski.

An Act for the relief of Emily Rita Rowlands Simpson.

An Act for the relief of Ivy Lucas Levitt.

An Act for the relief of Marguerite Marie Rita Fournier Cook.

An Act for the relief of Paul Emile Piuze.

An Act for the relief of Antonio Romeo.

An Act for the relief of James Edward Thomas.

An Act for the relief of Mary Louise Webster Hunt.

An Act for the relief of Marie Blanche Amilda Lessard Duplessis.

An Act for the relief of Anne Fineman Segal.

An Act for the relief of Ida Weinstein Yaphe.

An Act for the relief of Shirley Titleman Rodin.

An Act for the relief of Yvette Ernestine Gagnon Lyons.

An Act for the relief of Rose Pakidailo Greenberg.

An Act for the relief of Marie Jeanne Dragon Bigaouette.

An Act for the relief of Olive Marguerite Cann Nichol.

An Act for the relief of Abraham Tarontchick, otherwise known as Abraham Turner.

An Act for the relief of Mabel Cardine Lay Redburn McCormick.

An Act for the relief of Jack Harold Frederick Grater.

An Act for the relief of Kathleen Merle McCullough McCallum.

An Act for the relief of Mary Margaret Urquhart Cuthbert Gilman.

An Act for the relief of Margaret Isabel Ward Green.

An Act for the relief of Rejeanne Laliberte Tinker.

An Act for the relief of Frederick John Pratt.

An Act for the relief of Arthur Frederick Albin Turner.

An Act for the relief of Maria Silvaggio Mazzalongo.

An Act for the relief of Jacqueline Yvonne Suzanne Stucker Grant.

An Act for the relief of Ethelbert Deniston Joseph Bartholomew.

An Act for the relief of Ivy Elizabeth Whitehead Simpson.

An Act for the relief of Evelyn Elizabeth Hulbig Wilks.

An Act for the relief of Margaret Cameron Williams.

An Act for the relief of Rose Pap Bernstein.

An Act for the relief of Albert William Stone.

An Act for the relief of Yvette Barnaby Shang.

An Act for the relief of Minnie Engle Fitleberg.

An Act for the relief of Carol Elizabeth Chute Levesque.

An Act for the relief of Lillian Cohen Turner.

An Act for the relief of Georgina Catherine Christie Savage.

An Act for the relief of Irene Bourgeau Morin.

An Act for the relief of Anne Cohen Bialer.

An Act for the relief of Josephine Gibson Clark Mayou.

An Act for the relief of Henry John Lawrence.

An Act for the relief of Grace Shirley Kraminsky Levy.

An Act for the relief of Bella Rashkin Deutsch.

An Act for the relief of Gladys Eliza Cartwright Jones.

An Act for the relief of Grace Helen Potts Worall.

An Act for the relief of Hortense Marie Therese Loiese Neveu.

An Act for the relief of Eileen Florence Alma Hinton Johnson.

An Act for the relief of Ritchie Leslie McEwen.

An Act for the relief of Catherine Marie Littlefield Stirling.

An Act for the relief of Marie Rose Vachon Orr.

An Act for the relief of Viola Rupert Moran.

An Act for the relief of Philip Rosen.

An Act for the relief of Leah Berniker Berger.

An Act for the relief of Betty Suffrin Sher.

An Act for the relief of Muriel Violet Marcella Barkas Sauve.

An Act for the relief of Lois Christine Flemming Foster.

An Act for the relief of Joseph Napoleon Romeo Moisan.

An Act for the relief of Catherine Veronica Joynt Bragdon.

An Act for the relief of Sarah Alice Thompson Getzler.

An Act for the relief of Grace Anderson Hallam.

An Act for the relief of Edna May Walker Green.

An Act for the relief of Donald George Story.

An Act to incorporate The Hutterian Brethren Church.

An Act to amend the Migratory Birds Convention Act.

An Act to amend The Radio Act, 1938.

An Act to amend The Export and Import Permits Act.

An Act respecting the Construction and Maintenance of a Bridge over the St. Lawrence River at or near the Town of Valleyfield, in the Province of Quebec.

An Act to amend The Canadian Citizenship Act.

An Act respecting the Canadian Legion of the British Empire Service League.

An Act to incorporate The Mercantile and General Reinsurance Company of Canada Limited.

An Act to incorporate Canadian-Montana Pipe Line Company.

An Act respecting the appointment of Auditors for National Railways.

An Act respecting a certain patent application of George R. Hanks.

An Act to incorporate The Ukrainian Catholic Episcopal Corporation of Western Canada.

An Act respecting The Ruthenian Greek Catholic Episcopal Corporation of Canada.

An Act to amend the Northwest Territories Act.

An Act to amend the Yukon Act.

An Act respecting The Hamilton Harbour Commissioners.

An Act respecting Laurier House.

An Act respecting Kingsmere Park.

An Act to amend The Government Employees Compensation Act, 1947.

An Act to incorporate The Ukrainian Catholic Episcopal Corporation of Eastern Canada.

An Act to amend The Canadian Commercial Corporation Act.

An Act to amend The Canadian and British Insurance Companies Act, 1932.

An Act to amend The Consumer Credit (Temporary Provisions) Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1952.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, June 5, at 8 p.m.

80713—34

THE SENATE

Tuesday, June 5, 1951

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

Prayers and routine proceedings.

CENTRAL MORTGAGE AND HOUSING CORPORATION BILL

FIRST READING

Hon. Mr. Robertson presented Bill M-12, an Act to amend the Central Mortgage and Housing Corporation Act.

The bill was read the first time.

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

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

THE LATE SENATORS MORAUD AND GLADSTONE

TRIBUTES TO THEIR MEMORY

Hon. Wishart McL. Robertson: Honourable senators, I regret to have to officially inform this house of the death of one of our senior colleagues, the Honourable Lucien Moraud, K.C., LL.D., who for more than seventeen years was a representative of the Quebec division of LaSalle.

Senator Moraud was born in 1885 at Lotbiniere, Quebec, and was educated at the Quebec Seminary and Laval University, graduating with high honours. His distinguished legal career began with his admission to the Bar in 1909; in 1922 he was created a King's Counsel; and in 1936 he was named *Bâtonnier général* of the Quebec Bar. He first practised law for a short time in the firm of Premier Taschereau of Quebec, and at the time of his death was a member of Moraud, Alleyn, Grenier and Lemay, a firm established more than forty years ago. Throughout his life our late colleague maintained a close relationship with his old university. He was a member of the Law Faculty and of the Board of Governors of Laval, and in 1949 he was made a Commander of the Order of St. Gregory the Great in recognition of his services as co-chairman of the 1948 fund campaign in aid of Laval.

When named to the Senate in 1933, our late colleague brought to the councils of the nation a wide experience in public affairs as well as academic distinction. At various times throughout his career he served as president of the Lake Edward Sanatorium, director of the Bank of Montreal, of the Canadian National Railways and of the Beauharnois Power Corporation, and as secretary of the Progressive Conservative Party. He was a delegate to the United Nations Conference in San Francisco in 1945, and he represented Canada at the Interparliamentary Conference in London two years ago.

Senator Moraud is survived by three brothers and two sisters, to whom we extend our deepest sympathy.

I need scarcely remind members of this house of the prominent part played by our late colleague in our deliberations. Until quite recently he was a very regular attendant of the sittings of the Senate and its committees. His wide experience and the general regard in which he was held earned general respect for his opinion by all who came in contact with him. I personally enjoyed the happiest relations with him. He will be greatly missed.

Honourable senators will have been apprised by now of the sudden passing early last Friday of our colleague from Wellington South, the Honourable Robert William Gladstone.

Senator Gladstone was born in Orford Township, in Ontario's Kent County in 1879. He received his education at Ridgetown Collegiate and the Chatham Model School. After teaching school for several years he moved to the West, returning to Guelph in 1908 to establish the Canada Ingot Iron Company, which he developed into one of the city's leading industries.

Senator Gladstone's political career commenced in 1935, when he was elected to the House of Commons for Wellington South. He was re-elected in 1940 and in 1945, and before the general election of 1949 announced his resignation from politics and in September of that year was summoned to the Senate.

Our late esteemed colleague is survived by his widow, the former Elizabeth Lyons, and by a son, John Kenneth, to whom we extend our deepest sympathy.

Senator Gladstone's passing will be profoundly regretted by all those with whom he was so long and so closely associated in a wide variety of humanitarian and charitable endeavours in his own community. Although Senator Gladstone had been a member of the Senate for less than two years, he brought to his duties here the same diligence and sense of public duty which characterized his period of service in the House of Commons, and indeed his whole life. Up to the day before his sudden passing he was attending to his duties in the Senate as usual. Though some of us had not known him before he came into the Senate, and had not had the

same opportunity of appreciating his many qualities of heart and mind as those who had known him longer, all will agree that in his passing we have lost a sincere, capable and conscientious public figure.

Hon. John T. Haig: Honourable senators, I find it very difficult to speak tonight about the late Senator Moraud. He had the peculiar faculty of being able to draw all men to him: once you came into contact with him you immediately became his friend and he became yours. I feel that I miss Senator Moraud more than I miss any other man who has passed from our midst. He possessed something that a man likes to find in another man—a genuineness that perhaps could be equalled but not surpassed. He was a great help to me in carrying on my work as leader of this side of the house. I could always trust his judgment. I always knew that what he told me about conditions in the Province of Quebec, in business circles or any other sphere of activity there, was his solid, considered, sane opinion.

Canada is one of the great bilingual nations of the world, and Senator Moraud was a truly bilingual son. He loved his mother tongue, but he loved Canada even more. He recognized that those of us whose mother tongue is English are just as anxious as those whose mother tongue is French that our country should progress. He loved the English-speaking people of Canada as he loved his own people. Certainly no man who ever crossed my path has made a greater contribution than he towards the unity of the two great races in this country. He taught me to realize that this Canada of ours can only become a great country if we face all the problems that confront us in a spirit of unity and common purpose.

Senator Moraud was a churchman; he loved his church, and I revere him for it. He loved his native tongue, he loved his home, he loved his brothers and sisters, and he loved his province. He was devoted to the profession of law, of which he was a distinguished member, and he added lustre to it. He was also a keen businessman. After the funeral on Friday the head of one of the institutions of which our late colleague was a director said to me, "Well, senator, it will be a long time before I shall be able to find another man so familiar with the ideals of the people of Quebec as Senator Moraud was." I entirely agree with that sentiment.

Senator Moraud was one of those men who have done much to build this Canada of which we are so proud. He was not, perhaps, the head of any large institution, but in his life he exemplified a spirit which, if it becomes widespread, will make Canada a great nation.

I know I speak on behalf of all members of this house when I express to Senator Moraud's brothers and sisters and other relatives, and to his partners and many friends, our sincere sympathy. I want them to know that while Lucien Moraud has received the last call and passed to the Great Beyond, he leaves behind him a memory that will be sacred to us as long as we live. His career will be a splendid example to the young men and women of his own province. Born on a farm and raised in humble circumstances, he rose by his own energy and ability to positions of eminence in his province and country, and he served both well. He was one of the great senators from the Province of Quebec. I ask his relatives and friends to remember these things in the sorrow that they naturally feel at his passing.

I suppose that I knew the late Senator Gladstone for a longer period than any other member of this house. I was first acquainted with him in 1904, when he lived in the city of Winnipeg; and, of course, after he came to Ottawa about sixteen years ago we renewed old associations. When he was a young man in business in our city he showed energy and enterprise; and from my more recent observation, he was a very keen student of parliamentary affairs. He was in this chamber such a short time that few of us had much opportunity to get to know him as a senator, therefore I cannot speak of him in that capacity with the same degree of intimacy.

To his wife and son I express my very sincere sympathy. I believe that Mrs. Gladstone was greatly interested in her husband's work here. It was our hope that he would be spared for some years to devote his qualities of energy and humanity to the matters that come before us.

Hon. L. M. Gouin: Honourable senators: "Here lies a perfect gentleman." Such are the words which I think should be engraved on the tombstone of the late Lucien Moraud.

I wish first to pay my sincere respects to the late Senator Moraud as a lawyer. Our late colleague, who was admitted to the Bar of Quebec more than forty years ago, was a very prominent member of that fraternity, and in 1936 was *Bâtonnier général* for the province. We remember well his qualities as a jurist in the committees of this house, where he was always active and played a very useful part.

The late senator was a most excellent citizen. The leader of the government (Hon. Mr. Robertson) mentioned that he was a professor at his alma mater, Laval University, and that later he was a governor of that ancient and noble institution of learning; the

leader opposite (Hon. Mr. Haig) enumerated with emotion the roles which he played in the promotion of national unity. Lucien Moraud was indeed a good Canadian with a feeling of brotherhood for everybody, regardless of distinctions of race, creed, class or political affiliation. He was a good christian, and was exceedingly generous towards appeals to his sense of charity or philanthropy.

Our late colleague, in addition to his other attainments, was a successful businessman. As a Canadian of French origin, I am always pleased when one of us distinguishes himself in the world of finance in such a way that he becomes, like our late colleague, a director of the Bank of Montreal and a director of that great insurance company the *Les Prévoyants du Canada*. From 1930 to 1933 Senator Moraud was a member of the executive of the Canadian National Railways.

Finally, Senator Moraud played an interesting part in international affairs. In 1949 he attended the Interparliamentary Conference and in 1945 he was one of the Canadian representatives at the San Francisco Conference. I remember well the time I spent with him at the convention of the Inter-American Bar, held in Washington, in 1942. There, as in this house and everywhere, his friendly smile and kindly heart won the immediate friendship of almost everyone.

Lucien Moraud was a man of great distinction, an excellent representative of good old Quebec. With his passing there disappears from the scene a very distinguished Quebecer. We will remember him always for his kindness, his remarkable intelligence and sound judgment. To everyone he was indeed a dear friend. To his family I extend my most sincere sympathy.

Hon. W. H. Golding: Honourable senators, I should like to join with the leader of the government and the others who have paid tribute to our two departed colleagues.

I did not meet Senator Moraud until I became a member of this chamber, but then I learned to appreciate and admire his ability. He was a kindly man, a gentleman in every sense of the word, and well qualified to fill the position he held here. I think he was a credit to his party and to this assembly, and I know that we shall all miss him very much.

I had known our late friend, Mr. Gladstone, since 1935, when he became a member of the other place, and having been associated with him for many years, both in the other chamber and in the Senate, I can speak of him more particularly. The late Senator Gladstone was one who as a member of parliament did his utmost for everyone in his constituency, irrespective of party, religion or any other affiliations. He was kind-hearted; and few public men were more devoted to duty. He was very seldom absent from the house, or from the sittings of any committee of which he was a member. Though for some years he was far from well, the record discloses how faithfully he attended to his duties in the other place—and in the Senate since he was appointed to this body.

It was, I think, a great shock to us all when, on Friday morning, we learned that our good friend had passed away. Shortly after 5 o'clock the previous afternoon, having heard that he was not well, I went to his room, and said, "You are not feeling well today, Bob?" He replied, "I am going out to the hospital this evening, and I may be there a week or so, but I think, that after a rest I will be all right." He did not seem to be disturbed or upset, and I had no idea that there was anything seriously the matter with him.

I want to join with others in extending to his wife and his son our sympathy. His death must have come as a great shock to Mrs. Gladstone, as it did to all of us.

Hon. Iva C. Fallis: Honourable senators, I should like to associate myself with the previous speakers in the tributes which they have paid to both of our late senators.

I would just like to say a word of personal tribute to the late Senator Moraud, who for many years was my deskmate and my very good friend. He was always so kindly and so genial, so full of the joy of living, that the Senate seemed to me a brighter place when he was here. I shall miss him very much.

I join with those who have already spoken in extending my very sincere sympathy to the families of both our late senators.

Hon. Thomas Reid: As the deskmate of the late Senator Gladstone, it is but fitting that I should join in the expressions of sorrow at his sudden passing. I would also associate myself with those who have referred to the late Senator Moraud, though I did not have the honour and privilege of knowing him well.

I became acquainted with Senator Gladstone when he was elected to the House of Commons in 1935. His active career began some nine years earlier. Although I was aware of his conscientious work in House of Commons committees and on behalf of his constituents, it was only when I sat beside him here that I got to know him

intimately. I might mention one characteristic which reveals something of his character. I doubt whether any member of this chamber other than myself knew how unwell he was. In speaking to various senators I found that they were surprised to learn that Senator Gladstone was forbidden to speak in this chamber because of the danger of a heart seizure; and I do not believe he revealed his weakness or illness to any senator other than myself. I visited him in his room a number of times and he visited me; it was only in this way that I learned of his serious condition. The sense of loss we feel at his passing will be shared by those whom he represented so worthily.

It is sometimes said that none of us will be missed. I believe that statement is untrue, or at least exaggerated, for there are always those who miss the friends who are gone, and I feel sure that all honourable senators will feel a sense of loss at the passing of our two colleagues. I join those who have paid tribute to them, and I would express my sympathy to their bereaved families.

(Translation):

Hon. Paul Henri Bouffard: Honourable senators, I would like to join with my honourable friends who have expressed their sympathy at the passing of Senator Lucien Moraud, with whom I have had the honour of being closely associated.

The loss occasioned by the death of Senator Moraud will be deeply felt, not only by the Senate, but by the Bar and by the country at large. We will remember him as a most generous man whose judgment was keenly sought after.

I had the good fortune of meeting him when I was a very young man. When I entered the legal profession, he had already become famous as a lawyer. As far back as I can remember, he felt drawn to young people, especially to his younger colleagues.

He never missed a chance of helping out someone. His was a warm heart, a real "heart of gold". Although political differences may be more pronounced in the Province of Quebec than elsewhere, I believe I can safely say that Senator Moraud did not allow differences of political opinion to interfere with friendship. He felt kindly inclined towards everybody, irrespective of party.

I knew him when he was a professor at Laval University, an institution to which he was deeply attached. I have had the privilege of being his co-chairman during the campaign for funds on behalf of Laval University. Although his health was far from good, he spared no effort to help his Alma Mater.

Honourable senators, Lucien Moraud's name will long be remembered. His passing leaves a breach which will be difficult to fill. I wish to lay on his grave the tribute of my deep respect and true friendship.

I did not know Senator Gladstone too well, because he only came to the Senate in recent years, but he impressed me as being an extremely kind man. I wish to extend to his family an expression of deep sympathy on behalf of myself and all those from the province of Quebec.

(Text):

Hon. Arthur W. Roebuck: Honourable senators, I should like to join with the many other speakers who have paid tribute to the two departed senators. I knew Senator Moraud fairly well. He and I attended the great convention of the Commonwealth Parliamentary Association in England in 1948, where he played an important part; and I always entertained a great admiration of the part he took in the deliberations in the Senate. I regret his passing and I should like to convey my sympathy to his friends and relatives.

I am also impelled to say something about my sympathy and regret at the passing of Senator Gladstone, whom I had known for a long time. I took part in his local campaign when he was elected to the House of Commons for Wellington South in 1935; I was associated with him in his campaigns of 1940 and 1945, and from 1940 until 1945 I sat with him in the House of Commons. So I knew him in his home town, in his family circle, in the House of Commons and also in the Senate. I had a great admiration for the late Senator Gladstone because of his rectitude, his great sense of responsibility, his kindness, and his steadiness of character.

The death of the late senator must be a great shock and sadness to his family, to whom I convey my deepest sympathy.

Hon. J. W. Stambaugh: Honourable senators, I should like to join with those who have paid their respects to the honourable senators who have just passed to the Great Beyond. I knew Senator Moraud only slightly. I was acquainted with Senator Gladstone only a short time, but in that time I learned to know him quite well. We were summoned to the Senate on the same day; we were introduced in this chamber on the same day, and for some time we were room-mates and desk-mates.

There would indeed be something wrong with any person who knew the late Senator Gladstone and who did not honour and respect him. I have seldom met a man whom I learned to love and respect so much in so

short a time. I feel that the passing of the late Senator Gladstone is a loss to the Canadian people, to this honourable chamber, and it is certainly a distinct personal loss to me.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I wish to add a word to the tributes which my colleagues have just paid to the memory of the two senators who have passed on in the course of the last week.

It seems that it would be pointless to set an age limit for retiring senators, for Providence often deprives us of those who are most useful and most obliging.

I met Senator Moraud in a rather curious way, some twenty-five years ago. I was chatting in the street with a good friend of mine in Quebec when Senator Moraud passed by and bowed to us amiably, at which my friend commented: "There goes a fine chap!" When the man on the street says that, he really means it. Since then I have followed Senator Moraud's career closely and have seen what a fine man he was, in private as well as in public life. When my honourable friend from Grandville (Hon. Mr. Bouffard) said, a moment ago, that our late colleague had earned the admiration of all his fellow citizens, he did not exaggerate.

I sat with Senator Moraud on the board of directors of the *Prévoyants du Canada*, and always admired his judgment and his coolness. When asked for his opinion, he always gave it in a straightforward manner but without arrogance. We knew that any advice he gave was a considered opinion and was not likely to present the situation under false colours. Moreover, he was careful to explain both sides of the question, the pros and cons.

We will remember our colleague kindly, but I would like to make sure that the younger generation shall also remember him. I know a young man at home who will one day be a credit to society, thanks to Senator Moraud. Owing to the generosity of our esteemed departed friend, this young man was able to take a course which may enable him to outdo, and rise above his fellow citizens, and to serve not only his own race but all his fellow countrymen. Should this come about, it will be because he followed in the footsteps of his benefactor and benefited by his generosity.

To the bereaved family of our departed colleague I offer my deepest sympathy.

I also wish to express my sympathy for the loss sustained by the leader on the other side (Hon. Mr. Haig) and his colleagues, particularly, but at the same time point out that the passing of Senator Lucien Moraud is an irreparable loss to all of us in this chamber, regardless of the side on which we sit.

I also desire to join in extending sincere sympathy to the family of the late Senator Gladstone. It was not my privilege to know him very well, but both in this house and in committees I was impressed by his co-operative spirit and good judgment.

(Text):

Hon. R. B. Horner: Honourable senators, I wish to say just a few words to express the personal sorrow I feel on the passing of Senator Moraud. I got to know him well when he and I were fellow members on the Board of Directors of the Canadian National Railways. As has been emphasized by those who have preceded me, one of his outstanding characteristics was friendliness. He made friends with all who met him, regardless of their religion, language or politics. I recall that when I—a farmer from Western Canada —first went to Montreal as a member of the Canadian National Railways Board, I was somewhat fearful of what other members of the Board—lawyers and so on—would think of my efforts. But Senator Moraud was so kind to me that he put me at ease at once. I have ever since felt grateful to him for that, and each year when we assembled here I looked forward to meeting him.

In the passing of Senator Moraud we have lost a truly great member of this chamber, and I wish to join in expressing sympathy to his brothers and sisters.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. McGuire moved:

That the parliamentary fees paid upon Bill Y-5, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Eastern Canada, be refunded to Messrs. Ewart, Scott & Co., solicitors for petitioners, less printing and translation costs.

The motion was agreed to.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Wood moved:

That the fees paid in connection with the proposed bill to incorporate Boundary Pipeline Corporation be refunded to Messrs. Gowling, MacTavish & Co., solicitors for petitioners, less printing and translation costs.

He said: Honourable senators, this bill is not being proceeded with at the present time.

Hon. Mr. Haig: I wish to be clear on this. Am I to understand that bill has been dropped?

Hon. Mr. Wood: That is right.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill F-12, an Act for the relief of Marion Evelyn Peak Collins.

Bill G-12, an Act for the relief of John Brock Short.

Bill H-12, an Act for the relief of Joseph Duchesne.

Bill I-12, an Act for the relief of Eugenie Marjorie Ross Finley.

Bill J-12, an Act for the relief of Helen Marion Peacock Rondeau.

Bill K-12, an Act for the relief of Ruth Mary Halsey Shaw.

Bill L-12, an Act for the relief of Rodolphe Boisjoly.

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

THIRD READINGS

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

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

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

PETITION OF RIGHT BILL

MOTION FOR SECOND READING

On the Order:

Second reading of Bill 192, an Act to amend the Petition of Right Act.

Hon. A. K. Hugessen: Honourable senators, before moving the second reading of this bill, I wish to say that I have been commanded to make the following statement to the Senate:

The Governor General, having been informed of the purport of Bill 192, an Act to amend the Petition of Right Act, gives his consent as far as His Majesty's interests are concerned that the Senate may do therein as they shall think fit.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Hugessen: Honourable senators, I now move second reading of this bill.

As its name implies, this is a bill to amend the Petition of Right Act, and I think it will be very welcome to all members of this honourable chamber.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Hugessen: The bill in itself is simple and short, but it is a rather interesting step in the constitutional development of the relations between the Crown and the subject. What it does, in essence, is to abolish the necessity of obtaining the consent of the Crown before a subject can take legal proceedings against the Crown in the right of the Dominion of Canada.

As honourable senators know, actions against the Crown in the right of Canada are begun by a document called a petition of right, and they are commenced in the Exchequer Court of Canada. As matters stand today, and as they have stood from time beyond which the memory of man runneth not, a petitioner cannot proceed any further with his petition of right unless and until he obtains the consent of the Crown to his proceeding against it. That consent is given in the form of a document called a fiat, the purport of which is to say, "Let right be done".

The present section of the Petition of Right Act which deals with this is section 4, which says:

The petition shall be left with the Secretary of State of Canada, for submission to the Governor General, so that he may consider it and, if he thinks fit, grant his fiat that right be done; and nothing shall be payable by the suppliant on leaving the petition.

That section, which requires the fiat of the Governor General before a petitioner can proceed, is done away with by the bill now before us. If the bill passes a fiat will no longer be required.

The bill provides for certain other minor consequential changes in the Petition of Right Act, some of which would clarify the language and others simplify the machinery for the filing of a petition of right. If the bill passes, the Crown will in effect be liable, without its consent, to be sued in the Exchequer Court, and will be in the same position as any other litigant.

Hon. Mr. Euler: Does the amendment apply only to the Exchequer Court, or can the Crown be sued in any court in the land?

Hon. Mr. Hugessen: I will deal with that point in a few moments.

I do not want to mislead the Senate by over-emphasizing the practical importance of the bill, because for many years the invariable practice of the Governor General, under the advice of the law officers of the Crown, has been never to refuse a fiat when it has been prayed for by anyone wishing to sue the Crown.

Hon. Mr. Hardy: May I ask if it is true that a fiat has never been refused? I understand that some years ago the Indians were refused a fiat to make a claim.

Hon. Mr. Hugessen: I think that in years past there were occasions when a fiat was

refused; but my information is that of late years there has not been an instance of a fiat being refused. That being so, the practical importance of this measure is not as great as it would have been had the practice of the Crown been to refuse fiats from time to time.

Hon. Mr. Haig: As I understand the bill, it does not apply to every action, but limits the extent to which actions against the Crown may be taken.

Hon. Mr. Hugessen: It extends only to such actions as are taken against the Crown in the Exchequer Court. I am coming to that feature. From a practical point of view this bill merely abolishes one preliminary step which has had to be taken by a subject who wished to sue the Crown in the right of Canada. In theory, however, the bill is a good deal more important than that. It is an important constitutional development.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Hugessen: In theory, as honourable senators know, the king can do no wrong; the king was himself the only source and fountain of justice. As the centuries went by the king constituted courts for the trial of matters between subject and subject; but, as the king could not of course be summoned before his own court—really, before himself—there grew up the practice of submitting by a subject, who considered that he had been wronged by the king or his officers, what has been termed, and is still termed, a petition of right to the king. This practice goes back at least to the 12th century, in the reign of King Edward I.

A petition of right, and why it was considered necessary, can be stated in a few words. I have before me an authority on the subject entitled *Clode's Petition of Right*, published in 1887. I shall give two short quotations:

> A petition of right is a petition presented by a subject to the Crown stating some infringement of the suppliant's legal rights by the Crown or its officers, and praying redress therefor . . .
>
> The practice of proceeding against the Sovereign for the redress of injuries by a petition of right seems to owe its origin to two facts of our constitution, the first being that no action of any sort or kind will lie against the Crown, the second that the proper mode of approaching the Sovereign, for the redress of grievances or to solicit acts of grace and favour, is by petition.

When Clode wrote his book in 1887 the English Act of 1860, 23 and 24 Victoria, chapter 34, governed petitions of right, and with the permission of the Senate I should like to quote the preamble and the first two sections of that Act as an indication of what it was intended to cover. I quote:

> Whereas it is expedient to amend the law relating to petitions of right, to simplify the procedure therein, to make provision for the recovery of costs in such cases, and to assimilate the proceedings, as nearly as may be, to the course of practice and procedure now in force in actions and suits between subject and subject. Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

That, honourable senators, is the preamble.

The first section reads:

> I. A petition of right may, if the suppliant think fit, be intituled in any one of the Superior Courts of Common Law or Equity at Westminster in which the subject-matter of such petition or any material part thereof would have been cognizable if the same had been a matter in dispute between subject and subject, and if intituled in a Court of Common Law shall state in the margin the venue for the trial of such petition; and such petition shall be addressed to Her Majesty . . .

and so on.

The second section reads:

> II. The said petition shall be left with the Secretary of State for the Home Department, in order that the same may be submitted to Her Majesty for Her Majesty's gracious consideration, and in order that Her Majesty, if she shall think fit, may grant her fiat that right be done; and no fee or sum of money shall be payable by the suppliant on so leaving such petition, or upon his receiving back the same.

I have quoted from that Act for the reason that it was followed very closely by the first Petition of Right Act in Canada, which was enacted in 1876 and followed almost word for word the terms of the English Act of 1860. In particular it requires the issuance of a fiat by or on behalf of the Queen before a petitioner can proceed with his petition of right. It goes on to provide in substance that once that formality has been complied with the proceedings shall continue as if they were between subject and subject.

This parliament in 1887 constituted the Exchequer Court of Canada, which was made the exclusive court in Canada for the hearing of cases in which His Majesty in the right of Canada and one of His Majesty's subjects were in legal conflict. The Exchequer Court Act, and in particular sections 18 and 19, enumerate the classes of claims which the subject can make against the Crown in the right of Canada, and in which, as I said a moment ago, the Exchequer Court has exclusive original jurisdiction. That Act has been amended from time to time to widen the classes of claims which could be made by the subject against the Crown, and those classes are now very extensive indeed. Section 18, for instance, of the Exchequer Court Act, declares that:

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

Section 19 enumerates ten other classes of actions which can be taken by the subject against the Crown in the Exchequer Court, including this very important one:

Every claim against the Crown arising out of any death or injury to the person or to property resulting from the negligence of any officer or servant of the Crown while acting within the scope of his duties or employment.

I think it is safe to say that the whole tendency in modern times has been gradually to assimilate the Crown to the ordinary litigant, the subject who has a claim against a fellow-subject, and step by step to remove the various privileges which the Crown originally possessed, and make the Crown liable like any other litigant for wrongs which it may have committed. This bill is one more step in that process.

I am quite sure that the bill will be welcome to honourable senators. Perhaps the house will remember another step which was taken in the same direction in the Statute Law Amendment Act of 1950, which I had the honour to explain to the house. That Act, it will be recalled, places virtually all Crown corporations in the position of being amenable to the jurisdiction of the courts in the same way as ordinary corporations. If I remember rightly, upon the discussion of that bill several honourable senators expressed the view that the issue of a fiat upon a petition of right should be abolished. This point was made particularly, I believe, by the honourable member from Toronto-Trinity (Hon. Mr. Roebuck). I said at that time that perhaps half a loaf was better than no bread. Well, we got half the loaf at that time, and we have at least another slice now.

Hon. Mr. Hardy: A small slice.

Hon. Mr. Hugessen: A small slice, yes, but a slice. I recommend this bill to the serious consideration of the Senate.

Hon. Mr. Aseltine: I move the adjournment of the debate.

Hon. Mr. Roebuck: Why adjourn the debate?

Hon. Mr. Aseltine: Before I speak I should like to review what the honourable senator from Inkerman (Hon. Mr. Hugessen) has said.

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

INDIAN BILL

CONCURRENCE IN COMMITTEE AMENDMENT

The Senate proceeded to consideration of the amendments made by the Standing Committee on Immigration and Labour on Bill 79, an Act respecting Indians.

Hon. Mr. Buchanan moved concurrence in the amendments.

The motion was agreed to.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

Hon. R. B. Horner: Honourable senators, after sitting on the committee which considered this bill, and listening to the speeches which have been made in connection with it, I feel it my duty to say that I am not at all satisfied with this legislation. I am afraid it will turn out to be very confusing in many respects.

Although the honourable senator from Churchill (Hon. Mr. Crerar) made a very fine speech on this subject, I do not agree with his remark that the Indian never takes thought for the morrow. I would have liked better a bill to entirely emancipate the Indian and put him in a position to engage freely in enterprise. In this way he might have become an example to save us from the fate which seems to be looming ahead of us, namely, that all of us will become wards of the government. I doubt whether we, under the same circumstances that the Indian had to meet, would have done any better than he did.

I have lived in northern Saskatchewan for forty-five years. I remember when I first went there how interesting it was to meet members of the Indian tribes and listen to their stories of how they had faced and survived the difficulties of existence when they had the country to themselves.

The estimate made by the honourable senator from Medicine Hat (Hon. Mr. Gershaw) of the size of the Indian population in former days is, I suggest, no more than a guess. There is no way of computing the number of Indians on the North American continent before the coming of the white man, though we know something of the ills and misfortunes they suffered as a consequence.

Some time ago I was visiting Kansas City, the centre of a great and fertile country in which the Indians have become quite prosperous, mainly through the growing of corn. In the city park stands a beautiful monument, erected by the citizens, depicting a lone Indian scout seated on a horse. It seems to me that we in Canada would do well to erect some public memorial of this kind to honour the memory of the great Indians portrayed in Canadian history, and the record of the Indian race.

In the early days, some ninety years or so ago, many Scotsmen who left their native land to man Hudson's Bay posts in the north country married pure-blooded Indian women.

They raised families of twelve or fourteen children—and I may remark, with all due respect to the honourable senator from Maragee Forks (Hon. Mr. MacLennan), and the honourable senator from New Westminster (Hon. Mr. Reid), that these people, so serving and developing that northern country, were an improved type of Scotsman.

Some Hon. Senators: Oh, oh.

Hon. Mr. Euler: Did they have the bagpipes?

Hon. Mr. Reid: Yes.

Hon. Mr. Horner: I have always been greatly interested in reading and listening to the history of these Indian tribes and their achievements, and the evidence it affords of the fine physique and ability of these people. An honourable senator has spoken of difficulties in the improvement of the native races. Surely it was no common type of man who was capable, for instance, of trekking a hundred miles in a day. As to the suggestion that the Indian is improvident, I wonder how many hundreds of white settlers who, when their own stocks ran out, owed their lives to the food provided for them by the natives. Today, with all our achievements in preparing and packaging food, nothing has been found to surpass the Indian's pounded buffalo meat, dried and prepared with wild berries; there is no kind of food on which a man can travel so far as pemmican. The Indians can be credited with another interesting achievement. I am told by men well informed about the fur business that no process has been invented which can equal the tanning methods applied by our Indians to the buffalo robe, either in the durability of the fur or the softness of the hide.

With regard to the practice of medicine, I wonder whether any honourable senators, particularly members of the medical profession, noticed a recent magazine article by a doctor who half a century ago practised in northern Saskatchewan. This article appeared in the Magazine *Digest*. The author wrote that the Indian doctors were using certain medicines in those days, and he described how they had been making use of three medicines which people today consider to have been discovered only in recent years. The Indians have not lacked intelligence, and it is indeed unfortunate that they have not, as we say, developed to a greater degree.

Let me refer to the enfranchisement provisions in the bill. When the Indians receive the franchise they gain the right to vote but they lose their treaty rights. They cease to be Indians under our laws and become ordinary citizens. If my memory serves me well, the Indians expressed themselves in committee as being desirous of keeping the rights they enjoy on their reserves. If they lose their treaty rights, what do they gain by getting the franchise?

The honourable senator from Churchill (Hon. Mr. Crerar) was somewhat concerned about the provisions dealing with intoxicants and the sale of liquor to Indians. Upon the request of a province the Governor in Council may permit Indians to buy liquor in cocktail bars, beverage rooms and beer parlours in that particular province, but the Indians may not purchase liquor or beer to be consumed by them outside a public place. This means that the Indians will have to pay more than other people for their alcoholic beverage. What is going to happen when they see other citizens buying a case of beer or a bottle of liquor on a Saturday night and taking it home? I think there will be great difficulty in administering this provision of the law, and I very much doubt its wisdom. It might have been well to have gone the whole way and to have given the Indians the same rights with respect to intoxicants as are enjoyed by the rest of the population.

There is a great lack of day schools on the Indian reserves. The Indians expressed the wish that there should be no denominational schools; but at the present time Protestant children go to their schools and Catholic children go to theirs. For the life of me I cannot understand why, for day schools, we did not try to agree on some prayer to which no religious denomination could object. Teachers could then be hired on the basis of their teaching capabilities without regard to religious belief, and all Indian children could attend the one day school. It is my understanding that this is what all religious groups amongst the Indians requested; but there is no change or improvement in this respect in the bill before the house. I very much fear that the Indians will not be given what they are entitled to—a good day school on the reserve, which would enable the children to spend their evenings at home with their parents, where they would learn how to do useful chores. I think the government is duty bound to do this much for the Indians. Perhaps I am too pessimistic but in my opinion we shall have to amend this Indian Act before very long.

Honourable senators, I would have preferred to speak tomorrow; but as the government seems to be anxious to get this legislation passed, I decided to contribute my few remarks tonight.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 6, 1951

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

Prayers and routine proceedings.

CUSTOMS TARIFF BILL

FIRST READING

A message was received from the House of Commons with Bill 295, an Act to amend the Customs Tariff.

The bill was read the first time.

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

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

DIVORCE BILLS

FIRST READINGS

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

Bill N-12, an Act for the relief of Theresa Verna Brisson Humphreys.

Bill O-12, an Act for the relief of Dorothy Shapiro Ram.

Bill P-12, an Act for the relief of Ivy Grace Barnsdale Moore.

Bill Q-12, an Act for the relief of Dorothy Chaffee Caduc.

The bills were read the first time.

SECOND READINGS

Hon. Mr. Aseltine: Honourable senators, with leave, I move that these bills be now read the second time.

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

THIRD READINGS

Hon. Mr. Aseltine: Honourable senators, with leave, I move that these bills be now read the third time.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill O-11, an Act respecting Canadian Slovak Benefit Society.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill O-11, an Act respecting Canadian Slovak Benefit Society, have in obedience to the order of reference of May 28, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: With leave of the Senate, I move the third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill E-12, an Act to incorporate the Missisquoi and Rouville Insurance Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill E-12, an Act to incorporate the Missisquoi and Rouville Insurance Company, have in obedience to the order of reference of May 30, 1951, examined the said bill, and now beg leave to report the same with the following amendment:

1. Page 2, line 32: delete the word "two" and substitute therefor the word "one."

The Hon. the Speaker: Honourable senators, when shall this report be considered?

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

The motion was agreed to.

THIRD READING

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

Hon. Mr. Bouffard: With leave, I move the third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill D-12, an Act to incorporate General Insurance Co-operative.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill D-12, an Act to incorporate General Insurance Co-operative, have in obedience to the order of reference of May 31, 1951, examined the said bill and now beg leave to report the same with the following amendments:

1. Page 1, line 16: delete "General Insurance Co-operative," and substitute "Co-operative Fire and Casualty Company."

2. In the title of the bill: delete "General Insurance Co-operative," and substitute "Co-operative Fire and Casualty Company."

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

Hon. Mr. Bouffard: With leave, I move that the amendments be concurred in now.

The motion was agreed to.

THIRD READING

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

Hon. Mr. Wood: With leave of the Senate, I move the third reading now.

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

NATIONAL HOUSING BILL

FIRST READING

Hon. Mr. Robertson presented Bill R-12, an Act to amend the National Housing Act, 1944.

The bill was read the first time.

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

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

PETITION OF RIGHT BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion for the second reading of Bill 192, an Act to amend the Petition of Right Act.

Hon. W. M. Aseltine: Honourable senators, I adjourned the debate yesterday for the purpose of making a few remarks on this most interesting subject. After having listened to the explanation of the bill by the honourable senator from Inkerman (Hon. Mr. Hugessen), I feel that there is little left for anyone to say, particularly in view of the fact that we are all pretty well agreed on the purpose of the measure and want to see it given the force of law. So perhaps honourable senators will bear with me if, in order to properly complete what I have to say, I refer briefly to some of the things mentioned by the honourable senator from Inkerman.

The present law on this subject is contained in chapter 158, Revised Statutes of Canada, 1927, as amended, and is known as the Petition of Right Act. The Act contains three definitions which in my opinion are quite important. "Court" is defined as the Exchequer Court of Canada, which has exclusive jurisdiction in this matter; "judge" is defined as a judge of that court; and "relief" includes every species of relief over which the Exchequer Court, under the Exchequer Court Act, chapter 34, R.S.O., 1927, has jurisdiction. That jurisdiction, honourable senators, is more or less limited. It goes far enough in some respects, and in at least in one respect, which was briefly mentioned yesterday by the senator from Inkerman—I refer to section 19 (c) of the Exchequer Court Act, with which I will deal later on—it goes too far. The honourable senator stated very clearly that before any action can be commenced a fiat of the Governor General is required, and that in any event only such actions as are enumerated in the Exchequer Court Act can be instituted against the Crown. The nature of these actions was outlined fully in the other place by the Minister of Justice, and briefly referred to yesterday in this place by the sponsor of the bill.

The bill makes no change in the remedies which can be sought; it merely abolishes the necessity of a fiat and provides for the service by registered mail of petitions and documents. To that course, I am sure, no one can object. Putting it in another way, the object of the bill is to place the Crown, in matters of litigation, as far as possible in the same position as a subject, so that one who wishes to begin an action against the Crown may do so as though the Crown were an ordinary person. From time to time lawyers have been accused of trying to retard legal reforms, but I do not think anyone in this chamber can maintain that Canadian lawyers have opposed the subject-matter of this bill. I know that both the honourable senator from Inkerman (Hon. Mr. Hugessen), who introduced it, and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) have for many years advocated the changes it seeks to effect. The same attitude has been taken by the dominion and provincial Bar associations. Until 1945 the present Prime Minister, while Minister of Justice, was unfavourable to the abolition of the requirement of a fiat before action could be begun against the Crown. Since that year, legislation dealing with this whole subject has been passed in Great Britain, and that action, no doubt, has had some influence

on the Prime Minister, because he is now, I understand, in favour of these amendments.

In his speech yesterday the honourable senator from Inkerman briefly sketched some of the historical background of the right to proceed against the Crown. He stated, I think, that all our courts were King's Courts, and that they were established by the Crown for the purpose of trials between subject and subject. But it was established as long ago as the thirteenth century that the King could not be tried in any matter whatsoever in his own court. The ruling doctrine was embodied in a maxim cited yesterday by the sponsor of this bill, that "the King can do no wrong". If the King can do no wrong, no action can be taken against him, even though the Crown were to commit some offence against a subject whereby that subject was damaged. But in the sixteenth century some advance was made. It was then decided that in matters of contract suits could be brought against the King, with his permission, which of course was accorded through petition of right. Thereafter actions of this kind were allowed to be heard upon the issue of a fiat which directed that justice be done. Honourable senators will realize, however, that no action was allowed against the Crown for a tort of any kind.

Hon. Mr. Euler: What is a tort?

Hon. Mr. Aseltine: A tort is a wrong committed by someone, which in most cases gives the offended party a right of action for damages. It is a term that is used—

Hon. Mr. Euler: Among the lawyers?

Hon. Mr. Aseltine: —in the legal profession.

Hon. Mr. Haig: As opposed to contracts.

Hon. Mr. Aseltine: Yes, as opposed to action on the performance of a contract or something of that kind.

In 1947 a bill dealing with this subject was passed in the British House of Lords. It was known as the Crown Proceedings Bill. However, before dealing with that I wish to say that there was a very fine debate on this subject in the other house last Monday, and I hope that honourable senators who have not read that debate will do so. Among the fine speeches made, was one by my friend, the member for Lake Centre, Saskatchewan. I am indebted to him for the inspiration for some of the remarks which I am about to make in connection with the Crown Proceedings Bill and other matters. I hope that honourable senators will bear with me if my remarks seem to be more or less a repetition of the debate that took place in the other house.

I have in my hand the *Parliamentary Debates* of the House of Lords, covering a period of a little more than a month during March and April of 1947. This report contains the whole history of the Crown Proceedings Bill, which was originated in the House of Lords by the Lord Chancellor of that day. I was surprised to find that the House of Lords does so much work.

I was pleased yesterday that before moving second reading, the sponsor of the bill now before us informed this honourable chamber that the Governor General had given his consent to the measure being passed. In my opinion that was the proper time and place to make such an announcement because when second reading of the Crown Proceedings Bill was moved in the British House of Lords, the Lord Chancellor, Viscount Jowitt, had this to say:

> My Lords, in moving the second reading of this bill, I have it in command to acquaint the house that His Majesty the King, having been informed of the contents of the Crown Proceedings Bill, is prepared to place the interests of the Crown at the disposal of parliament in connexion with the bill.

That is exactly what the honourable senator from Inkerman (Hon. Mr. Hugessen) did yesterday, and I think he was quite in order in doing so. As a matter of fact, I doubt very much whether the bill could be legally passed if that consent had not been given.

The honourable gentleman from Inkerman did not say so, but for centuries this granting of a fiat has been one of the prerogatives of the Crown; and before a prerogative can be taken away from the Crown by a legislature or by a parliament such as ours, the consent of the Crown must be obtained in some form or other, either directly or through the Governor General—as in this case—and the house must be advised to that effect.

Prior to the passing of the Crown Proceedings Bill in England a subject was only able to sue the Crown in matters of contract. That bill, however, applied to torts of all kinds as well. The whole subject has been one of great importance in Britain for many years, and I should like to read a few words from the speech of the Lord Chancellor:

> It was in 1921—that is more than twenty-five years ago—that the then Lord Chancellor, the Earl of Birkenhead; obviously thinking that steps should be taken to make the Crown liable alike in contract and in tort, set up a committee. That committee originally consisted of twenty-four people, and it was indeed an all-star cast. There never has been a stronger committee appointed, and they started their work in 1921. I see in front of me my noble friend Lord Schuster. He was Chairman of the sub-committee of the committee, and everybody who knows that noble Lord, and knows his eagerness and his energy, is aware that he was not designed by nature to drive fat oxen. Yet, my Lords, that committee sat through the years 1921, 1922, and 1923, until in 1924 Lord Haldane had

become Lord Chancellor. Lord Haldane said: "Never mind about considering whether it is desirable that the Crown should become liable alike in contract and in tort; assume it to be desirable and feasible, and prepare a bill for me."

Honourable senators will note that this important matter had been under consideration by the British Parliament for quite a number of years.

The Lord Chancellor then goes on to say this:

Here was the most distinguished committee ever appointed; it sat for nearly six years, and then produced a bill which I am bound to say was not a very satisfactory bill. Yet any single one of that committee, had they devoted themselves to this question for six months, would have been able to produce a far more satisfactory bill. There the matter was left. Some two years later I became Attorney-General, and I found this bill. I was advised by the then parliamentary draftsmen that the bill in the 1927 form was not satisfactory, and I suspect that all my predecessors in this office have received the same advice. I further found there were great misgivings about the bill on the part of the service departments.

That would be the army, navy and air force.

I found, too, that amongst some very distinguished lawyers on the opposition side of the house there were even greater misgivings. We were able to do nothing then, and it is a fact that from that date to this nothing has been done in the way of introducing or carrying forward any bill dealing comprehensively with this subject.

Then he goes on to explain the bill.

I have read that because I thought honourable senators would be interested to know what had been done in Britain about a matter of this kind.

The British bill of 1947 went much further than the mere abolition of the fiat; it provided for actions in the High Court against officers of the Crown. That led the Lord Chancellor to give a couple of examples of just what the change entailed. One of these was referred to in another place, but I think it is worth referring to again. In dealing with that part of the bill the Lord Chancellor said:

Here arises rather an interesting question. I put these observations in the form of questions, and I shall not attempt to answer them. I have often wondered what is the true legal position as between two persons in the armed forces of the Crown, one of whom is injured by the negligence of the other.

By the way, in our own court we have had a case right on the point—the Oakes case—and I shall have something to say about this later on.

The Lord Chancellor went on:

To give a simple illustration, let me take the charge of the Light Brigade. Could a trooper who took part in that charge, whose leg was shattered by a cannon-ball have brought an action against Lord Raglan (I think it was), to recover damages on the ground that Lord Raglan had blundered?

I found that very interesting, so I looked up Lord Tennyson's poem, *The Charge of the Light Brigade*, where I find these words in stanza No. 2:

"Forward, the Light Brigade!"
Was there a man dismayed?
Not tho' the soldier knew
Some one had blunder'd:
Their's not to make reply,
Their's not to reason why,
Their's but to do and die:
Into the valley of Death
Rode the six hundred.

History seems to indicate that somebody blundered; that the order was not to charge the Russian guns but to move forward, or something of that kind.

It is interesting to note from the next page of this report that the present Lord Raglan, a descendant of the Lord Raglan who was at the battle of Balaclava, raised a question as to whether or not his great-grandfather had blundered. He said:

The noble and learned viscount having referred to my great grandfather by name, I would just like to say that his responsibility for the charge of the Light Brigade is not regarded by historians as by any means so certain as the noble and learned viscount suggested.

Here is another example given by the Lord Chancellor:

When the *Victoria* and the *Camperdown* came into collision, could a sailor who went down in the *Victoria* have brought an action against the admiral for giving an order which, as he would say, brought about the damage?

He also gives a number of other illustrations. My reason for mentioning them is that several cases have been decided recently by our own Exchequer Court.

Hon. Mr. Euler: What answer did the Lord Chancellor give in those instances?

Hon. Mr. Aseltine: He said he was not giving any answer, that he was simply putting them forward as hypothetical questions by way of explaining to the House of Lords that in his opinion the section of the bill that he was talking about went too far, and that the Crown should not be held liable at all in so far as the army, the navy and the air force are concerned. I should point out that before the bill was passed a couple of amendments were made. One concerned the Post Office Department, which in Britain is responsible for the delivery of messages. That department was exempted from action because of any wrongdoing in the transmission of messages. And because of what Lord Jowitt had said it also became necessary to put through an amendment excepting the army, navy and air force from actions of the types which were mentioned. But in Canada, under section 19 (c) of the Exchequer Court Act, which was read yesterday by the senator

from Inkerman (Hon. Mr. Hugessen), the Exchequer Court has just announced judgment to the effect that in spite of the compensation payable to a soldier's relatives by way of pension, or otherwise, the Crown is liable for some $20,000 damages to the relatives of a man who was killed as a result of negligence of his officer, who drove a car into a train somewhere near the city of Montreal. That decision was handed down on about the 17th of May, and I believe that the Department of Justice is considering appealing it. If the decision goes against the government I presume that parliament will be asked to amend the statute so that it will not cover matters of that kind. In my opinion our Act should make all types of actions against the Crown possible, except actions in connection with the army, navy and air force.

Hon. Mr. Hugessen: Perhaps the Royal Canadian Mounted Police also should be excepted.

Hon. Mr. Aseltine: Yes, in the same way exactly.

Honourable senators will see that the English Act, which provides for all forms of actions except the two I have mentioned—against the Post Office for wrongdoing in transmission of messages, and against the army, navy and air force in certain types of cases—is much wider in scope than our Exchequer Court Act. The English Act covers actions for such torts as trespass, assault, false arrest, false imprisonment, malicious prosecution, libel and slander and so on. It is questionable whether we should not remodel our Exchequer Court Act with a view to making its scope as wide as that of the British Act. But, as I say, I would exempt the Crown from liability so far as the army, navy and air force are concerned.

Hon. Mr. Euler: May I ask my honourable friend a question? I am not a lawyer, and I am interested to know just how far this bill goes. I gather that even if we made our Exchequer Court Act as wide as the British Act, any actions against the Crown would still have to be brought in the Exchequer Court. I take it that you would like to have the law amended so that a subject could take action against the Crown in an ordinary court.

Hon. Mr. Aseltine: I am coming to that. In my opinion our Act should be broadened so as to make possible all types of actions against the Crown, except actions arising in connection with the army, navy and air force. I think that section 19 (c) of the Exchequer Court Act should be amended to this effect. I suggest also that we should be allowed to proceed against the Crown in any Canadian court.

Hon. Mr. Hardy: Hear, hear.

Hon. Mr. Aseltine: The Crown has the privilege of proceeding against the subject in any court, but my understanding of the law is that when it proceeds in a court other than the Exchequer Court of Canada the subject has no right to counterclaim, and is therefore at a disadvantage. Some of the lawyer members of this house who have had more experience in this field than I have, will no doubt correct me if I am wrong. If my understanding is right, the Crown could proceed against the subject in the Court of King's Bench, a district court or the supreme court of a province; but the subject having no right to counterclaim, and thereby raise all the defences open to him, would be at a disadvantage.

Hon. Mr. Roebuck: Previously he had to get a fiat, but under this bill he will be able to proceed without one.

Hon. Mr. Aseltine: But a subject can only sue in the Exchequer Court.

Hon. Mr. Roebuck: That is true.

Hon. Mr. Aseltine: I am talking about a case in which the Crown takes action against a subject in a court other than the Exchequer Court, as it has the right to do.

Hon. Mr. Roebuck: Then he will need a fiat.

Hon. Mr. Aseltine: No, without a fiat.

Hon. Mr. Roebuck: A fiat is still required.

Hon. Mr. Aseltine: The king does not need a fiat to sue.

Hon. Mr. Roebuck: The subject will require a fiat to counterclaim.

Hon. Mr. Aseltine: I understand that the subject does not have the right to counterclaim unless the action is in the Exchequer Court. However, my point is that I should like to see the jurisdiction of the Exchequer Court abolished altogether in suits against the Crown, so that such actions could be taken in the ordinary courts with which we are all more familiar.

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Aseltine: Another matter which I should like to mention briefly is the production of documents. From my reading on the subject, it appears to me that there are cases in which the Crown, or a minister of the Crown, has claimed that certain documents were privileged, and that it was not in the public interest to disclose them on the hearing of the case. The court on many occasions

has upheld this view. In other cases the documents have been ordered produced, and the judge has taken upon himself the responsibility of deciding whether or not they were privileged. In my opinion, this whole matter should be cleared up either by way of amendment to the Exchequer Court Act or by the insertion of a rule of procedure to allow for the adequate production of documents.

This legislation has become necessary, in my opinion, because of the growing tendency to set up Crown corporations. We have Crown corporations and government boards here, there and everywhere, and the rights of the individual are being encroached upon. As was mentioned yesterday, the Statute Law Amendment Act of last year was a step in the right direction; I hope that it will be extended. With the increase of Crown activities, the old principles and immunities have gone by the board, and if the subject is to be able to defend himself or to take action for damages, whether for tort or anything of that kind, he must not have his hands tied.

Those, honourable senators, are all the remarks I have to make on this subject. Needless to say, I am very much in favour of the bill but I should like to see it go a step further on the question of exclusive jurisdiction of the Exchequer Court. However, the reform embodied in the bill before us, is a very important one, and one which I have advocated for many years.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hardy: Would the honourable senator care to express an opinion on the matter of the garnishee of civil servants' salaries in cases where judgment has been pronounced against them?

Hon. Mr. Aseltine: I had a note on that subject, but I omitted to deal with it.

A provincial civil servant in the Province of Saskatchewan may have his wages garnisheed. There are of course certain restrictions as to what amount is exempt for a married man or for a single man; but garnishee proceedings can be taken in the provincial courts. I understand that it is different in the Province of Manitoba.

Hon. Mr. Haig: Yes.

Hon. Mr. Aseltine: There is no procedure for garnisheeing salaries of federal employees.

Hon. Mr. Hardy: No.

Hon. Mr. Aseltine: I should like to see that changed, but I do not know that it is a matter which properly arises under the bill before us.

Hon. Mr. Hardy: It is based on the same old tradition, because when there is garnishee, the government is brought in as a party, and in that way a fiat would be required. I am quite sure the Governor General could issue a fiat in the case of a garnishee, if he chose, but unless the general law were changed it would be impracticable.

Hon. Mr. Aseltine: As I say, no fiat is required in the Province of Saskatchewan. I know that there are many unsatisfied claims against federal employees and that they never will be satisfied because there is no way of attaching money that is owing to these people by the Crown.

Hon. Mr. Hardy: On account of this 700-year-old law.

Hon. Mr. Aseltine: On account of the fact that we have no law regarding such garnishee proceedings.

Hon. A. W. Roebuck: Honourable senators, I have very little to say on this subject, except to remark that long years of advocacy have come to a successful head in this bill, and to express my entire approval of the bill and my intense satisfaction in seeing these ancient cobwebs swept away.

I should like to congratulate the last speaker (Hon. Mr. Aseltine) on his erudite and interesting address on this subject. We are indebted to him for the investigation he has made and for the fine thoughts he expressed. I go along with him in his desire for an amendment to the bill, or to the general law, in order that a suit against the Crown may be launched in other courts as well as in the Exchequer Court. There are many reasons why the other courts are more effective. They are more local, more easily accessible, and, by the way, litigants have greater confidence in them than they have in the Exchequer Court, because an opinion exists, perhaps with some justification, that the Exchequer Court is on the side of the Crown, while the courts generally throughout the land are given the credit of being quite impartial.

I do not agree with the suggestion of my honourable friend from Rosetown (Hon. Mr. Aseltine) that actions against the army, the navy and the air force should not be allowed without fiat, nor do I approve the suggestion of the honourable member from Inkerman (Hon. Mr. Hugessen) that the Royal Canadian Mounted Police should be left in the same category. It seems to me that any amendments which may be necessary to provide against such conditions as were indicated by the honourable gentlemen should be made to the substantive law rather than to procedure. If any change is required in the

present law as to the responsibility of an officer to his man in the event of a mistake, or of one soldier to another, or of a soldier against the department, or of an individual against the department, it should be made by a change of the substantive law; but if the party has a right, access to the court to maintain that right should not be denied.

The production of documents is, of course, a matter of great difficulty. In parliament an application for the Crown to produce a document is not sustained by the Speaker if a minister of the Crown informs the house that it is not in the interests of the nation to produce the document. Surely in court procedure the same right and confidence should be placed in the minister. It is simply impossible to allow any individual who chooses to bring an action to force the production, merely on the strength of the action, of Crown documents which ministers assure us it is not in the interests of the nation to produce. That would bring about a condition in the management of departments which might lead to the concealing of documents, and that would be highly undesirable. So we must leave it either to the judge or to the minister of the Crown to determine without the consent of the litigants whether or not a document may be produced, and rely upon his bona fides to produce it when it should be produced, and to refuse to produce it when it should not be produced.

Of course I am delighted with this bill, because it sweeps away what may be termed ancient superstitions, cobwebs of the past, all traditions and shibboleths such as "the King can do no wrong." Well the King can do no wrong now. That principle is as alive today as it was in the time of King George the Third, but the immunity does not extend today to the servants of the Crown. That is the point. Today the Crown stands on a pedestal. In the person of the sovereign it is not criticized, it is not attacked. But the King's servants may be attacked, and they have no right, by invoking ancient shibboleths, to hide in a coward's castle and refuse to submit to the jurisdiction of the King's own courts. It is to abolish that kind of thing that we are about to pass this bill.

Let nobody think that the granting of a fiat was a mere matter of procedure, a formality. Someone has said that for the past number of years a fiat has never been refused in the city of Ottawa. I do not know that this is a fact, but I will accept it as such if somebody who is informed tells me so. But I have some experience of my own in connection with the granting of a fiat. I remember that a client of my own law office, a woman, while stepping off a curb was struck by a motorcycle, ridden by an army sergeant, and was thrown down and injured. On the principle of *respondeat superior*, we applied for a fiat to sue the soldier's employer. A very long time passed before we got that fiat. Meanwhile, the time allowed by the Highways Act for the bringing of an action had expired; and I remember that I wrote to the minister in charge and said that, in view of the fact that the time had been expended by the Crown itself in deciding whether it would give a fiat, I assumed he would not plead the Statute of Limitations when the case came to trial. The answer I received was that the Crown would stand upon all its defences. So the action was never brought.

Obstacles of that kind, which perhaps are outmoded and outdated, and looked upon as mere forms, had better be cleared away. If they are no good, then they are evil. If they are not serving a good purpose, usually they serve a bad purpose. So, while this evil of obstruction may have been moderated by the wisdom of those administering the law, it is better out of the way. The very words of the fiat, "Let right be done" seem to my mind to imply the opposite, "Let wrong be done", when a fiat is refused. The very necessity of asking a litigant whether a plaintiff may sue, so making it difficult to enter the courts, is an evil. There should be an open door to our courts, and no one doing business in our community should enjoy any special privileges or immunities. All should stand up and take their medicine like men. I am glad that the Department of Justice has taken its courage in its hands by consenting to submit the rights of the Crown to the courts, in the same way as the rights of the individual are submitted. We live by the rule of law, and no one should be more ready to submit to the rule of law than he who makes the law.

Once again may I express my congratulations to the honourable senator who presented this bill. I envy him the responsibility which he has carried, and the distinction which comes to any member of parliament in piloting a bill of this kind through our house.

Hon. W. D. Euler: Honourable senators, there is an old saying that certain people rush in where angels fear to tread. Not being a lawyer I am perhaps presumptuous in saying a word or two about this bill.

Hon. Mr. Roebuck: Not at all.

Hon. Mr. Euler: I am not approaching the matter from the specialized point of view of the lawyer, but from the point of view of plain, ordinary common sense. We have been told that this is a step in the direction of putting servants of the Crown, in actions

which are brought against them in an official capacity, in the same position as though action were brought by one private citizen against another. I am absolutely in favour of that. But while this may be a step in the right direction, why in the world do we not finish the journey and take all the steps that are necessary to bring about the thing at which we are aiming? We are making two bites of a cherry. I think most of us believe that any man who feels that he has been wronged by a servant of the Crown should be able to bring action against that servant, just as he can against any other person.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Euler: This polite or ancient fiction that the king can do no wrong is entirely out of place today, if it ever had a place. Certainly the subjects of the king—whether they are employees of any government of the Crown or not—can do wrong, because they are human. If they can do wrong, then why should they not be placed in the same position as anyone else? Citizens should not have to go to the Exchequer Court of Canada to take action against servants of the Crown; they ought to have access to any court in the land.

I wanted to draw attention to another thing that is based on the same "principle", I suppose you would call it, that the king can do no wrong. Take a man of modest means who is charged with a serious crime, it may even be murder. He may be found not guilty; but even so, he is ruined financially because, as is natural for anyone, he has spent his last cent in defending himself against a charge that should not have been laid or of which he was not guilty. There may be reasons why a man in that position should not be compensated, but I believe he should be. If it is argued that it is in the public interest to bring these charges, then the government or those in charge of public interests ought to pay the shot. It seems to me unfair that a man should be impoverished by defending himself against a charge of which he is not guilty, and then have no redress whatsoever. I wish this Senate would show that it is not the out-dated body it is sometimes accused of being, by seeing that this legislation makes it possible for citizens of Canada to take action in our courts against servants of the Crown as well as against ordinary people.

Hon. John T. Haig: I cannot add anything to the able remarks of my colleague, the honourable senator from Rosetown (Hon. Mr. Aseltine). I congratulate him upon his fine address. I would congratulate, too, the deputy leader of the government (Hon. Mr. Hugessen) on his speech of yesterday.

When the honourable member from Rosetown suggested, in reply to a question by the honourable gentleman from Waterloo (Hon. Mr. Euler), that he thought it should be possible to bring these actions in any court of the land, I know that he was not in any way criticizing the Exchequer Court.

Hon. Mr. Aseltine: No.

Hon. Mr. Haig: I happen to have known the president of the Exchequer Court since he was a small boy. I have read his judgments from time to time with great interest, and I know that under no stretch of the imagination could it be said that he is pro-Crown; in fact, I have frequently thought that he has been anti-Crown. There were several actions over the expropriation of a post office site in my own home city, and I have not heard one word of criticism about the judgments that he gave. There has been some complaint that the Exchequer Court soaks the Crown pretty hard, but I think the honourable member from Toronto-Trinity (Hon. Mr. Roebuck) made a slip in referring to that court. I do not believe that he intended to criticize the Exchequer Court, and if he did, I for one would absolutely disassociate myself from his remarks in that regard. Apart from that I particularly appreciated what the honourable senator said, because I am nearly always opposed to him. I think the law should be such that no government official by postponing a decision, can force a case out of court. That happened once or twice in Manitoba when an action had to be brought within a year, and before we could get satisfactory evidence from the government the year had elapsed and it was too late to take action.

I really rose to draw attention to the remarks of the honourable senator from Toronto-Trinity. I am sure that he did not intend to suggest that the judges of the Exchequer Court are not absolutely fair.

Hon. Mr. Roebuck: Would the house extend to me the courtesy of permitting me to say a word in reply to my honourable friend from Winnipeg (Hon. Mr. Haig)? Of course I had no intention of criticizing the Exchequer Court or the fairness of its judges.

Hon. Mr. Haig: That is what I thought.

Hon. Mr. Roebuck: What I did say was that I thought the impression was growing in the land that the Exchequer Court was on the side of the Exchequer. I am sorry if anybody drew the inference that I was criticizing the judges of that court. I, too, know them. I sat in the House of Commons with the present president, and I have pleaded cases before him and hope to do so again. If my words

carried any such implication as the honourable senator from Winnipeg seems to think, I thank him for having drawn the matter to my attention, and I also thank the house for giving me this opportunity of saying that I meant nothing of the kind.

Hon. G. P. Burchill: I agree with the honourable senator from Waterloo (Hon. Mr. Euler) that it is somewhat hazardous for a layman to offer any remarks on a subject such as the house is now discussing.

Hon. Mr. Hardy: Not at all.

Hon. Mr. Burchill: I just rose to say that I agree with every word the honourable senator from Waterloo has said about making it possible for a citizen to have access to any court of the land. It is quite simple for a corporation or a person of financial means to institute an action in the Exchequer Court against a servant of the Crown, or a commission or board, and so on, but it is an entirely different matter in the case of a person who is not well off. Such a case is pending at the present time in my own constituency. The man in question feels that he has been seriously wronged by the Crown, and he has been almost ruined. He is simply not in a position financially to take action in the Exchequer Court against the Crown. I think we should consider some means of making it possible for any citizen who has a ground of action against the Crown to take his action in the ordinary courts rather than in the Exchequer Court.

Hon. Thomas Reid: Honourable senators, I rise particularly to ask a question. But first let me say that although I am a layman I am not going to follow the example of other senators who have spoken and apologize for speaking on this bill which has to do with some legal points. After all, it is the laymen who pay the shot. It is all very well for lawyer members to speak enthusiastically about this bill: they are the ones who will eventually draw good fees if the bill is passed. I can quite well understand the remarks of the senator from Rosetown-Biggar—

Hon. Mr. Aseltine: Rosetown.

Hon. Mr. Reid: . . . who said all lawyers are agreeable to this proposed change. Why should they not be? If the bill is passed there will be more law cases, and therefore more work for the lawyers.

I agree with the senator from Waterloo (Hon. Mr. Euler) that citizens should be able to bring actions against the Crown not only in the Exchequer Court but in other courts. I am thinking of my own people in British Columbia. Out there we are a long way from the Exchequer Court. The farmer or ordinary individual in British Columbia does not know what a fiat is, and he would be frightened at the thought of having to bring an action in the Exchequer Court. I do not think I can be successfully contradicted when I say that anyone who brings a case in the Exchequer Court should hire the best legal talent procurable, and that that would entail considerable expense.

I should like to see the bill go further than it does. I do not altogether agree with the suggestion of the senator from Rosetown (Hon. Mr. Aseltine) that the armed services should be exempted from legal actions. Let me give an illustration of something that effects the life and well-being of people who are in the mink or fox ranching business in the part of the country from which I come. I have had cases drawn to my attention of planes in practice flights swooping low just at a time when the animals were giving birth to their young. Anyone who knows the first thing about mink and fox farming will realize that the noise of a number of planes flying within two or three hundred feet of the ground would terrorize the animals. I know of instances where men were put completely out of business because of the losses they suffered through noise caused in this way. I agree that there have to be some safeguards for personnel of the army, navy and air force who are acting in the course of their duty, but I do not think the safeguards should apply in cases such as I have mentioned, especially when the air force officers were notified of the damage that was being done and persisted in carrying out flights at low altitude, not close to the airport at all but near the seashore perhaps fourteen of fifteen miles away. It seems to me very unjust that men whose businesses have been ruined by acts of that kind should be denied recourse against the Crown in the courts.

Here is my question. I wish to ask the senator from Inkerman (Hon. Mr. Hugessen), who moved second reading of this bill, if after the bill is passed it will be possible to garnishee the salaries or wages of servants of the Crown. If he says this will not be possible, can he tell us under what law civil servants are protected against garnishee proceedings? Is it an ancient law or just a regulation. If it is a regulation, I think it is high time that it was done away with. Why should a servant of the Crown be given a protection which is not extended to other people, a protection which enables him to incur debts and to say to the person to whom he owes the money, "You cannot garnishee my wages, so I won't pay you." While we are amending the Petition of Right Act I think we should go further and provide that the wages and salaries of civil servants shall no longer be protected against garnishment.

Hon. Mr. Hugessen: In answer to the specific question of the senator from New Westminster (Hon. Mr. Reid), I think the reason why the salaries of civil servants cannot be garnisheed has nothing to do with the liability of these people as judgment debtors. In other words, they can be sued and judgment can be obtained against them.

Hon. Mr. Aseltine: That is correct.

Hon. Mr. Hugessen: The position simply is that the Crown will not recognize any seizure upon the salaries which it pays to its own employees.

Hon. Mr. Reid: Is that done by regulation or by law?

Hon. Mr. Hugessen: I am afraid I am unable to answer that. Perhaps some senator who knows more about the law on that point can give an answer.

Hon. Mr. Roebuck: There is no one here who knows more about the law than the honourable senator himself does.

Hon. Mr. Reid: It is important to know whether civil servants are protected by regulation or by law.

Hon. Mr. Nicol: If it is a regulation it must have the force of law, otherwise it would not be effective.

Hon. Mr. Roebuck: If I might interject, I would point out that the matter is dealt with not by regulation, but by ancient law. There is no machinery by which you can attach the salary of a civil servant.

Hon. Mr. Ross: Honourable senators, may I say just a word on this? In Alberta we get around the matter in this way. When the courts give a judgment against a civil servant they appoint a receiver, and the Crown will recognize that receiver as having authority to receive money in satisfaction of the judgment. The Crown will turn money from the civil servant's salary over to the receiver.

Hon. Mr. Reid: That applies to provincial civil servants?

Hon. Mr. Ross: To federal civil servants as well.

Hon. Mr. Horner: The government will of course keep back a certain proportion of the salary for the civil servant. That is, there is a basic exemption.

Hon. Mr. Ross: Yes, the exemption allowed by law.

Hon. Mr. Horner: I should like to ask a question of the senator from Waterloo (Hon. Mr. Euler). He suggested that the government should pay the costs of all citizens who are successful in defending themselves against actions brought by the Crown. Would not a policy of that kind be too great a temptation to our good friends of the legal profession to charge high fees in such cases?

Some Hon. Senators: Question.

The Hon. the Speaker: Honourable senators, the question is on the motion of the honourable senator from Inkerman (Hon. Mr. Hugessen) for the second reading of this bill—

Hon. Mr. Hugessen: Honourable senators, if no one else wishes to speak, I should perhaps close the debate with a few words. It has been a most interesting discussion, and I am grateful to all who have taken part in it. I am particularly grateful to my honourable friend from Rosetown (Hon. Mr. Aseltine) for the research which he has obviously made into the most interesting details that he placed before us.

I think I can say that everyone who has spoken so far has been completely in favour of the bill, and the only criticism is that it should go further and cover more territory. Admittedly what is proposed is only a short step forward; but it is a step. I suggest to my honourable friends that the extract which the senator from Rosetown (Hon. Mr. Aseltine) read from Lord Jowitt's statement in 1947 about the history of this matter in England shows how slowly and carefully one must go in matters of this kind. According to Lord Jowitt, a strong and able committee was appointed by the British parliament in 1921, and notwithstanding the report of that committee and various tentative measures which were introduced, the matter could not finally be determined until 1947. Furthermore, honourable senators will recall the various hypothetical cases propounded by Lord Jowitt as to the liability of the government to a soldier in the case of orders wrongly given in battle, and that sort of thing. The problem is not an easy one to solve, but I think we should congratulate ourselves on having taken this one step forward.

The principal suggestion put forward in the course of this debate was that it should be possible to take action against the Crown in any court in the land, not only in the Exchequer Court. Personally, I have a good deal of sympathy with that view; but I want to draw the attention of honourable senators to the fact that the amending bill now before us provides for simplification of procedure in the Exchequer Court. Subsection 4 of section 5 of the bill provides:

> A suppliant shall not be required to have an address for service in Ottawa and the judges of the Exchequer Court shall make such general rules and orders as they consider advisable to permit service

of pleadings, notices and other documents in petition of right proceedings by registered mail in lieu of personal service.

In effect, the judges of the Exchequer Court will make rules whereby people living outside Ottawa will be able to prepare material and serve it as the rules provide, without having to employ Ottawa counsel, as is now the case.

I would point out to my honourable friends that the Exchequer Court is not centralized in Ottawa but is a peripatetic court. I have some details on that subject which I am sure will interest the members who raised the question. The number of judges of the court has now been increased to four, so as to enable it to travel about the country. The court makes two circuits to the West and one to the Maritimes each year; it sits in Montreal once a month, in Toronto once every two months, and elsewhere, including Ottawa, by special order. In its circuits its sittings are not confined to the larger cities in the country. The court seems to have developed a practice of sitting wherever a case arises which calls for its determination, and where it will meet the convenience of the parties and the witnesses. If honourable senators will look at the list of places where the court has sat within the past few years, they will see that it sat in such smaller cities as Brandon, Chicoutimi, Brantford, Prince Rupert, Kingston, Saskatoon, London and Windsor. It is apparent, therefore, that the difficulty and expense of taking proceedings in the Exchequer Court are not as substantial as they sometimes appear to be. One of the amendments in the bill now before us would further reduce the costs of such proceedings.

Several honourable senators, including the senator from Rosetown (Hon. Mr. Aseltine), suggested that the Exchequer Court Act might be widened to allow cases other than negligence cases to be brought against the Crown. It may be that such a change will become advisable, but I repeat that that would bring before us the problems involving the military forces and police forces, which constitute quite a difficult subject. Certainly, it is not one that can be settled in a moment.

My friend from Rosetown (Hon. Mr. Aseltine) discussed the question of discovery of documents, and the senator from Toronto-Trinity (Hon. Mr. Roebuck) also referred to it. There is, of course, one prerogative which I think must be fully and completely retained in any minister of the Crown who is called upon to produce a document in court namely, that he reserve to himself the absolute right to say, "No, I refuse to produce that document because its production would be prejudicial to the state". I do not think we can get away from that universally recognized practice.

Hon. Mr. Aseltine: But an action might fail because a certain document was not produced.

Hon. Mr. Hugessen: The only suggestion I have heard for modifying that practice is that a rule should be adopted under which the minister could submit a document to the judge and let him determine whether or not it should be withheld in the interest of public safety. But that is simply transferring the ultimate liability from the minister, who is primarily responsible, to the judge.

Hon. Mr. Aseltine: I see the difficulty.

Hon. Mr. Hugessen: I do not think there is any method of getting away from it.

As I say, honourable senators, this has been a most interesting discussion, and the only criticism I have heard of the bill is that in several respects it does not go far enough. In attempting to reply to that criticism there comes to my mind the old familiar hymn, "Lead Kindly Light", which contains these words:

> Keep thou my feet; I do not ask to see
> The distant scene; one step enough for me.

Some Hon. Senators: Hear, hear.

The Hon. the Speaker: Honourable senators, the motion is for the second reading of this bill.

Some Hon. Senators: Carried!

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

THIRD READING

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

Hon. Mr. Hugessen: If any honourable senator wishes the bill to go to committee, I shall be glad to ask that it be referred.

Some Hon. Senators: No.

Hon. Mr. Hugessen: With the unanimous consent of the house, I move third reading now.

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

CUSTOMS BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 198, an Act to amend the Customs Act.

He said: Honourable senators, this bill contains a number of amendments to the Customs Act. Some of them are solely for the purpose of clarification; some of them

expand a little the rights of the Crown; and in at least one instance there is a provision for abridgement of the time within which a claim for refunds may be made.

If I may deal with these questions in the order of what I deem to be their importance, I shall refer first to section 4. It purports to repeal section 125 and enact a new section in its place. Section 125 has been in the Customs Act for a great many years. It deals with the time limit within which a claim for refund may be made where the claim is based on or arises from some judicial interpretation as a result of which it would appear that persons who had paid customs duties—importers or others—had paid them under some erroneous construction of the law. Heretofore, and even prior to the consolidation of 1927, the time limit for claims was three years from the date upon which the payment was made. It is provided in the new section 125 that where the decision of the Deputy Minister or of the Tariff Board or of a court establishes that there has been some erroneous construction of the law as a result of which customs duty has been imposed and paid, the time within which an application for refund may be made is limited to six months. It is further provided that the provision of limitation to six months shall not become operative until six months after the date of the coming into force of the Act. So those concerned will have notice of this important change.

Hon. Mr. Hardy: That means that a year will elapse from the date of the Royal Assent?

Hon. Mr. Hayden: Yes. Thereafter the period will be limited to six months. The reason for reducing the period is this. An importer brings in goods: an interpretation is given of the tariff section under which the goods are classified, and the appropriate duty is paid. Matters may continue on that basis for a period of years. But as knowledge grows, a different view of the relationship of the goods to that particular classification as against some other classification may be taken. For example, the deputy minister may hold that the import should have carried a lower rate of duty; or the question may go to the Tariff Board and be decided there; or there may be an action in the courts by an importer who claims that there has been overpayment. By the time that any of these steps have been taken, and a decision arrived at, the type of produce under review may have been imported and duties paid thereon over a period of three or four years. The increase in duty has been passed on in the price, and an equitable distribution of any refund which might be obtainable would be impossible. I suppose that the only person who would profit from the refund would be the importer, because, as I have said, the consumer would have already paid the cost of the duty originally imposed, and there would be no way in which the money so paid could be recovered and an equitable distribution made.

On the other side of the ledger, where in consequence of court actions or decisions of the Tariff Board a higher classification applies, and as a result the duty is increased, no attempt is made by the department to give retroactive effect to the decision. This makes for better departmental bookkeeping.

If a man makes a written request for the review of a classification, or appeals to the Tariff Board or institutes legal proceedings for the recovery of an overpayment of duty or a payment of duty in error, he must do it within six months.

Hon. Mr. Euler: Could he institute legal proceedings without a fiat?

Hon. Mr. Hayden: Very soon he will be able to. Referring to that digression, may I point out that as a matter of practice the bill which has just been disposed of by this chamber was a necessary and logical evolution because, in my experience, for some considerable time the granting of a fiat in relation to a great many of these matters has simply been a matter of "Ask, and ye shall receive."

Hon. Mr. Euler: That is true.

Hon. Mr. Hayden: There are various methods by which a claimant can protect his rights. He can take an appeal to the Tariff Board; he can begin legal proceedings; he can make a written request for reclassification. But he must act within six months of payment of the duty of which he complains. At the time of the payment he may write a simple letter of protest, to this effect: "I protest the imposition of the duty at this rate, based on this classification, because it is wrong." Thereby he preserves his rights in the event of a subsequent decision that the duty collected was too high and that a wrong classification had been applied.

There is a saving clause that nothing in the previous subsections shall affect or prejudice any refund pursuant to an application pending at the coming into force of this section.

To sum up: the effect of the section is simply this, that as and when it becomes law it will pretty well limit the right to refunds to people who are interested enough to contest the classification, because—as the refund must be applied for within a period

of six months of the date of payment—by the time a decision has been rendered by the courts or the Tariff Board that period would have passed for a great many people who had imported a similar class of goods, unless they had previously taken some step to protect their position. So long as due notice is provided for, I do not suppose one can complain too much about the cutting down of the time.

The next section I want to deal with is No. 11. It, too, is in accord with modern progress and development. As the Act stands, railways cars may move under seal through a frontier port—which is a port along the boundary of the country—to some inland point which is called a "sufferance warehouse", at which point the entry and the assessment of customs duties is to be made. This section extends the application of sufferance warehouses to highway and air transport, and I think its immediate application would be in relation to truck transport. The justification for this section is that there is a great congestion of truck traffic at frontier ports. If the goods can be manifested and a report made, the customs seals can then be affixed to the trucks and they can move to a sufferance warehouse which has been established at some inland port by the Governor in Council. This will result in a quicker dispatch of goods and a faster clearing of frontier ports. At the same time there is no loss of customs revenue because the proprietor of the sufferance warehouse is liable for all duties payable on the importation of the goods in those trucks, unless he can show that the goods have been duly entered or lawfully released from storage.

Hon. Mr. Reid: Is the keeper of a sufferance warehouse licensed in a similar manner to a custom-house broker?

Hon. Mr. Hayden: I do not know whether I can definitely say yes to that question. The Governor in Council has the authority to make regulations for the appointment of sufferance warehouses. In other words, a group of truckers moving in a certain area into Canada might represent to the minister that it would expedite the movement of goods if, at their expense, they could locate warehouses with customs facilities at certain inland points. The revenues of the Crown would be amply protected by reason of the goods being manifested at the border as they enter Canada, and the proprietor would be liable for the payment of any customs duty.

The purpose of section 1 of the bill is to make doubly sure that governments and their officers comply with all the provisions in the Customs Act with respect to the reporting inwards and outwards of vessels, vehicles, and persons.

Section 10 provides a discretionary power so that in any case or class of cases—for instance, in an emergency—the reporting of a warship or something of that nature may be dispensed with. In other words, the statute provides that all government-owned vessels, vehicles and personnel shall be amenable to customs control, but at certain times there may be cases when it is not expedient to enforce all the requirements of the Act.

Sections 3 and 7 go together. Section 3 deals with goods otherwise exempt being dutiable in certain cases. Under various tariff items some goods come into Canada free of duty or at a rate of duty lower than that to which they would otherwise be liable. This is by virtue of diplomatic immunity or because they are military goods or are to be used by a person who by law is so entitled to import them. For instance, under a specific tariff item you might find that a generator for use on a farm is allowed to come in duty free. Now, this section of the statute goes on to provide that if such goods are sold or otherwise disposed of to a person not entitled to any exemption, or are put to a use other than that for which they were imported, the regular rates of duty shall apply. A person not entitled to any exemption who purchases or otherwise acquires any of these goods is then responsible for reporting this fact to the nearest collector of customs, and to pay the necessary duties. Likewise, any person who diverts these goods to a use other than that for which they were imported shall also report to the nearest collector, and pay the required duties. This seems to be a reasonable provision.

Section 7 is simply an amplification of section 3. For example, a tourist might come into Canada with an outboard motor. When he is leaving the country he may feel that because he has had such a good time on his holidays he wants to make a present of the outboard motor to the people with whom he was staying. While the tourist may have been allowed to bring that outboard motor into Canada free of duty, the moment it passes into unauthorized hands the proper duties must be paid.

Hon. Mr. Euler: Is there not a time limit as to this?

Hon. Mr. Hayden: No.

Hon. Mr. Euler: What if two or three years elapse before the matter is discovered?

Hon. Mr. Hayden: A violation of diplomatic immunity may go undiscovered for a certain

period, but should not the proper customs tariff be imposed when the violation is ultimately disclosed?

Hon. Mr. Reid: This is something new in the Act. Supposing someone is given a pet dog. He brings it into Canada and declares it, and then he wants to give it to a relative as a gift?

Hon. Mr. Hayden: This is not the type of case I am talking about. I am speaking of goods brought into Canada duty free or at a lower rate of duty because of the status of the person who brings them in, or because of the use to which they are going to be put. Sections 3 and 7 merely provide that once these conditions change the goods become subject to the regular customs duties. As I said before, this seems to be a reasonable provision. The case which the honourable senator from New Westminster (Hon. Mr. Reid) referred to is one in which somebody from Canada goes to the United States, and while there he is presented with a horse or pet animal. If he succeeds in getting personal property of that kind through the customs without paying duty on it, I suppose he would not be checked up about the matter later on, unless the customs authorities decided for some reason to get after him on the ground that he should have paid duty.

I now come to section 6, which deals with the power to conduct inquiries under the Act. This repeals the present section 134A of the Act and substitutes therefor a new section with the same number. The section to be repealed is set out in the explanatory note opposite page 2 of the bill. It is a brief section, giving the deputy minister or any other officer designated by the minister power to conduct an inquiry or investigation, and conferring upon him for the purpose of such inquiry or investigation all the powers and authority of a commissioner appointed under Part I of the Inquiries Act. In the new section 134A the procedure for compelling the attendance of witnesses is spelled out. In the first place, from the practical point of view I think it is much better that a section which makes persons compellable witnesses should itself make the obligations of witnesses clear, as this new section does, rather than rely for these details upon a section in another Act. Secondly, if the new section is passed, I think that a person designated to conduct an inquiry will not have as much power as a commissioner appointed under Part I of the Inquiries Act, which gives a commissioner all the powers of a judge of a court of record. The power that the new section gives for the imposition of penalties is more in line with that given unler Part II of the Inquiries Act.

If a person called as a witness before an inquiry instituted under this new section refused to answer a question on the ground that the answer might tend to incriminate him, he could be directed to answer the question, but he could claim, and be given, immunity from prosecution for any offence other than perjury. If the witness persisted in his refusal to answer, and if the person conducting the inquiry had the power of a commissioner under Part I of the Inquiries Act, the witness could be committed for contempt. Under this new section the refusal to answer any proper question would become an offence punishable, on summary conviction, by a fine not exceeding $400 and not less than $20. The distinction is that under the present section 134A the person conducting the inquiry functions in such an instance as judge and jury. That is, he can say to a witness, "I direct you to answer this question, and if you do not answer it I will commit you for contempt". In Toronto a few years ago a lawyer was committed by a commissioner for contempt, because of refusal to answer questions, and spent thirty days in jail. Under this new section the issue of whether or not a particular question is a proper one would become a matter of defence in the prosecution by summary procedure. The new section will be much fairer to any person who appears as a witness before an inquiry or investigation in matters relating to the customs.

I also wish to refer to section 5, on page 2 of the bill. This provides a penalty for any person who practises as a custom-house broker without a licence. There are and have been for some time provisions in the Act and departmental regulations governing the way in which brokers may carry on their business, and all that this section does is to provide a penalty for an unlicensed person who transacts or attempts to transact the business of a broker.

Section 8 of the bill is also of interest. The present Act provides for forfeiture of goods, vehicles and vessels in case of non-compliance with the Act or any regulation thereunder. This amendment simply makes this penalty applicable in the case of an attempted violation of the Act or of any regulation. For instance, the operators of empty trucks lined up on one side of the boundary and of loaded trucks lined up on the other side might become aware that they had been spotted by a customs officer, and drive away without committing any actual offence under the present Act. In such a case a charge of attempted violation could be brought under this amendment, and if a conviction was secured the court could order forfeiture.

Hon. Mr. MacLennan: Things are getting tougher on this side of the border.

Hon. Mr. Hayden: I suppose they are getting tougher on the other side too.

Hon. Mr. MacLennan: If an officer comes upon a truck that he suspects is preparing to commit a violation of the Act, why should he not wait until the offence is committed?

Hon. Mr. Hayden: That is one point of view. All that I am attempting to do here is to explain the amendment. I take it that those who formulate the policy have decided the amendment is necessary.

Hon. Mr. Aseltine: Do you yourself think it is a fair amendment?

Hon. Mr. Hayden: Yes, I do.

Hon. Mr. Aseltine: Really?

Hon. Mr. Hayden: Yes, I do. In my opinion it is fairer than a good many other amendments that I have seen passed here.

Section 9 substitutes a new section for the present section 246 of the Act, which is what I would call an n.o.p. section. That is, it provides a penalty for violation of the Act in all cases where a penalty is not otherwise provided. The only amendment is the addition of a penalty for attempted contravention.

The last section to which I wish to refer is section 2. This is intended to cover a peculiar situation. A number of Acts that are not administered by customs officers prohibit the importation of certain kinds of goods, and although these Acts direct customs officers to prohibit the entry, the fact is that the Customs Act itself authorizes the release of goods immediately upon the payment of duty. Suppose, for example, that there arrives for entry a shipment of dates which do not conform in quality with the requirements of the Food and Drugs Act. Although the entry is prohibited under that statute, the Customs Act as it now stands entitles the importer to immediate delivery of the goods upon payment of duty. In such a case the customs officer, if he suspected that the dates were, say, wormy, would have to exercise his ingenuity and hold up the articles for appraisal or examination by an inspector under the Food and Drugs Act to ban the import.

The purpose of the amendment in section 2 of the bill is to authorize the customs officer to detain any goods the entry of which is prohibited by any Act of Parliament. This often works to the advantage of the importer, for while a customs officer detains goods the importer does not have to lay out his money for them. In some cases he may even find that he is not getting what he thought he was going to get. But for this information he might have paid out his money, and might have had to wait a long time to recover any refund to which he is entitled. In any event, this is an authority which is required under the Customs Act in order that there may be proper co-ordination between the provisions of that Act and controls and regulations under the health laws, contagious diseases laws, and so forth. This section in effect provides some co-ordination by giving the customs officer power to detain goods until another officer, acting under another statute, comes on the job to deal with the goods.

Some Hon. Senators: Hear, hear.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Hugessen: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

CENTRAL MORTGAGE AND HOUSING CORPORATION BILL

SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill M-12, an Act to amend the Central Mortgage and Housing Corporation Act.

He said: Honourable senators, after the brilliant and informative manner in which the senator from Toronto (Hon. Mr. Hayden) presented the previous bill, I realize how weak will be my attempt to explain the bill now before the house.

I wish to thank the honourable leader of the government for giving me an opportunity to explain this bill, for I have been interested in the activities of the Central Mortgage and Housing Corporation since its inception. I recall the time when, in 1935, the Dominion Housing Act was first introduced, and later, in 1938, when there was a change-over to the National Housing Act. That Act was followed by the Central Mortgage and Housing Corporation Act. The bill now before us contains six fairly simple clauses, and is intended to take care of the expanding activities of the corporation.

Clause 1 of the bill deals with the change from the Minister of Finance to the Minister of Resources and Development. It will be recalled that under the National Housing Act the Minister of Finance was named, and that that Act was administered by the Department of Finance.

Clause 2 requires the corporation to comply with the directions of the Governor in Council or the minister. Central Mortgage and Housing Corporation was established in 1945, primarily for the purpose of administering the National Housing Act. At that time the operations contemplated for the corporation in the field of housing were confined almost entirely to fiscal measures, and the corporation was administrative in relation to the policy set out in detail in the Act. Having regard to the nature of the operations, parliament at that time considered it proper to give Central Mortgage and Housing Corporation a large degree of independence to operate within the framework of the Act. Since 1945, however, the corporation has been obliged to expand its operations and to assume heavier responsibilities. For some time it has been in the field of direct construction of houses for veterans, and more recently of houses for members of the armed forces and other government personnel.

Under the new arrangement with Defence Construction Limited, Central Mortgage and Housing Corporation will be playing a still broader and more important role, either directly or indirectly, in the construction of a wide variety of defence projects. All these developments have changed substantially the nature of the operation of the corporation. It is not now administering a purely fiscal policy set out in considerable detail in a statute, as was the case in 1945, but has a very much broader field of activity.

Clause 3 of the bill provides for more flexibility in the choice of members of the board of directors from the public service. The present statute provides that the directors shall consist of the president and vice-president of the corporation, the Deputy Minister of Finance, the Deputy Minister of Resources and Development and the Governor of the Bank of Canada. The proposed amendment provides that the board of directors shall consist of the president and vice-president, three members from the public service of Canada, and five from outside the public service. The clause also provides that appointments from within the public service shall be made by order in council, instead of the appointees being specifically named in the statute. This proposed amendment, as circumstances change, will allow a change to be made in the members of the board chosen from the public service.

Clause 4 relates to the qualifications of the directors. Instead of using only the expression "British subject ordinarily resident in Canada", it is proposed, in accordance with the Canadian Citizenship Act, to include also the words "Canadian citizen".

Clause 5 deals with the composition of the Executive Committee of the corporation. This change is made necessary by the revisions in the composition of the board of directors. The new provision is that the Executive Committee shall consist of the president and vice-president and two other directors to be selected by the board. Under the section to be repealed the Executive Committee consists of the president, vice-president, Deputy Minister of Finance and one other director to be selected by the board.

The final clause, section 6, amends section 24, which deals with the borrowing power of Central Mortgage and Housing Corporation. The corporation administers the National Housing Act, and in so doing lends large sums of money to lending institutions, and, in certain cases, direct to borrowers. The capital of the corporation consists of $25,000,000, together with a reserve fund of $5,000,000, which under the act it was allowed to build up, and which is made up of the proceeds of sales which have been brought about from time to time since 1945. The major portion of the funds which it has lent comes from the treasury, from which it borrows the money on debentures. The section with which we are dealing limits the corporation's borrowing power from the treasury. By section 24 it is prohibited from borrowing an amount in excess of the amount owing to it by lending companies and other borrowers. When the Act was drawn, no provision was made for the financing of foreclosed mortgages. The present amendment deals with this subject, and provides that when a mortgage is foreclosed and property acquired, it shall continue to be regarded as a loan for the purposes of this section until the corporation has disposed of the property either for cash or on a deferred payment plan. If it is sold under a deferred payment plan, the amount owing to the corporation under the agreement for sale is, for the purposes of section 24, regarded as a loan.

As I stated earlier in my remarks, I am particularly interested in this bill and in the operations of the company, and I have taken the trouble to procure and look over the annual report of the corporation for the year 1950. I did so because of its expanded activities, particularly as they relate to defence projects. We in the East have with us in large numbers members of the navy, army and air force and naturally we want to make sure that they are properly housed. I was interested to find information in one table contained in the report showing that, under the Department of National Defence, provison has been made in a very large way for quarters for the navy. In 1950 alone

3,901 units were constructed in Canada to take care of the armed personnel. Included in that total, as far as Nova Scotia is concerned, are 626 projects. Manitoba has 296, British Columbia 513, and Labrador 277. These units, along with those of the other provinces, compose the total of 3,901 which, as I have stated, have been undertaken by the corporation. In so far as Nova Scotia is concerned, the corporation last year erected at Tufts Cove, for the navy, 471 units, at a cost of $5,614,000; at Greenwood, for the Royal Canadian Air Force, 140 units; and at Debert, for the army, 15 units, a total of 626 units.

It is also interesting to note what progress has been made by this corporation. During the entire period of its housing operations there has been a total construction of 141,158 housing units, representing an investment of something like $753 million. These figures, I suggest, give some idea of the activities of the corporation.

Hon. Mr. Lambert: Does my honourable friend know when the housing corporation will be permanently established in its new quarters on Montreal road?

Hon. Mr. Isnor: The honourable senator no doubt recalls the discussion which took place about the new quarters, which will house something like a thousand employees who are to be permanently located there. I am not in a position to state the exact date on which the construction will be completed.

Hon. Mr. Lambert: May I ask another question? I have the impression that the new minister's contact with the activities of the housing corporation will be closer and more responsible than previously. Am I right in assuming that?

Hon. Mr. Isnor: I am very pleased that the honourable senator asked that question, because it gives me the opportunity of saying how pleased I am that the activities come under this particular minister. He is an exceptionally fine type of administrator, and I feel quite sure that, because of the new set-up, he will be in closer touch with these activities. Does that answer your question?

Hon. Mr. Lambert: If I may so express myself, I hope that the new minister will take a close and scrutinizing interest in the administration of that organization and in the arrangements for the staff that it employs.

Hon. Mr. Isnor: I think he has already done so.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Isnor: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 7, 1951

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

Prayers and routine proceedings.

WEIGHTS AND MEASURES BILL

FIRST READING

A message was received from the House of Commons with Bill 355, an Act respecting weights and measures.

The bill was read the first time.

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

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

PRISONS AND REFORMATORIES BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen, on behalf of Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 191, an Act to amend the Prisons and Reformatories Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 191 from the House of Commons, an Act to amend the Prisons and Reformatories Act, have in obedience to the order of reference of May 30, 1951, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I move third reading now.

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

LENGTH AND MASS UNITS BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 293, an Act respecting Units of Length and Mass.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 293, an Act respecting Units of Length and Mass, have in obedience to the order of reference of May 30, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: Now.

Hon. Arthur Marcotte: Honourable senators, I have a few remarks to make about this bill. I was responsible for having it referred to the Banking and Commerce Committee because I wanted to get some information.

The committee met yesterday, and although an expert appeared before us I did not receive the information I required. As you know, when I pursue any matter I go into it thoroughly, so in this instance I got my information outside the committee. It always amuses me to question the so-called experts when they appear in the witness box, and to find that their information is inadequate. I inquired of the witness before the committee yesterday what was the reason, after so many years, for introducing an Act to define the yard, since the yard has to be consistent with the metre which is recognized as the basis of measurement for length in the same way that the kilogram is recognized as the basis of weight. It will be noted from the bill, which is not very important, that there may be a slight difference in the length of the yard. The yard will continue to be 36 inches, but the metre changes. It was said in 1889 that the metre would never change; but it does change with temperature changes. For instance, if the bronze bar which is the basis of measurement were brought from France to Canada, it would immediately change by reason of our temperature.

I asked the chairman of the committee to include in the report to be presented today a statement of the exact measurement of the yard, and of the metre, but that does not appear in our report. I have ascertained that the metre in England is exactly 39·370133 inches, while in the United States, and I presume in Canada also, it is 39·37038 inches.

To me this information is important. As honourable senators know, in my earlier years I had a good deal to do with sports and sporting events, and know something about measurements in yards and metres. Let us say that in one of our universities a race is to be run and the distance is one mile. This is not the same as 1,500 metres, for it so happens that the length of our mile is 1,760 yards. The difference is not very great, but when it comes to measuring a

close race half a yard may mean something. I would like our report to show that a yard is still 36 inches, and will remain the same, but that as far as the metre is concerned it is 39·37 inches in Canada and the United States. That is my only interest in the matter.

As regards weight, I understand that another bill is coming forward, and that it will be vastly more important. When we come to deal with it we may have an opportunity to consider the whole matter more fully. What I wanted was to get the exact figures. I could not obtain them from the experts, but I got them through my own research.

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

STAFF OF THE SENATE

INQUIRY

On the Orders of the Day:

Hon. Thomas Reid: I wish to direct the attention of the honourable leader (Hon. Mr. Robertson) to the fact that almost a month ago—to be exact, on May 9—the promise was made to me that some proposals I wished to make would be considered by the Internal Economy Committee. I am a little perturbed, because four weeks have passed and we are nearing the end of the session, and perhaps it may conclude before consideration has been given to the points I wish to present. I understood that this opportunity would be given me, and that increases in pay would not be deferred on that account, although there may be some which in the public interest could be deferred.

I wish, through the Chair, to draw the attention of the leader to the fact that the promise was given me, and that I expect it to be carried out.

Hon. Mr. Robertson: I may say to my honourable friend that probably the cause of the delay has been the large number of committees which have been at work. I think I am in a position to assure the honourable senator that the Internal Economy Committee will meet during the coming week.

NATIONAL HOUSING BILL

SECOND READING

Hon. P. H. Bouffard moved the second reading of Bill R-12, an Act to amend The National Housing Act, 1944.

He said: This service given by the government was first introduced in 1935 by an Act called the Dominion Housing Act. Under that Act the rate of interest payable by borrowers was to be fixed by the Minister of Finance with the approval of the Governor in Council. The rate established at that time was 5 per cent.

The 1935 Act was followed by the National Housing Act of 1938, which brought no change in the mode of fixing the interest rate.

In 1944 a new National Housing Act was passed, and it is the one with which we are dealing today. It provides for four different types of loans:

1. Joint loans, which are granted jointly by the Central Mortgage Corporation and financial institutions for the purpose of building, or assisting in the building of, private houses;

2. Rental insurance loans, providing for the building of apartment houses, and granted for a period of from 20 to 25 years, during which the government guarantees gross earnings from rentals, which in practice do not exceed 12 per cent.

3. Primary producers loans which apply to timber, mining and fishing companies who want to build dwellings for their employees.

4. Limited dividend loans, intended for corporations whose primary object consists of social work such as building houses in certain municipalities for, say, old age pensioners. These are called limited dividend loans because the dividends payable to the corporation shareholders is limited to 5 per cent.

As the law now stands, there is no flexibility in the matter of establishing the interest rate. In certain cases—such as joint loans and rental insurance loans—the rate is fixed by law at 4½ per cent; and in the case of limited dividend loans, at 3 per cent.

With the general increase in the rate of interest it is becoming impossible to obtain the necessary funds from financial institutions. The conventional interest rate is now up to 5½ per cent, and it is impossible for the Central Mortgage Corporation to maintain the present rigidity of the rate, and unless the Act gives it some flexibility, the government would have to carry alone and directly finance the burden of these semi-social operations.

The proposed amendments, though seemingly quite complicated, are in fact quite simple. The bill only permits the Central Mortgage Corporation to continue its operations as in the past. They provide that the rate of interest shall be established by the Governor in Council, but the powers of the Governor in Council are limited in such a way that the interest rate on these loans will be based on the rates prevailing in the country. The limitation placed on the

Governor in Council provides that the rate shall never exceed the long-term government bond rate, plus 2 per cent in the case of joint loans, 1¾ per cent on rental insurance loans, 1½ per cent on primary producer loans, and 1 per cent on limited dividend loans.

The interest rate on long-term loans is defined in paragraph 3 of section 3(c) as being the average rate of interest return yielded by Government of Canada bonds outstanding at the time, and which would not mature or cannot be called for payment for at least twelve years after that time.

Now let us take an example of a joint loan. At the present time the average yield of long-term government loans is 3·22. It would thus be possible for the Governor in Council to fix a rate that would not exceed 5·22. The interest rate could then be established at 5 per cent, which would allow 3½ per cent to the Central Mortgage Corporation and 5½ per cent to the financial institution concerned on their respective shares of the loan. Such amendment would permit the Central Mortgage Corporation to continue its arrangement with financial institutions, and to carry on as in the past; but if the amendment is rejected, the Corporation could not do so without reducing its own share to 1½ per cent, and consequently it would be necessary to start subsidizing these operations, which I do not think is advisable.

In addition to this amendment, sections 5 and 7 of the bill provide for the repayment of loans through monthly instalments, whereas the present Act provides for annual or semi-annual payments. Since the borrowers collect their moneys monthly, it has been found much more appropriate to calculate the payments on a monthly basis.

Honourable senators, it is my intention, if the bill gets second reading, to propose that it be referred to the Standing Committee on Banking and Commerce, so that officials of the Central Mortgage and Housing Corporation may be available for questioning about details of the measure. At first glance it might appear to be very complicated, but to anyone familiar with the different types of loans made by the corporation it is very simple.

The purpose of the bill is to render the rate of interest flexible. At present the rate of interest is fixed by law. At the present time, when the rate of interest is rising, it is not appropriate to have a fixed rate which cannot be increased to accord with the prevailing rate.

Hon. Mr. Haig: May I ask the honourable gentleman a question? He mentions the prevailing rate. Is that 3·22 per cent the present yield on Dominion Government 3 per cent bonds?

Hon. Mr. Bouffard: It is the average rate on Government of Canada bonds maturing twelve years from now or later. On all these bonds, including the perpetual bonds and all Canadian government loans which are not repayable until twelve years or later, the average yield at the present time is 3·22 per cent.

Hon. Mr. Haig: May I ask another question? Does the yield figure out at 3·22 per cent because the Bank of Canada will buy the bonds now at prices which make that yield possible?

Hon. Mr. Bouffard: No. That is the average yield from the fixed rate on the bonds, including the perpetual bonds, without taking into account the reduction in market price of the bonds?

Hon. Mr. Haig: May I say just a word or two, on this point? My friend opposite (Hon. Mr. Euler) smiles. The government of Canada says that it never promised to buy back its bonds at par, and that is a correct statement. It did of course undertake to pay par at any time for the so-called savings bonds which were issued at a rate of 2¾ per cent. But it was well understood that the Bank of Canada would take in the 3 per cent bonds at par. The Bank of Canada will no longer do that. It says that it has given no orders to the chartered banks or to insurance companies against selling government bonds, that these institutions are free to dispose of as many bonds as they wish. But just let a bank or an insurance company try to sell a large block of government bonds, and see what will happen! If, for instance, a life insurance company unloaded $100 million of government bonds on the market and the Bank of Canada or the government did not step in to maintain the price, where would the market go? I suggest that 6 per cent would then be regarded as a very reasonable yield.

I would much prefer to have the rate of interest fixed in this bill, because the leaving of the rate flexible will give the government a tremendous control over its bonds. I am not pessimistic, but I just wonder what will happen the next time the government tries to sell bonds. The people I know best will not buy Dominion Government bonds with this threat over their heads. This may be good financing and it may be good politics, or it may be neither, but my business sense tells me that it would be better if this bill provided for a fixed rate of interest. If you

wish to sell Dominion Government bonds today you have to take a discount of—well, some of them are at 2·88.

Hon. Mr. Euler: And some are more than that.

Hon. Mr. Haig: Yes. I honestly think that the government should have inserted a fixed rate of interest in this bill. That would have stabilized government bonds, but the bill as it is now is simply another threat to the people who hold bonds. I cannot imagine that anybody will buy any amount of Dominion Government bonds if a measure like this is placed on the statute books, because the measure is, I repeat, a straight threat to the rate of interest.

It is not so long ago that the public were not too keen about buying bonds at all. They always understood what a mortgage on a farm or a house was; they knew that it bore a definite rate of interest, five or six per cent, or whatever it was. It took a good deal of time and advertising to induce people as a whole to become interested in bonds. They wondered how good these things were, and if they could be sold at any time. The public also have always understood what a life insurance policy is. Anyone who has a policy knows that on the face of it is stated the amount of cash that can be borrowed against the policy after it has been in effect a certain number of years. In time a good many people were persuaded to buy government bonds; but what will happen if we pass a measure like this? In my judgment it will strike at the rate of interest on bonds and make people fear that the security is not good, that the investment is hazardous. For some years I have been maintaining that the rate of 3 per cent on government bonds was a forced rate, insisted upon by the government so as to keep interest charges down. My contention was that the rate was not justified in the light of the risk that investors took, and now that is proved to be true. The minute we get under pressure the government's policy is to allow the bonds to be sold at whatever price can be obtained. The government has so far guaranteed to buy back its 2¾ per cent savings bonds at par at any time. If you have one of these bonds you can go into any bank and get your money. But there is nothing to prevent the government from making a change in that policy. It is dangerous to have the rate of interest controlled by order in council. That is my judgment. I think people will be frightened when they find out what the situation is.

What is to prevent loan companies and other lenders of money from saying, "We want a higher yield"? Money is getting tighter all the time. I see that the Province of Ontario had to go to New York for money recently. I do not know whether any members from New Brunswick are in the house at the moment, but if so I may say to them that I was a little surprised at the present rate of interest on that province's bonds.

Hon. Mr. Robertson: May I ask my honourable friend a question?

Hon. Mr. Haig: Yes.

Hon. Mr. Robertson: Is Canada the only country in which the rate of interest has changed?

Hon. Mr. Haig: It may have changed in other countries, but we have no control over them. My point is that we had a policy that our rate would be stabilized, and that a Dominion Government 3 per cent bond would be worth par at any time. At least, that is what the public understood. Whenever anyone asked me about it I always pointed out that the government had never said the bonds would be maintained at par, that there was no legislation to maintain them at par; but the fact is that people thought that if they bought a $100 bond of the Dominion Government they could get $100 in cash for it at any time they wished.

Hon. Mr. Robertson: What the seller gets for a bond is the market price. Not long ago a Dominion Government $100 bond could be sold for more than $100.

Hon. Mr. Haig: A little more.

Hon. Mr. Robertson: For $103 or $104.

Hon. Mr. Aseltine: I have paid a price of $105 for Dominion Government bonds that today are worth only $97.

Hon. Mr. Robertson: That is the play of the market.

Hon. Mr. Haig: No, it is not the play of the market. It could be described as the play of the market if buyers knew that ultimately the government would redeem the bonds at par.

Hon. Mr. Robertson: And so it will.

Hon. Mr. Haig: You can wait for twelve years.

Hon. Mr. Robertson: Wait until the bonds mature.

Hon. Mr. Haig: But in the meantime if you need money you will be up against it. There is nothing to prevent the government from deciding at the end of twelve years, should it be in financial difficulty at that time, to issue new bonds replacing the old ones.

The minute the public of this country realizes that it cannot sell 3 per cent bonds at par, that day the credit of this country suffers, and public confidence may not be regained for years to come. I do not like the provision as to a fluctuating interest rate; I prefer to know what I am getting and what I will be asked to pay for it.

Hon. Mr. Hugessen: In other words, my friend would like to see a continuation of control at 3 per cent.

Hon. Mr. Haig: I do not want control; I did not say that I did.

Hon. Mr. Hugessen: That is what you mean.

Hon. Mr. Haig: No. I want the interest rate of 5 per cent, 6 per cent or whatever it should be, stated in the bill. It is not my function to say what the interest rate should be; but I believe it ought to be fixed, so that a person who is building a house will know what rate he will be required to pay. At best, this bill should provide that the government may come back to this house and ask for an amendment, if necessary, as to interest rate.

I repeat that I am opposed to a fluctuating interest rate, and by passing such a provision as this we are hurting the credit of Canada in so far as borrowing is concerned.

Hon. Mr. Crerar: Does my friend argue that this is a fixed rate of interest?

Hon. Mr. Haig: Yes, it is fixed, but it can be changed to a certain extent.

Hon. Mr. Bouffard: It is given flexibility.

Hon. Mr. Haig: Yes; it can be changed if a decision is made to do so.

Let me answer my friend's question, so that he will not misunderstand me. If the interest rate on bonds goes up to 5 per cent, then the government can increase the rate on loans to 6½ per cent.

Hon. Mr. Crerar: 7 per cent.

Hon. Mr. Haig: That is the fluctuation I am talking about.

Hon. Mr. Bouffard: Maybe the government would not find any borrowers.

Hon. Mr. Haig: But they would put the interest rate up. The bonds may become a drug on the market. I think the maximum rate of interest should be fixed in the bill.

Hon. W. D. Euler: Honourable senators, I am more or less inclined to agree with the remarks of the leader opposite, and I am not altogether satisfied about the wisdom of making the interest rate flexible.

I should like to draw attention to a rather disturbing observation made by him as to the decline in value of Dominion bonds, most of which are Victory Bonds and bear interest at 3 per cent. The last issue went as high, I understand, as $105.

Hon. Mr. Aseltine: Correct.

Hon. Mr. Euler: That rise in market value was due to the fact that the Bank of Canada stood behind the bonds, and with that support they did not go lower than $105. I think, however, it must be borne in mind that the government made no promise to the public that the holders of bonds would be able to sell them at par.

Hon. Mr. Haig: I did not say that it did.

Hon. Mr. Euler: But I think that the brokers and agents who sold the bonds told the people that if they bought these securities they could sell them at any time for a hundred cents on the dollar. I know they did in my own community. The giving of that assurance was most misleading, and many people are disappointed to find that on the sale of the bonds today they must take a discount of from 3 to 5 per cent. This situation is having an unfortunate effect upon certain provincial bonds. For instance, some hydro electric bonds in Ontario are selling as low as $92. This is all a result of the withdrawal of support of government bonds by the Bank of Canada.

The unfortunate result of all this, as the leader opposite has pointed out, is the breakdown of public confidence in government bond issues. The federal government will some day have to borrow by way of refunding bonds, and in the unfortunate event of the country being faced with another war, heavy borrowing will be necessary; the people will only buy bonds for patriotic reasons. Before the first war the people of Canada generally knew little about bonds. It took a long time to make them bond-conscious and to educate them in this investment field. Under present conditions there would have to be a pretty strong inducement to cause people to buy government bonds. This destruction of public confidence is to my mind most unfortunate.

Hon. T. A. Crerar: Honourable senators, I cannot quite agree with the leader opposite that this legislation fixes the rate of interest that will be imposed or charged on housing loans.

Hon. Mr. Haig: I did not say that. I said that it fixed a fluctuating rate, and that as the interest rate on bonds goes up the rate on loans can be increased.

Hon. Mr. Crerar: I take it now that my friend is opposed to the flexible rate, and that he would prefer to have a fixed rate.

Hon. Mr. Haig: I would prefer to have the rate fixed by statute.

Hon. Mr. Crerar: How can the rate be fixed by statute without getting into a large area of control by legislation.

Hon. Mr. Haig: That is the way the law has been since 1939 or 1940, and it is proposed by this bill to change it.

Hon. Mr. Crerar: At any rate, the interest rate on high-grade government bonds at the present time, on the basis of information given by the honourable member who introduced the bill, is about 3·22 per cent.

Hon. Mr. Haig: Correct.

Hon. Mr. Crerar: Consequently, companies engaged in the making of loans for housing could have a return of 5·22 per cent; but that return will fluctuate as the interest rate on high-grade bonds changes. The rate may go higher, and it may possibly go lower. My guess is that it will not go much lower for some time to come.

It is quite true that no promise was implied or given by the government that bonds sold during the war could be depended upon. I think my honourable friend from Waterloo (Hon. Mr. Euler) is quite right in stating that when canvassers were selling the bonds to individuals they perhaps gave the impression that they would always be worth a hundred cents on the dollar. It seems to me that one of the reasons for this decline in the value of bonds, with a consequent increase in yield to purchasers, is that possibly many people, those who give some study to these matters, believe that the inflationary trend will increase, and that in consequence the purchasing power to be derived from their bonds will decrease, so that they are disposing of their bonds now, even though they take a loss on the operation. They believe, whether their fear is well-founded or not, that conditions a year hence may possibly be worse than they are today. As far as my observation goes, that viewpoint is a definite factor in the value put on these securities in the bond market. It is true that the government as a matter of public policy, might decide to protect the price of bonds, by announcing that the Bank of Canada will buy them at one hundred cents on the dollar.

Hon. Mr. Aseltine: Why should they not do so, if the rate of interest is going up all the time?

Hon. Mr. Crerar: Very good. That brings in another phase of the question which has a very important bearing on this whole business of inflation. If people sell their bonds at one hundred cents on the dollar, when the individual gets the money he has that much more money to spend. The resultant pressure on the price level pushes it up.

Hon. Mr. Euler: He puts it in the stock market.

Hon. Mr. Crerar: He might put it in the stock market, or he might put it somewhere else.

Hon. Mr. Haig: He buys common stocks.

Hon. Mr. Crerar: That aspect of the problem cannot be overlooked. It would be most unfortunate, I believe, if five years from now we were to find that the Bank of Canada owned the great bulk of Dominion Government bonds which had been sold to the public. The consequence might be economic disaster. Consequently it is much better, in my judgment, to let bond prices find their own level.

Hon. Mr. Euler: Why did they not do that in the first place?

Hon. Mr. Haig: The men who sold bonds to me were agents of the government. The government paid them a commission. Is not that true?

Hon. Mr. Crerar: Let us be fair about it. It may be that in the city of Toronto someone, in response to a request to organize a bond-selling campaign, offered to give his services to the organization for selling the bonds. That sort of thing was done all over the country. There was a great deal of voluntary service.

Hon. Mr. Haig: Sure.

Hon. Mr. Crerar: If under those circumstances a volunteer salesman, in order to convince a prospective purchaser that he should buy the bonds, said, "These are government bonds; they will always be worth one hundred cents on the dollar", that does not necessarily constitute an obligation which the government today must honour.

Hon. Mr. Haig: But did not the government pay a commission on all these bond sales?

Hon. Mr. Hugessen: It was very small.

Hon. Mr. Haig: I don't care. They paid a commission. Therefore the sales were made by agents of the government.

Hon. Mr. Crerar: How far my honourable friend's argument is valid is a matter of opinion, but it does not appear to follow of necessity that an obligation is imposed upon the government to support these prices. What interest rates will be in the future nobody knows, but of this I am sure as I am, or

ever was, of anything, that if an announcement were made tomorrow that the Bank of Canada would buy at par all bonds offered in the market, the quantity of bonds presented to the bank would be astonishing.

Hon. Mr. Haig. Not after what has happened lately.

Hon. Mr. Crerar: I think the situation is governed mainly by the fear in people's minds that the value of the dollar may go still lower. A person in receipt of an income of $3,000 a year from $100,000 worth of government bonds ten years ago enjoyed nearly double the purchasing power he has today. What he fears is that five years from now this purchasing power will be still less. Consequently he feels the urge to get into some other type of investment where his interest return will be greater, even though his risk may be somewhat increased. That fact, it seems to me, very largely influences the situation.

Hon. Mr. Lambert: We have been discussing the whole question from the point of view of Dominion finance and bonds. What about the effects on the Central Mortgage Corporation and its activity?

Hon. Mr. Bouffard: What I know about the matter is this. If one compares housing construction figures in May 1951 with those of May 1950, it will be found that the demand is about the same, but the loans made in May 1951 are about 25 per cent more than they were a year ago. If this condition continues, concurrent with a fixed rate, not only will the main insurance companies go out of the business, but no money other than that provided by the government will be available to subsidize the building of houses. That would be a most unfortunate situation.

We must follow the rate of interest. The money market is just a matter of merchandising; it is bound by the law of supply and demand. At the present time the interest rate is high, and the Central Mortgage and Housing Corporation will have to increase its rate of interest if it wants to interest anybody in loaning money. If an insurance company can get 5½ per cent on loans, it will not consent to lend money to the Central Mortgage and Housing Corporation at 5 per cent. Furthermore, the amount of money at present in the possession of insurance companies, which might be available for construction is becoming less and less. To get the necessary funds, insurance companies would have to liquidate their government bonds, and perhaps other investments, at a loss. But they will not sell their government bonds at a loss and then loan money at less than the prevailing rate of interest.

Hon. Mr. Euler: If I may be permitted another remark: my honourable friend is entirely right with regard to the position of insurance companies and other lending institutions. Since the interest rate was set at 5½ per cent, these insurance companies practically stopped lending money for the purposes of government housing, and the only way to get them to do it is to increase the rate. I am not convinced in my own mind whether the rate should be a fluctuating one or whether it should be fixed; but certainly it is necessary to increase it, or the money will not be forthcoming from the ordinary lending institutions.

Hon. Mr. Bouffard: The only fluctuation that can take place is the ordinary gap of 2 per cent between the government bond rate and a mortgage, and the Governor in Council is not empowered to go beyond that 2 per cent difference. Of course, if the interest rate goes up and up, the rate of interest on loans for building houses will go up until the builders will not borrow money. Then the demand for loans will be limited and the rate of interest, like any other merchandise, will come down.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Bouffard: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

EXCISE TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 294, an Act to amend the Excise Tax Act.

The bill was read the first time.

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

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

The Senate adjourned until Monday, June 11, at 8 p.m.

THE SENATE

Monday, June 11, 1951

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

Prayers and routine proceedings.

WEIGHTS AND MEASURES BILL

SECOND READING

Hon. G. P. Burchill moved the second reading of Bill 355, an Act respecting Weights and Measures.

He said: Honourable senators, this bill follows the Act respecting Units of Length and Mass, passed last Thursday, which changed the method of establishing our national standards of length and of weight. These national standards are: the pound avoirdupois, the ounce troy, the gallon, and the yard. The Act passed last week provided that the National Research Council shall maintain standards of length and of mass, and shall calibrate and certify reference standards, which will be in the custody of the minister, and be the legal standards for the purposes of weights and measures.

The bill we are considering this evening is concerned with the administration of the inspection service of our weights and measures standards. This service is carried on under the Standards Division of the Department of Trade and Commerce.

An Act dealing with these matters was passed in 1873. It was amended in 1914, by the addition of two clauses concerning the metric system, and again in 1935, where clauses dealing with short weights were revised.

The basic responsibility of the inspection service is to inspect and compare all trade devices, scales, weights and measures with the working standards, and to make sure that they are correct. Since the original Act was passed, such changes have occurred in the Act and in its administration as to make it desirable to entirely re-write the statute. Some sections of the original Act have been deleted, others have been revamped, and still others have been added. I may say, however, that the main principles are unaltered. Honourable senators might find it interesting if I took a moment to tell them something of the extent of the work of the inspection service of the Department of Trade and Commerce. That service during the last few years has grown to large proportions. During the fiscal year 1949-50 members of the inspection staff, numbering 109, travelled 737,000 miles, called at 141,000 places of business, and inspected 449,000 pieces of equipment. In the last year 11,300 scales have been spot-checked and 100,000 pre-packaged articles have been examined. Fees are charged for this work, of course, and the revenue derived nearly covers the cost of operation of the service. The Standards Division also supervises the inspection of electricity and gas meters, so that the over-all revenue from all three services balances the over-all expenditure, and there is no net charge on the federal treasury.

When the bill goes to committee, honourable senators will have an opportunity to note the various changes which have been found necessary by reason of mass production, and the development of current trading practices, and for administrative purposes. I do not believe that any of these changes will cause criticism, and I doubt whether any useful purpose would be served by my going into them here.

There are two new features in the bill which I should like to mention. First of all, in the last few years the wide development of pre-packaging goods, particularly groceries, has made it necessary that the packages should indicate the weight or measure of the goods contained in them. The Food and Drug Act requires that the containers of items under its jurisdiction shall indicate the contents, and other federal legislation makes similar requirements.

In the interest of consumers, who should be given an opportunity to judge relative prices by weight or measure, it is felt that pre-packaged articles should show the amount or weight of the contents. As matters now stand, a manufacturer who pre-packs an article under the Food and Drug Act must mark it; but if a similar article is packed in retail premises there is no such requirement. For this reason it is considered desirable that all pre-packaged articles be marked as to contents. I might add that this is the standard practice of large producers and of many retailers.

The second point I wish to mention concerns the Province of Newfoundland. Proclamation of the original Act has been published, and that Act is now effective in Newfoundland. Some of the standards and equipment in use there do not meet the requirements in effect in other parts of the dominion. It would appear desirable, therefore, that the Governor in Council should be authorized to continue the use there of certain standards and equipment until such time as any necessary adjustment can be effected.

There are some changes in the penalties provided by the Act. For example, one of the provisions of the present Act stipulates

that one-half of the penalty shall be paid to the person who sues. It is desirable that this provision be deleted. There is also a change in the matter of disposal of seized equipment.

Honourable senators, I think I have covered the main features of the changes proposed in the legislation before the house. The officials of the department will be present in committee to answer any questions which honourable senators may wish to ask.

To summarize, the new Act is, in effect, a modernizing and tidying up measure which will provide for the proper administration of the law in the light of current manufacturing and trade practices.

Hon. Mr. Horner: May I ask if there is in this bill anything to regulate the grade or measurement of lumber?

Hon. Mr. Burchill: Nothing at all.

Hon. Mr. Horner: That is a mistake.

Hon. Mr. Lambert: Can the mover of the motion tell the house if there have been many penalties for short weight or other evasions of the law?

Hon. Mr. Burchill: Departmental officials have furnished me with a statement which shows that last year, 1950-51, ten convictions were secured under certain sections of the Act and fines were imposed.

Hon. Mr. Lambert: Are the offences specified?

Hon. Mr. Burchill: The prosecutions were under sections 53 and 54 of the present Act, which I have not before me at the moment.

Hon. Mr. Lambert: I am just wondering in what kinds of businesses those offences were committed.

Hon. Mr. Paterson: If my honourable friend is curious as to whether any of them were committed by grain dealers, I can set his mind at rest by saying that they were not.

Hon. Mr. Lambert: I have heard of such a thing as overages in country elevators—reflecting somewhat on the accuracy of the scales.

Hon. Mr. Haig: I have heard worse than that. If the manager of an elevator has a shortage he pays the shot; but if there is an overage, it goes to the elevator company. I speak with some knowledge, because I am acquainted with a man who was in the business for thirty years. In his first year he was short a thousand bushels. That is the last time he was ever short.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

ADJOURNMENT

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, the explanation given by the senator from Northumberland (Hon. Mr. Burchill) was so clear and his arguments were so persuasive that the motion for second reading has been passed a little earlier than I had anticipated. As there is nothing else on the order paper I have no alternative but to move that this house do now adjourn.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, June 12, 1951

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

Prayers and routine proceedings.

POST OFFICE BILL

FIRST READING

A message was received from the House of Commons with Bill 322, an Act respecting the Canada Post Office.

The bill was read the first time.

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

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

CUSTOMS TARIFF BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 295, an Act to amend the Customs Tariff.

He said: Honourable senators, this bill provides for certain amendments to the Customs Tariff, and it will be noted that these amendments do not reflect any of the agreements that came out of Torquay. Some of the changes proposed have been recommended by the Tariff Board, and their purpose is to clarify certain tariff items and to remove anomalies in others. There is an increase in several of the items, but over all I would say that there is a reduction.

I think it would be well to deal with item 705, settlers' effects, which is of general interest. The general law with respect to settlers' effects is not changed, but some exceptions are provided in this bill. The general rule is that a settler, before seeking to bring into Canada any of the settlers' effects listed in item 705, must have been the owner of those articles for a period of at least six months. In addition he must retain possession of them for at least twelve months after bringing them into the country.

There are certain exceptions grafted on to item 705. One of them has to do with a bride's trousseau and wedding presents. Usually wedding presents are given closer to the wedding day than the six month period provided here, and this has always presented a problem to tax the ingenuity of the customs officials. The foreign bride wishing to bring wedding presents into this country has always been faced with the question: "How am I going to bring my wedding presents in; I did not get them more than six months ago?" This matter is specifically dealt with in the tariff item, and hereafter the brides can feel freer in this regard when coming into Canada.

A second question arises by reason of the fact that we have been bringing in many immigrants from countries where there have been controls and restrictions on currency. People from these countries have been unable to bring out any quantity of currency or so-called "settlers' effects." The currency control regulations in some countries have permitted emigrants to take out so much a year for a period of three years. That did not accord with item 705 in the tariff, so now the provision is changed. The requirement of six months' ownership prior to the date of the entry of the settler into Canada will not apply in the case of immigrants from such countries with currency restrictions as the minister may name and with respect to which he may provide regulations. During a period of three years after coming to Canada a settler from any one of these countries will be permitted to bring in effects mentioned in item 705. Literally it means that he can apply money that is released to him in his country of origin for the purchase of effects in that country, and he can bring those goods as settlers' effects into Canada in the first, second and third years after his entry into this country. That is, the goods that he may bring in free of duty will no longer be restricted to those that accompany him when he arrives.

A further provision of leniency makes this change applicable to settlers whose first arrival occurred between April 10, 1945 and April 11, 1949. A reasonable amount of the effects of such settlers may be entered from their countries of origin within the period ending April 10, 1952. So it will be seen that there is a considerable broadening of item 705, which covers the free importation of settlers' effects.

I also wish to refer to item 708. I discussed this item in another relationship the other day when we were dealing with the Customs Act amendments. It provides for the free entry of military stores, munitions of war and other goods the property of and to remain the property of a British commonwealth country designated by the Governor in Council or a foreign country that is a party to the North Atlantic Treaty and is designated by the Governor in Council. The item goes so far as to provide for the free entry of personal effects of nationals of countries designated under this item who are employed in defence establishments of those countries in Canada. There is, however, a limiting

proviso, namely, that the Governor in Council may at any time order any of the privileges granted under this item to be withdrawn in any case where a country does not grant corresponding privileges to Canada. It will be recalled that the Customs Act, which was before us the other day, provided that if the ownership of goods passed from the hands of a person who in Canada was entitled to hold them free of duty they would be subject to the normal rates of duty otherwise applicable to them.

I also wish to mention item 409f, which is set out in schedule A, at the bottom of page 2 of the bill. It extends the number of kinds of agricultural implements, equipment, etc., which may be brought into Canada free of duty. This item starts with the words "grain crushers," and everything mentioned from there on down to "hay loaders" has been added to the item. In other words, the old item began with the words "hay loaders". All the implements mentioned in this item will come in free of duty, subject only to the proviso that they are for use on the farm for farm purposes only.

I pass now to items 216f and 238.

These items relate to what is commonly known as the plastics industry, which has been going ahead by leaps and bounds. This provision is only a limited approach to the question by reason of the fact that during the past year the Tariff Board was asked to inquire into the whole industry and to determine what tariff classification it should be given so as to properly reflect the various developments which have taken place in the industry. These two items, 216f and 238 have to do with certain raw materials which in certain circumstances are free of duty, and which in other circumstances—namely if they happen to be of a class or kind made in Canada—are subject to a certain rate of duty. Under item 238 there is one commodity vinyl type, which carries an increase in duty, by reason of the fact that it is a product of Canada. Here the rate of duty is 15 per cent across the board, which is an increase over the existing duty. It may be anticipated that within the next year, if the Tariff Board has completed its work, there will be a complete schedule of items dealing with the whole industry.

I wish next to deal with a series of items, namely 410a to 410z. These items, seventeen in all, are contained in the schedule before the house. They relate to equipment for use in the mining industry. The only change is that the schedule is extended to include the importation of parts for the various types of equipment enumerated in these items. As and when the rates affecting these items are given the force of law, these parts will be allowed to come in at the same rates of duty that apply to the machine or equipment to which they pertain. Heretofore the rates on these parts have been scattered throughout a variety of items in the customs tariff, and have borne different rates of duty depending upon the material of which they were made and other factors which would influence the rate of duty. The net result is an over-all reduction in the rates of duty.

I wish now to refer briefly to item 682, which has to do with "fish hooks for deep-sea or lake fishing, nets and nettings," etc. The elimination of the phraseology "cotton, hemp, manila, or other vegetable fibres", makes it possible to include in this item equipment containing nylon fibre.

Perhaps I should say a word about Item 277, which sets out the duties on "oils, hydrogenated, blown, dehydrated or sulphonated, not including blown or hydrogenated fish, seal or whale oils". For years past, in the administration of another section of the tariff, the Department of National Revenue has taken the position that hydrogenated oil—and it was castor oil that brought this matter to a head—was a processed oil, and it was set out in a special item, namely, No. 711, "Goods not otherwise enumerated". The matter came to a head when some paint company sought to bring in castor oil, to be used in paints, and thus get the benefit of a lower rate or of freedom from duty. The Tariff Board, overruling the department, held that the classification was a proper one. So the department, faced with the probability of a number of applications relating not only to castor oil but to processed oils of various kinds, thought the situation should be clarified. There is in fact a difference between raw crude oil and a hydrogenated oil. The bill does not provide for any increase of duty over and above that heretofore levied by the department, but it gives effect to the decision of the Tariff Board in relation to the application I have mentioned and re-establishes what the department regards as the proper application of the duty, distinguishing between raw oil and oil which has been processed or subjected to some method of manufacture.

Hon. Mr. Horner: If an oil enters into the manufacture of margarine, it is in direct competition with a much superior product.

Hon. Mr. Hayden: I expected to be asked a question about margarine. I therefore took the trouble to secure a little information about it. As far as I can learn through my own research, assisted by officials of the Department of National Revenue, there is a separate item in the tariff relating to cotton-seed oil, which is one of the vegetable oils

used in the manufacture of margarine. Item 277 does not relate to cotton-seed oil. The rate of duty on cotton-seed oil imported from the United States is 10 per cent.

Hon. Mr. Euler: Is peanut oil affected?

Hon. Mr. Hayden: Peanut oil also is dealt with in a separate item of the customs tariff, and in the crude state carries a rate of 10 per cent.

Hon. Mr. Horner: Whale oil?

Hon. Mr. Hayden: Item 277, the item we are dealing with, includes hydrogenated oils, which are subject to the duties provided here. It does not include blown or hydrogenated fish, seal or whale oils, so these are not subject to the rates of duty specified. I am sure that must give great comfort to my honourable friend.

In Schedule B, which pertains to drawbacks, there are two items of drawback to which, I think, attention should be directed. There has always been an item 1052, under which machinery brought into Canada by the automotive industry, for the purpose of carrying on its business, gets the benefit of a drawback of 99 per cent. But now "parts" have been added. That is, an automotive manufacturer may bring in "all parts" and get a drawback on the same basis as though he were importing the completed machinery. Another item, No. 1053, has been added to extend the benefit of the drawback on "machinery, new or used, and all parts thereof", to cover "aircraft engines, aircraft equipment, or parts of the foregoing for the manufacture of aircraft, aircraft engines", etc. These items also get the drawback of 99 per cent.

As to the rest of the bill, perhaps a general statement is sufficient. Items 435 and 440k deal with locomotives and diesel engines. The latter provision is intended to benefit fishermen. It includes "engines and complete parts thereof to be used exclusively in the propulsion of boats or in hoisting nets and lines used in such boats . . . *bona fide* owned by individual fishermen for their own use in the fisheries, under such regulations as the minister may prescribe". Item 440k (2) is new, and relates to diesel engines and complete parts thereof. I do not propose to deal in detail with the other items, although I will do so if any honourable senator wishes to ask questions about them. Some of them extend to the parts of particular machinery or equipment the tariff rate which was formerly available only in respect of the machinery or equipment itself. There is also some recognition of modern developments. For instance, item 475, relating to stereotypes and electrotypes, now includes what are known as rubber plates, because apparently these are now used in connection with printing. All are free under the three tariff subdivisions.

As regards the reference of the bill to committee when it has received second reading, I will consent to whatever course the Senate may desire.

Hon. Mr. McIntyre: Suppose an engine, worth say $400, is imported from the United States for use in fishing, is a percentage of the tax refunded to the fisherman?

Hon. Mr. Hayden: All I can tell my honourable friend is that, under item 440k, an engine brought in to provide motive power for a boat exclusively used in *bona fide* operations by fishermen is subject to one of the rates of duty provided for in the item. These rates are, under the British preferential tariff, free; under the most-favoured-nation tariff 12½ per cent; and under the general tariff 15 per cent. As a matter of practice, I believe, the most-favoured-nation tariff is really our general tariff, the general tariff being maintained as a sort of invitation to countries, who might otherwise feel disinclined, to make trade agreements with us, and as an indication that if they will make a trade agreement they will get the benefit of the most-favoured-nation rates. In other words the general tariff is a bargaining tariff, and applies at the present time, I believe, to about ten countries, among them Japan, Russia, Honduras and a number of small states. I cannot go any further in answering the honourable senator's question, because the drawback is something else, and there is no item in the bill before us dealing with a drawback in respect of the matter he has referred to. If an importer were entitled to a drawback, and he might very well be, it would come under the general tariff provisions. These are not before us at this time, so I cannot answer the question.

Hon. Mr. Kinley: There must be some significance in the presentation at this time of a bill to lower the duty on certain tariff items. Has the honourable senator from Toronto (Hon. Mr. Hayden) any information for the house about any reciprocal benefit Canadians may enjoy as the result of the lowering of duties on certain items under this bill?

Hon. Mr. Hayden: The items to which I have referred mainly cover raw materials to be further processed in Canadian industries, or machinery, equipment, or parts of machinery and equipment, to be used in these industries. It is a wise move to lower the rate of duty on these items or to make their entry free, because it will stimulate Canadian

industries. Certain industries in Canada today, particularly gold mining, are suffering from a ceiling price on their products; so anything that can be done under these tariffs, either directly or indirectly, to maintain these industries on some basis that shows a profit, no matter how little, is to be encouraged. I cannot pick out any items in this bill that would be in the category the honourable senator is suggesting. I think the net purpose of reducing some of these tariff items is to assist certain Canadian industries.

Hon. Mr. Kinley: Do these reductions invade the British preferential tariff?

Hon. Mr. Hayden: The British preferential tariff remains as a definite tariff preference. In some circumstances you will find that the rate of duty is the same all across the board. In other cases you will find a differentiation.

Hon. Mr. Kinley: Well, does it invade the British preferential tariff?

Hon. Mr. Hayden: It would be difficult to answer that question now, because to do so I would first have to go through all the tariff schedules and then go to the Department of National Revenue and try to relate each individual item brought in to the different rates of duty. Let us assume, however, that the British preferential tariff is invaded to some extent. Then, that must be a matter of government policy and, if so, it is open to any senator to argue whether or not it is a good thing.

Hon. Mr. Reid: I have two or three questions I should like to ask. My first has to do with tariff item 705, paragraph (b), dealing with settlers' effects. Am I to understand that a settler who came here on April 11, 1945, over six years ago, could now bring in a reasonable amount of settlers' effects? And what is a reasonable amount? It is provided here that a reasonable amount of the effects of a settler may be entered from certain countries. I want to know who is going to decide the number of articles a settler may bring in? Will a settler who entered this country on April 11, 1945, still have the right to make application, and to bring in goods under this item relating to settlers' effects?

Hon. Mr. Hayden: Yes, because it says:

> Where the settler's first arrival occurred between April 10, 1945, and April 11, 1949 . . .

All these questions about *bona fide* settlers and "reasonable amount" are subject to such regulations as the minister may prescribe.

Hon. Mr. Reid: My second question has to do with machines used for baling hay and straw. As is well known to anyone who is familiar with farming, there was a time when wire was the only material used for the baling of hay and straw, but the baling machines of recent years use cord instead of wire. I know this is so in British Columbia and on the Pacific Coast. It was brought to my attention two years ago that a tariff duty had to be paid on these machines and on the cord, and at that time I appealed to the Minister of Finance to lift the restrictions on these items. I am wondering if anything has been done about lowering the tariff on these items?

Hon. Mr. Hayden: An enumeration of the new items indicated in 409f, would take you to "hay loaders".

Hon. Mr. Reid: This is not a hay loader.

Hon. Mr. Hayden: No, but everything down to the words "hay loader" is new. If there is any place within the entire enumeration of this item under which you can qualify the piece of machinery about which you are talking, then the rate of duty is easily arrived at. It is free all across the board. The question to be decided is whether or not the particular type of baling machinery referred to is within this enumeration. I cannot tell that without reading the item very carefully. My friend from New Westminister (Hon. Mr. Reid) has knowledge of this item because he was interested enough to seek to have something done about it. He should be able to tell me from his reading of the item whether or not he thinks it is included.

Hon. Mr. Reid: The fact of the matter is that I have read the item and I do not see any mention of hay balers.

Hon. Mr. Hayden: All this information can be supplied in committee.

Hon. Mr. Reid: My third question has to do with motor cars. Under this legislation can a settler bring in a motor car as a settler's effect, provided that he does not sell it? I think that formerly a settler's automobile was admitted free of duty, especially if he was coming here from the United States. But I see no mention of this in the bill. Item 705 does mention "highway vehicles", which of course could include a lot of things.

Hon. Mr. Hayden: That is a very broad term. Certainly a motor car is a highway vehicle. There are certain exceptions to the kinds of vehicles covered by the item: it does not include vehicles or implements moved by mechanical power, nor machinery for use in any manufacturing establishment. So the broad meaning of the item is cut down to that degree.

Hon. Mr. Reid: You have no information as to whether motorcars will be allowed in free?

Hon. Mr. Hayden: No.

Hon. Mr. Reid: I think that a former Minister of National Revenue who now sits in this house (Hon. Mr. Euler) will agree with my statement that in the past settlers coming from the United States and taking up farming in this country were allowed to bring in their personal motorcars free of duty.

Hon. Mr. Hayden: I have no information as to whether there has been a change in that regard.

Hon. J. J. Kinley: Honourable senators, I am sure that the presentation of a tariff bill brings varied recollections to many of us who have had some experience with tariffs in the past. I recall the days when the tariff was the big issue dividing political parties in this country. The Liberal party was considered, or supposed to be, the low-tariff party—

Hon. Mr. Aseltine: Did you say "supposed to be"?

Hon. Mr. Kinley: I said it was considered or supposed to be the low tariff party.

Hon. Mr. Horner: "Supposed" is a good word.

Hon. Mr. Kinley: I used that expression advisedly. And the Conservative party was supposed or considered to be the high tariff party.

Hon. Mr. Hayden: You can use that expression advisedly too.

Hon. Mr. Kinley: I have heard it said that the Liberals were for a low tariff when they were out of power, and that the Conservatives when they were out of power were for a high tariff. However that may be, I think we all agree that the tariff does not play the important part that it used to play years ago in trade between nations. Then everything seemed to depend on the tariff. We were told that in order to build up a country like this it was necessary to have manufacturing industries, and that they could not survive without tariff protection. And that seemed to be accepted by many citizens. We had the example of the United States, which was always a high tariff country, and which has become the chief manufacturing country in the world.

However, trade today is controlled by other factors than the tariff. Monetary methods now have more influence on business than any tariff has. Other important factors regulating the flow of goods between countries are prohibitions and quotas of one kind and another. As we know, the importation of certain classes of goods is sometimes absolutely prohibited.

This bill seems to be based on the principle that we must import machine tools and implements used in primary industry. To a degree that is true. But a country may so encourage primary industry as to reach a point where it has no other kind of industry, and I think everybody will agree that today a country which had only primary industry would be in a pretty poor state. It has been said that if primary industry is the first step in civilization, secondary industry is the second step. There is no doubt that secondary industry, manufacturing, is a great bulwark to the prosperity of any nation. It gives employment to people and raises the standard of living. Coming as I do from the Maritime provinces, I am of course anxious that our primary industries should be given every possible assistance, but I think there comes a time when we have to admit that it is wise to make possible in our own country the success of industries that manufacture goods to supply the needs of primary industries.

I feel a little bit out of place in expounding a doctrine of this kind. It is a doctrine which perhaps would come better from my honourable friends of the opposition, but they and their party seem to have surrendered all desire for tariff protection. I recall that a few years ago—and I mention this by way of compliment to them—they injected some life-blood into their party by adopting a free trade leader from the West. However, under his leadership they did not succeed in getting into power, so perhaps they may be turning their thoughts once more towards the old policy of Macdonald. It may be that if thoughout the years they had adhered to their policy of adequate protection they would have stood higher than they do today in the estimation of the business people of this country.

I notice that in one or two places this bill invades the British preferential tariff. I refer to some items on which the general tariff used to be, say, 20 per cent, the intermediate tariff 15 per cent and the British preferential tariff free. Well, when you make the item free in all classifications you of course invade the British preference. Take item 440k as an instance. The second part of that item reads:

> Diesel engines and complete parts thereof, to be used exclusively in the propulsion of boats or in hoisting nets and lines used in such boats for use exclusively in *bona fide* commercial fishing operations, under such regulations as the minister may prescribe.

Well, for many years diesel engines were imported from England duty free, but there was a tariff on those that came in from the United States and other countries. Now it appears that importation from any country under the most-favoured-nation tariff will be

free. So in that instance the British preference will be affected. I say to you that I do not think we shall ever manufacture many diesel engines in Canada under a tariff like that. There used to be a company in British Columbia which did very well in the manufacturing of diesel engines. It has been bought out by a British concern, which I believe intends to assemble and partly manufacture some larger types of British diesel engines in this country. This tariff will rather destroy any preference that the company would have had under the former tariff. I bring that to the notice of the Senate, so that we may explore it a little further when the bill goes to committee.

My honourable friend from Prince Edward Island was inquiring about gasoline engines. It will be noticed that the first part of item 440k reads:

Engines and complete parts thereof, n.o.p.

We must be careful not to be led astray by that wording. My own company down in the Maritimes makes gasoline engines, and we have got to the point where we have practically no protection on our products at all. I suppose that if we were up here in central Canada we would have enough influence to see to it that some protection was provided. However, we are not complaining, for we are interested in the general welfare of the fisheries. It will be noticed that a little lower tariff is provided with respect to gasoline engines; these engines are made in Canada in considerable numbers and bought by individual fishermen. But the fishing industry has come to be big business, and in general it is the large companies in the business that use diesel engines. These companies have been treated very well in one way and another.

It may be that we should consider carefully just how far we are going in the reduction of tariffs. No country ever became great without extensive manufactures, and we should see to it that conditions in this country are such as to permit the development of manufacturing industries. It seems to me that low tariffs as a means of subsidy, for the purpose of bolstering up an economic condition, are just as bad as high tariffs for protection. Tariff protection is after all an economic problem, and should be based on conditions within and without the country. The Conservative party has been for high tariff, and the Liberal party for low tariff. Personally, I have always favoured a freer tariff.

Hon. Mr. Hayden: An adequate tariff.

Hon. Mr. Kinley: Yes; somewhere in between the two, at rates which would be fair to the people as a whole.

Hon. Mr. Aseltine: Free trade?

Hon. W. D. Euler: Honourable senators, perhaps I, like the senator from Queen's-Lunenburg (Hon. Mr. Kinley), may be allowed to reminisce a little. He mentioned the policies of the two great old parties—perhaps I could say the one great old party and the other less great in these days. At any rate, the policy of the Conservative party in former years was that of high tariff, or, if you like, protection. This was for the purpose of building up infant industries, the assumption being that when those industries reached a certain stage of development they would no longer need protection. On the other hand, the Liberal party was supposed to be a low tariff party; in fact, in parts of the country such as the West it was almost a free trade party. I suspect that even some Conservatives who lived in the West believed in free trade principles.

On one occasion I remarked to a person in a high place in the Liberal government that in my view the difference between the two old parties in so far as tariff was concerned was that the Conservative party preached high tariffs and practised moderate tariffs, while the Liberal party preached low tariffs and practised moderate tariffs. In other words, in actual practice there was very little difference between the two parties, when the Honourable Mr. Bennett came to office and jacked the tariffs up very high.

Some reference has been made to the British preferential tariff, which most people seem to favour. I can recall very well a time when a proposal was made to reduce the tariff on British textiles. About that time I was talking to a prominent shirt manufacturer in my own riding, and I pointed out that I did not see why a manufacturer should be in favour of a British preference. I did not think that a manufacturer who was put out of business by British competition would feel any better than one who suffered similar competition from other sources. When the reduction of tariff on textiles affected the shirt business, the manufacturer of whom I speak was strongly in favour of the British preference. He wanted to keep the tariff on British textiles low, because that was the raw material for his business; but at the same time he wanted a high tariff on shirts, which were his finished product. Those who produced the raw material wanted high protection; the manufacturer who bought it favoured low tariff.

The tariff conference, which first met in Geneva, and later in Torquay, England, and in Havana, made certain adjustments which were good; but it also made some exceptions which were entirely wrong in principle. If we rely on the general reviews of its

activities, Canada did not actually get a great deal of benefit from the conference. My reason for reaching that conclusion is this: How can we make a fair agreement with our friends in the United States when under their law the President can reduce existing tariffs by only 50 per cent?

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Euler: I do not believe a fair agreement can be made under those circumstances. In order to have higher protection the United States only needs to put its tariffs so high that a reduction of 50 per cent will still exclude anything from other countries.

I will conclude with a more or less personal observation. In the old days, when I was a member of the House of Commons, I was accused of being high tariff. Perhaps that accusation does not interest the Senate particularly; but it was not true. The only reason I was in favour of a tariff in some instances was that the government of the United States, for instance, kept up a high tariff against us, which excluded our products altogether. Under those circumstances it was surely fair that the producers of our own country should have a little better than an even chance in Canada; and to that extent I was in favour of a reasonable tariff to provide reasonable protection against what otherwise was inequitable competition.

Hon. Mr. Reid: Honourable senators, I have a question to ask of the senator from Toronto (Hon. Mr. Hayden), but first, appropos of what the senator from Waterloo (Hon. Mr. Euler), has said, it was always well known in the party to which I belong that every member was a free trader so long as free trade did not interfere with the manufacturing concerns in the town he represented; but if it did interfere, then he was a strong protectionist. I have witnessed many a battle against free trade by Liberals who in their home towns had little industries which were against free trade.

The question I have in mind has to do with item 409f, which relates to articles for use on the farm. Among other articles the item mentions "complete equipment for milking parlours". Now, I thought I knew something about the farm, but I must confess that I am ignorant of the meaning of a milking parlour. Is it a fine place, with polished marble, where cows are milked?

Hon. Mr. Hayden: I do not think the word "parlour" in this item has the usual meaning of a place for entertaining guests. I do not know whether it refers to the palatial accommodation provided for cows when they are being milked, or is a place where dairy products are served to the public. I am quite sure, however, that the information will be available when the bill is considered in committee.

Hon. Mr. Haig: It is scarcely a farm term.

Hon. Mr. Horner: Perhaps I can enlighten the honourable senator as to milking parlours. In a modern barn cows are no longer tied in a row, and the milking equipment moved from cow to cow. The practice now is to have a central place which is equipped with a milking machine, a steel box for feeding the cow some grain, and a gate through which she may be brought in for milking purposes. This arrangement is said to be a great improvement over the old method, which was much less sanitary. That place in which the cow is milked, honourable senators, is a milking parlour.

Hon. Mr. Paterson: May I ask the senator from Toronto a question about items 1052 and 1053, on page 7, Schedule B? Will he explain the 99 per cent?

Hon. Mr. Hayden: That is a portion of the duty, not including any special duty or dumping duty, paid on the importation to which, when you establish the user, you are entitled as a drawback. If you establish that what you have brought in is to be used for the purposes specified in either item 1052 or item 1053, you are entitled to file a claim for drawback.

Hon. Arthur W. Roebuck: The remarks of the honourable senator from New Westminster (Hon. Mr. Reid) challenge reminiscence. My mind goes back to those inspiring days of long ago when we argued the question of tariffs on the basis of principle. I can look across the chamber to the honourable senator from Churchill (Hon. Mr. Crerar) and remember that he proclaimed himself a free-trader from the West, avowing a principle which he has not forgotten and which I believe he has not renounced. For my own part I have made many free-trade speeches, and I am as convinced today as I was when I was twenty of the soundness of the doctrines of the Manchester School. I am as convinced now as I was at any time that there is no more destructive or expensive method of raising revenue than that involved in a tariff, and that this country or any other would be greatly benefited by adhering to principle, rather than seeking small, petty, partisan, sectional advantages. To throw its markets open to the world and allow its people to buy in the cheapest and sell in the most expensive markets, wherever they may be found, seems to me to be logical, complete and sound.

I remember the days when Sir Wilfrid Laurier made free-trade speeches. I think

he was awarded a medal by the Cobden Club of Great Britain. I also recall very vividly a discussion that I had with Sir Wilfrid following the great debacle of 1911, when the Liberals' attempt at a common-sense treaty of reciprocity between Canada and the United States was defeated disastrously by the special interests that combined against it. When, following that election, I expressed my regret at the decision, Sir Wilfrid turned to me and said, "Young man, a commercial warfare between these two great nations is antagonistic to common sense". I treasured that thought in my memory, because it was so forcibly and eloquently expressed. Even in private conversation Sir Wilfrid was an orator. He did much in tariff matters to resist the encroachments of private interest and to protect the public at large.

My honourable friend from Queens-Lunenburg (Hon. Mr. Kinley) like many another, appears to be a free trader when he buys and a protectionist when he sells. He talked about the growth of the United States as a high-protection country. Of course there were many factors other than tariffs in the growth of the United States; and in actual fact the United States is the largest free-trade area in the world. What, more than anything else, has held the United States together, is the fact that interstate tariffs were never allowed to grow up, although there is as good an argument for a tariff between the State of Maine and the State of New York as there is for a tariff between the United States and Canada. The actual fact is that the United States, from the tropical regions of the South to the almost northern regions of the 49th parallel, is a free-trade area. The people of the Pacific coast exchange their products freely with the people of the Atlantic coast, and nobody has ever suggested that they would benefit by refusing to do so.

The same reasoning applies to the United Kingdom. There was a time, following the idealistic and soundly logical campaigns headed by Cobden, Bright and others, when England traded freely with the world, when her ports were open to the manufacturers and producers of raw materials in every country, and when businessmen, buying in the cheapest place available and selling in the highest market obtainable, secured a vast international trade. Those were the days of England's greatness. That was the time when the commercial and the military and the naval flags of England floated supreme over all the seven seas. It does seem too bad, now that we are dealing with tariffs such as these in a mundane sort of way, that all principle seems to have gone out of the debate, that the public has grown tired of the argument. I have been involved in this issue for, I suppose, nearly fifty years. In all that time I have taken part in arguments with regard to tariffs and free trade; and apparently today we are in exactly the same position as far as deciding the question is concerned as we were when I was a boy of twenty. We have made no progress whatever; rather we have gone back, because as the honourable senator—I was going to say for "Margarine"—for Waterloo (Hon. Mr. Euler).—

Hon. Mr. Euler: Order!

Hon. Mr. Roebuck: As the honourable member from Waterloo pointed out, the argument now is based purely on considerations of private gain, and the public no longer argues or even thinks about this matter on broad national principles. Of course that is to be keenly regretted. I hope that some day there will arise in Canada, as there did in the United Kingdom, a leader able to attract the attention and focus the minds of Canadians on this problem. Though today it seems hopeless to argue for lower tariffs, much less free trade, I have not given up hope that the time will come when Canada will decide this matter as England did in a previous generation, not so much upon the principles of the Grit party, but according to the philosophy of Liberalism. Probably you and I will not be here when that comes to pass, but I would like to see it, and some day I hope it will take place.

Hon. Mrs. Fallis: I should like to ask the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) whether he would be willing today to see Canada throw down all tariff barriers and proclaim herself a free-trade country; whether he believes that that would be practicable so long as the United States and other countries maintain high tariffs against us.

Hon. Mr. Roebuck: That is a good question, and I thank the honourable senator for asking it. As a rule it is a difficult question, asked *bona fide* by some of others, and by some of themselves. My answer is yes, and it is based on this philosophy. If you allowed our manufacturers to engage in those industries which are indigenous to Canada, without imposing trade restrictions and increasing the costs of their buying, you would place them in a position where they could compete against any other manufacturer in the world. Instead of it damaging our manufacturing industry it would do the reverse. Somebody has already pointed out that the finished product of one industry is the raw material of another. That has always been the case, and my conviction is that a city such as

Toronto, strategically located for transportation and the carrying on of business, suffers more from trade restrictions than any other place in Canada. I likewise am convinced that no place would benefit more than Toronto were the artificial obstructions to trade swept away and the manufacturers allowed to compete freely. It is their own affair if the United States wishes to maintain restrictions against their business people, to tie their hands and increase the cost of the manufacturing of their goods. I think our duty is to decrease our own costs; certainly not to deliberately and artificially increase them. The decrease in costs that would come from a reduction in tariffs, particularly in relation to our basic industries such as farming, would be the same in principle as the decrease in costs that comes when we dig a canal, build a railroad, or improve our highways. It makes trade freer, cheaper, and easier to carry on, and no one thinks for one moment that that kind of free trade is not advantageous. As I say, I can see no distinction in principle between the free trade that comes from building railroads, canals and highways, and the freer trade that comes from lowering tariffs. My answer to the question asked by the honourable senator from Peterborough (Hon. Mrs. Fallis) is yes. I should like to see us stand on our own feet and say that we will trade with anybody in the world. If we did that we would beat the other fellows, and the United States manufacturers could not compete with us in the markets of the world.

Hon. Mrs. Fallis: I wish with all my heart that the government of today would bring that policy into effect. We would have such a flood of unemployment in this country that there would be no doubt as to who would be in power after the next election.

Some Hon. Senators: Oh, oh.

Hon. T. A. Crerar: Honourable senators, because of the lucid explanation of this bill given by the honourable senator from Toronto (Hon. Mr. Hayden), and the fact that in my opinion these changes move in the right direction, I thought at first the best thing I could do was to stay in my seat this afternoon. The discussion, however, has taken a somewhat broader turn.

My honourable colleague from Queen's-Lunenburg (Hon. Mr. Kinley) expressed the view that there is really little difference between the two old parties on the tariff question, except that the Liberals when in opposition preached low tariffs and when in office imposed higher tariffs, and the Conservative party when in opposition preached high tariffs, and when in office imposed lower tariffs. The honourable gentleman from Waterloo (Hon. Mr. Euler) came to the conclusion that on the tariff question both parties were about the same, they were moderate. I am not going to discuss that point but I should like to ask my colleagues in this house who can look back far enough, to reflect on what the tariff was in this country thirty, forty or fifty years ago. At one time when there was an active tariff agitation in Western Canada there was a duty of 25 per cent on agricultural implements coming into this country from the United States and elsewhere. With the passing of time that 25 per cent protection was wiped out. It was argued, and I was one of those who supported the argument, that the reduction in or the elimination of the duty on agricultural implements would not result in serious harm to Canadian industry and, in particular, to the agricultural implement industry—

Hon. Mr. Roebuck: And you were right.

Hon. Mr. Crerar: —and I ask this house whether that view, which was widely held in Western Canada at that time, has not been justified? Not one agricultural implement industry in Canada has been put out of business as a result of putting agricultural implements on the free list. The reductions of tariff on many other items of our trade have been very substantial, and duties are low as compared with those of fifty years ago. Has this injured anyone in Canada?

Hon. Mr. Quinn: Has any farmer benefited?

Hon. Mr. Crerar: We are at a higher peak today than we ever have been in the production of wealth and the expansion of our trade. Have these reductions worked any injury on Canada? On the contrary, they have been of very great and definite advantage to the economy of this country. That is why I was delighted to see that this bill proposes steps—modest as they may be—in the same direction. With all due respect to those who differ from me on the point, I may say that there never was a greater fallacy than the argument that we were going to injure ourselves by admitting foreign goods to this country.

What concerns me at the moment is the fact that we have resorted, as have many countries, to other devices. I am quite free to say that the tariff, the levying of a certain percentage on goods coming into Canada, does not play the part that it did in years gone by. We have now got more refined methods for interfering with trade. I am speaking not only of Canada. We have sinned somewhat against the light, but we have not been the worst sinner in that respect. Like other countries we have quotas and exchange restrictions and customs valuations for duty purposes. All sorts of devices have

been applied, and the interesting thing is that it was some of the authoritarian countries that showed us the way to the imposition of certain of them.

Let me make my position clear, if it needs to be made clear in this house. I am against tariffs for protective purposes. I never was an enthusiastic or a warm or even—to use the phrase of my friend from Waterloo (Hon. Mr. Euler)—a moderate friend of the preferential system of tariffs. With a preferential system all that you do is put a circle around a certain group of countries and say "We are going to trade with ourselves, and the rest of the world can go hang." It was the fear or the effect of that system that induced other countries, particularly European countries, to push their tariffs against Canadian goods so high.

Honourable senators, one of the roads to peace is the promotion of the fullest and freest trade between all countries; the removal of all the barriers that stand in the way of trade.

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Crerar: People who trade with each other understand each other. If we in Canada are trading with Germany or France or the United States, a certain number of individuals in Canada get to know fairly well a certain number of individuals in these countries. Consequently, the profitable exchange of goods, the profitable business of importing and exporting, not only helps the prosperity of our own country, but also assists in the promotion of that good will and understanding which is necessary if this world is ever to travel along the road of peace.

Hon. Calvert C. Pratt: Honourable senators, up to a point I agree with the senator from Churchill (Hon. Mr. Crerar) that there is a great deal of unnecessary fear as to the results of reducing or indeed of abolishing tariffs. I am not advocating that this country should abolish all tariffs and go entirely over to free trade. Tariffs have been of great advantage to us as a factor in foreign trade bargaining whereby we can offer something and get something in return. I should say it would be good business to remove more duties and generally lessen restrictions on the importation of American goods in this country if in return we were to be given freer access to the American market for our products. We should always be watching for opportunities to pursue that policy.

I should like to call the attention of the Senate to what has happened as a result of an actual instance of the abolition of tariffs, right in the Dominion of Canada. The proposal to abolish the tariffs in question caused many people to fear that the industries affected would be ruined. But this has not happened. I am referring to the abolition of duties on the importation into Newfoundland of goods from Canada as a result of confederation. Time and again I was asked, as all business men on the island were, how our local industries would be affected by the removal of tariffs on goods coming in from the Canadian mainland. The duties were graded according to the essential needs of the various industries and the economic factors involved, but in the main they were higher than the duties which Canada imposes as a protection for its own industries. Our industries produced a wide range of goods, such as clothing, confectionery, biscuits, cordage, paints, metal goods, utensils, boots and shoes, and so on. They employed several thousand people, with a payroll of several millions of dollars. Looking at the matter from a purely business point of view, one would have said that without tariff protection those industries had not a chance to survive. Like many others, I always took the view that Newfoundland industry would be affected by abolition of the tariff on all Canadian goods in the same way as Canadian industry would be affected by abolition of the tariff on all United States goods. And although I know it is dangerous to draw an analogy where so many factors are involved, still I should say that the large industries in Ontario, Quebec and some of the other provinces, with their streamlined production methods, certainly confronted the small industries of Newfoundland with competition as severe as that with which Canadian industries would have to meet from the huge manufacturing concerns in the United States if no tariff protection were provided.

Well, over night Newfoundland's tariff against Canada was abolished. Since then, it is true, our local industries have been going through a pretty tough time, adapting themselves to the new conditions; but there is not much less employment in them than there was before. They are meeting the impact of the big factories in the larger provinces my modernizing their methods. Generally speaking, we in Newfoundland do not feel depressed over the fate of our manufacturing industries. They are fighting their battle and getting along.

It is true that conditions in some of the industries are not as satisfactory as we would wish but I contend that our experience is an object lesson which teaches that tariff protection for many classes of manufactured goods is not as essential as many think it is. I was much impressed with the point made by the senator from Churchill (Hon. Mr. Crerar) with reference to the farm implement

business; and while of course the removal of duties would not necessarily be met as effectively in some other types of industry, still I think that in the main far too much emphasis is placed on the value of the tariff for protection of industry in Canada.

Reference has been made to the British preferential tariff. We all know that its significance as it affects the economy of Canada had dwindled, and that the results of the Torquay Conference and other efforts which have been made to accelerate Canadian trade within the empire have been very disappointing.

As I have said, tariffs are of great value as a bargaining factor. Through our negotiations we are able to offer to other countries concessions which permit them to offer Canada similar concessions in return. I hope that the trend in trade arrangements between Canada and the United States will continue.

I should like to refer to item 440k in the schedule, to which the senator from Queen's-Lunenburg (Hon. Mr. Kinley) made reference. I am wondering why, under the first section of this item, small engines which are sold to individual fishermen still bear duty of twelve and one-half per cent under the most-favoured-nation tariff, and fifteen per cent under the general tariff, while under section (2), diesel engines, which are larger units, are free under both the British preferential and the most-favoured-nation tariff. If the manufacturers of small engines operate their plants efficiently, as most of them do, I do not think they have anything to fear from American or other competition. I hardly think it is proper that an individual fisherman who may save from $150 to $300, and who has to invest in an engine for his own boat, should have any less favourable treatment than the operator of a larger vessel.

Hon. John T. Haig: Honourable members, I think I would be remiss if I did not say something for the party that represents high tariffs when it is out of office and low tariffs when it is in office.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I have enjoyed listening to the arguments of the various senators who have spoken, and if this were a political meeting I would think, judging from their remarks, that this house would vote to continue tariffs. I am strongly of the opinion that if this house would vote to continue tariffs, the rest of Canada would also vote that way.

My memory goes back quite a long way, but I can recall only once when the tariff question was an election issue in this country. There was a time when the party that favoured the keeping of tariffs, despite the odds against it, was returned with a large majority. The leader of the Liberal party of that day was one of the most outstanding Canadians in our history; but even with all his prestige and personality, and his long record of service, he was not able to turn back the great host who supported an ordinary lawyer from a small province who led the Conservative party. I refer to the election of 1911, which was fought on a straight tariff issue.

I sometimes think that in our tariff dealings with the United States we are making a mistake. I agree with the gentleman from Waterloo (Hon. Mr. Euler), that under the American tariff law the President can make adjustments in tariff rates only up to 50 per cent. I may misjudge the Americans—I hope I am doing so in this respect—but I believe that the day the export of Canadian cattle and hogs is disadvantageous to the American farmer the export of Canadian farm products to the United States will be stopped.

Hon. Mr. Euler: It certainly will.

Hon. Mr. Horner: Or the tariff will be raised.

Hon. Mr. Haig: That is what I mean. I believe that everything we sell to them is subject to being shut out in that way. You may ask why I think so. Well, in 1866 the United States took just such action, with the result that this country was on the verge of bankruptcy. History could repeat itself, because there is in that country a party which believes in tariff for the protection of its own people. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has said that the United States is a free trade union. That may be true, but that is not a basic principle; for if one part of the country is affected adversely by the entry of goods from Canada, the rest of the country will support it in a move to change the tariff regulations.

The honourable gentleman also spoke about Great Britain. I would point out that Britain was great in those days because it was in competition with no other country. What happened to British trade when Germany went into the field?

Hon. Mr. Horner: And Japan?

Hon. Mr. Haig: Yes. What would happen to us if we were in competition with Japanese goods? We already have a law against dumping Japanese goods, and against the importation of British automobiles, except under certain conditions.

To my way of thinking, it would be disastrous for Canada to tie her tariff policy in

with that of the United States, and base her hope for trade with that country on the chance that it will continue its present trade policy. When conditions go against the United States, I am sure they will not continue to accept Canadian exports as they are doing today. True, the country south of us is a great country, has given large sums of money to the cause of less fortunate nations and is today a bulwark for freedom; but I have never believed that it would favour the importation of Canadian goods when it was disadvantageous to it to do so.

I draw to the attention of the house the fact that the Liberal party was in power for fifteen years, from 1896 to 1911, and has held office for the greater part of the past thirty years. But at the present time agricultural implements for use in the Prairie Provinces cost double their 1896 price.

Hon. Mr. Horner: Three times as much.

Hon. Mr. Haig: Perhaps I am mistaken in saying that the price is only double.

Hon. Mr. Aseltine: Four times as much.

Hon. Mr. Haig: My father bought a six-foot-cut binder in 1890 for $150, and last fall when I was up in the country a farmer I knew paid $350 for a seven-foot-cut machine.

I hope the Parliament of Canada will stand against tariff agreements with the United States, depending on them to hold the present arrangement stable. I know they will not do so.

My honourable friend from Blaine Lake (Hon. Mr. Horner) reminds me that whereas in 1896 the price of binder twine was eight cents a pound, it is now thirty cents a pound. Of course binder twine is on the free list.

Hon. Mr. Euler: The cost of everything else is up, too.

Hon. Mr. Haig: Yes. But I can remember, as a boy, going to political meetings and hearing Liberal speakers say that if the duties were taken off binders and binder twine the cost would go down, and that the only obstacle was "these nefarious Tories, who are keeping up prices by their tariffs". On many a platform we were told: "Elect the Liberals to power, and binders and binder twine will come in free, and we will all be happy."

Hon. Mr. Robertson: And we are happy.

Hon. Mr. Haig: And the farmers are still kicking. Look at the price today.

Hon. Mr. Roebuck: May I ask the honourable gentleman whether, if there were a duty on binder twine, the price would not be higher than thirty cents?

Hon. Mr. Haig: I am only going by experience. When there was a duty on binder twine it cost eight cents a pound; now there is no duty, and we have to pay thirty cents.

Hon. Mr. Euler: If there were a duty now it would be higher.

Hon. Mr. Haig: I don't know anything about that.

Hon. Mr. Buchanan: Does my honourable friend argue that if the tariff were restored the price would go down?

Hon. Mr. Haig: I don't know. I know only what my experience has taught me. The honourable member from Lethbridge (Hon. Mr. Buchanan) has been in parliament a long time, and I would like him to point out when, in any year he likes to name, the general revenue from tariffs was decreased by reductions made by the Liberal party when in power. I can find no such case. The fact is that in Canada tariffs are a dead issue.

Hon. Mr. Euler: Does my honourable friend recall what resulted from the removal of the tariff on farm tractors? I would remind him that this was the act of a Conservative government.

Hon. Mr. Haig: To be quite candid, I do not remember, because I was not farming at that time. I was farming in the days when you used a team of horses on a plough and three horses on a binder. I have no personal experience with a tractor; I only know that nowadays in our country it costs four or five thousand dollars. The only reason I refer to this is because I do not think the tariff is an issue. I am in favour of the resolutions to which it is proposed by this bill to give effect.

I congratulate the honourable senator from Toronto (Hon. Mr. Hayden) on his very able explanation of the bill. I am not at all surprised that the leader of the government always nominates the honourable member from Toronto to introduce these intricate resolutions on tariffs, customs and excise, because he does it in a way that simply disarms opposition: when he gets through we are struck dumb. But after a few remarks by the honourable member from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable member for Queens-Lunenburg (Hon. Mr. Kinley), whether they favour my point of view or not, I feel myself in fighting mood again. Whereas the honourable member for Toronto has me disarmed and helpless, when the other honourable senators I have mentioned, or the honourable member from Churchill (Hon. Mr. Crerar) take part in the

debate, I am not sure that even my honourable friend from Rosetown (Hon. Mr. Aseltine) can keep me in my seat.

In conclusion, let me say that I have no objection to the bill, but I think it should go to a committee, where the details may be further explained.

Now let me make one plea. In whatever concessions we Canadians make through our government or our parliament, let us not count upon like concessions from the United States. If we do, we shall find ourselves building on the shifting sand. The history of American tariffs shows that from their beginnings the people of the United States have been unfavourable to trading agreements. Whatever affects one of their states is regarded as affecting them all, and their inclination is to trade within themselves. Ninety per cent of their business is carried on within their own borders. As a Canadian, I would far sooner link our economy with that of Great Britain, or France, or some other European country, than with the United States.

Hon. Mr. Buchanan: Do you think they will put a tax on newsprint?

Hon. Mr. Haig: Who? The United States?

Hon. Mr. Buchanan: Yes.

Hon. Mr. Haig: I am not sure about that; but what they will do to get concessions, I believe, is to threaten to cut off trade with this country.

The Hon. the Speaker: May I suggest that honourable senators should try to observe more closely the rules of the house? We have had a very lengthy and quite interesting discussion of what has been described by more than one of the speakers as a dead issue. I must confess that I have been too lenient in this matter, but when one speaker had proceeded along these lines I did not think it would be fair to limit other honourable senators. I hope, however, that those who take part in our debates will see to it that there is a definite connection between their speeches and the bill under discussion.

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

REFERRED TO COMMITTEE

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

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 13, 1951

The Senate met at 3 p.m., the Acting Speaker (Hon. Thomas Vien) in the Chair.

Prayers and routine proceedings.

PRIVATE BILL

COMMONS AMENDMENT

The Hon. the Acting Speaker: Honourable senators, a message has been received from the House of Commons to return Bill U-6, an Act to incorporate the Champion Pipe Line Corporation Limited, and to acquaint the Senate that they have passed this bill with one amendment, to which they desire the concurrence of the Senate.

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

Page 2, line 1. After the word "place" insert the following words: "within Canada".

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

Some Hon. Senators: Now.

Hon. Mr. Reid: Next sitting.

The Hon. the Acting Speaker: Is the consent of the house unanimous that this amendment be now considered?

Hon. Mr. Reid: No.

The Hon. the Acting Speaker: Next sitting.

PRIVATE BILL

COMMONS AMENDMENT

The Hon. the Acting Speaker: Honourable senators, a message has been received from the House of Commons to return Bill D-8, an Act to incorporate Independent Pipe Line Company, and to acquaint the Senate that they have passed this bill with one amendment, to which they desire the concurrence of the Senate.

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

Page 1, line 25. After the word "place" insert the following words: "within Canada".

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

Hon. Mr. Reid: Next sitting.

Hon. Mr. Turgeon: With leave of the Senate, now. The amendment simply inserts the words "within Canada", and, as sponsor of the bill in the Senate, I can assure honourable members that the company would be willing to accept this amendment.

Hon. Mr. Reid: Next sitting of the house.

The Hon. the Acting Speaker: Under the rules unanimous consent is required in order that a proposed amendment may be considered on the same day that it is brought before the house. As there is not unanimous consent, consideration of the amendment must be postponed until the next sitting. The rules permit of no latitude in this.

Next sitting.

CUSTOMS TARIFF BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 295, an Act to amend the Customs Tariff.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 295, from the House of Commons, an Act to amend the Customs Tariff, have, in obedience to the order of reference of June 12, 1951, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Reid: Next sitting.

CENTRAL MORTGAGE AND HOUSING CORPORATION BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill M-12, an Act to amend the Central Mortgage and Housing Corporation Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill M-12, an Act to amend the Central Mortgage and Housing Corporation Act, have, in obedience to the order of reference of June 6, 1951, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Hayden: Next sitting.

CUSTOMS BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 198, an Act to amend the Customs Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 198, from the House of Commons, an Act to amend the Customs Act, have in obedience to the order of reference of June 6, 1951, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 2, line 23: Delete "six" and substitute "twelve".

2. Page 2, line 24: After "and" insert "subject to sections one hundred and twenty-four and one hundred and twenty-six".

3. Page 2: Delete lines 36 and 37.

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

Hon. Mr. Hayden: Next sitting.

WEIGHTS AND MEASURES BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 355, an Act respecting weights and measures.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 355, from the House of Commons, an Act respecting weights and measures, have in obedience to the order of reference of June 7, 1951, examined the said bill, and now beg leave to report the same with the following amendment:

Delete section 2 of Schedule II, and substitute the following therefor:

"2. The Standard unit of weight for Canada is the pound, which is forty-five million, three hundred and fifty-nine thousand, two hundred and forty-three one-hundred-millionths $\left\{\frac{45,359,243}{100,000,000}\right\}$ of the International Kilogramme."

The Hon. the Acting Speaker: Honourable senators, when shall this amendment be considered?

Hon. Mr. Hayden: Next sitting.

DIVORCE BILLS

FIRST READINGS

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

Bill S-12, an Act for the relief of Flora Muriel Crane Keane.

Bill T-12, an Act for the relief of Opal Jean Ellis Pike.

Bill U-12, an Act for the relief of Elphege Fournier.

The bills were read the first time.

SECOND READINGS

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

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

Hon. Mr. Hardy: May I ask the Chairman whether the Divorce Committee has about completed its work for this session, or are there more cases to be heard?

Hon. Mr. Aseltine: I believe the last case was heard this morning. I will be making a complete report in a few days.

Hon. Mr. Hardy: I ask that question because the divorce work was supposed to have been finished by Easter. The hearing of cases this late in the session would seem to place a great burden on the members of the committee.

Hon. Mr. Aseltine: The fact is that at Easter, when we had intended to hear no further cases, there were a hundred or more petitioners who had paid the parliamentary fees, but the time for advertising their petitions had not elapsed. It was the feeling of the committee, therefore, that they had a right to be heard, if possible. A plan was formulated whereby we sat on Mondays and Fridays to clean up the work for this session, and we were able to carry on without seriously interfering with our other work.

Hon. Mr. Hardy: I can only say that the Divorce Committee has done a good job.

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

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

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

STAFF OF THE SENATE

PROPOSED MEETING

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, before the Orders of the Day are proceeded with, I should like to respond to a question asked by the honourable senator from New Westminster (Hon. Mr. Reid) as to the date of the next meeting of the Internal Economy and Contingent Accounts

Committee. I had told the honourable senator that a meeting would be held this week. I am now advised, however, that because the audit of the Clerk's accounts has not yet been completed and certain matters referred to the Civil Service Commission regarding staff personnel have not yet been dealt with, it is unlikely that a meeting of the committee will be held this week. Indications are that the meeting will take place on Wednesday, June 20 or Thursday, June 21.

TORQUAY TRADE AGREEMENTS

SUGGESTED CONSIDERATION IN COMMITTEE

Hon. Mr. Robertson: Honourable senators, I have been asked my opinion on the advisability of referring the Torquay trade agreements to an appropriate committee for study and for the questioning of officials, as was done in the House of Commons. If honourable members of this house think that such a study in the time available would serve a useful purpose, I should be glad to comply with such a suggestion. It has been intimated that the appropriate committee would be the Standing Committee on Banking and Commerce; however, it occurs to me that the Standing Committee on Canadian Trade Relations is the proper body to consider this subject.

I will not be in the house next week, but if it is the wish of the committee to study these trade agreements, I would be pleased to make a motion to that effect. If, however, a decision has not been reached by tomorrow, I am sure that the deputy leader (Hon. Mr. Hugessen) will meet with the wishes of the honourable senators.

EXCISE TAX BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 294, an Act to amend the Excise Tax Act.

He said: Honourable senators, as this bill is part of a plan to raise more money for purposes of defence, and to carry out the program of the government to this end, most of the amendments contained in the bill provide for increases in taxes. That fact makes my task less pleasant than it would be were I able to announce that on the whole the bill provided for decreases in taxes. In calling attention to the various provisions, one can at least be certain that they are not in the category of news announced for the first time. Honourable senators have already been acquainted with the bad news contained in the bill; in fact all the tax items have been in effect since April 11 last.

Section 6 of the bill is the general section which increases the rate of sales tax from 8 to 10 per cent. This tax applies to all goods other than those contained in the list of exemptions in schedule III of the Act, to which certain specified additions are made.

As regards the series of increases, sections 3 and 4 are word for word the same as the existing sections which deal with the excise tax on furs, except that the proposed amendment would increase from 15 to 25 per cent the tax on all dressed and dyed furs and on the current market value of the fur content in garments.

By section 10, schedule I of the Act is repealed and the schedule I annexed to this bill is substituted therefor. This schedule, appearing on pages 7 to 10 of the bill, contains a long list of items and shows the rates of excise tax applicable to them. Perhaps I might indicate some of these. On page 7 will be found listed: automobiles, toilet preparations and electrical appliances, on all of which the rate has been increased from 15 to 25 per cent. Item 3, paragraph (b), is new. Until the budget was introduced there was no tax on appliances adapted to household or apartment use, such as stoves, hotplates and grills. These are now subject to a rate of 15 per cent.

Paragraphs (c), (d), (e) and (f) on page 8, providing for an impost of 25 per cent, relate to firearms and ammunition, motor cycles, golf clubs and golf balls, fishing rods and fishing reels. The rate on the remaining items on this page and page 9 has also been increased to 25 per cent.

As to page 10, the 15 per cent rate on articles of china, porcelain, earthenware, and so forth, has been increased to 25 per cent. In section 15 a specific rate of 30 per cent is applied to carbonated beverages, aerated waters, and so forth.

The only reduction in the entire schedule comes in section 16, where the rate on such items as candy, chocolate, chewing gum, and so forth, has been reduced from 30 per cent to 15 per cent. Needless to say the over-all effect of these new rates will be to greatly increase the amount of revenue derived from taxation.

Hon. Mr. McDonald: Is section 15 new?

Hon. Mr. Hayden: Yes.

The purpose of section 11 of the bill is to repeal Schedule II of the Act, and substitute the new schedule to be found on page 11. There is a tax of 50 cents per pound on carbonic acid gas and similar preparations to be used for aerating non-alcoholic beverages. Prior to the budget there was an excise tax on cigarette papers and cigarette

tubes for rolling your own cigarettes, but this tax was found so difficult to enforce that the government has repealed it and has provided for an increased excise tax on manufactured tobacco. On cigarettes the rate of two cents for each five cigarettes or fraction thereof contained in a package, has been increased to two and three-quarter cents.

The tax of two cents for each ounce or fraction of an ounce of manufactured tobacco contained in any package has been increased to five cents, and the old tax of half a cent for each ounce or fraction of an ounce of Canadian raw leaf tobacco, when sold for consumption in this country, has been increased to one and one-quarter cents.

Section 12, amends Schedule III of the Act. It gives some relief from taxation to people who require certain drugs, and two drugs have been added to the list of exemptions, namely, cortisone and ACTH.

Hon. Mr. Hugessen: Give us that name in full.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hayden: If any honourable senator wishes to familiarize himself with the full technical and scientific term for this drug, I suggest that he rehearse its pronunciation for some considerable time because practically every letter of the alphabet is used in it.

Schedule III is further amended by adding tariff item 708 to the list of tax exempt goods. This item, which we discussed yesterday, includes military supplies of Commonwealth countries and member countries of the North Atlantic Treaty, and it also covers the personal effects of the representatives of those countries while they are on duty in Canada.

Then we come to the general sections of the bill. The first one to which I should like to refer is section 9, which deals with the power to conduct inquiries under the Act. The wording of this section is exactly the same as the wording of section 6 of Bill 198, an Act to amend the Customs Act, which we considered and passed a few days ago. Section 9 of the bill before us will give the deputy minister, or any other officer designated by the minister, power to conduct an inquiry or investigation, and it will confer upon him for the purpose of such inquiry or investigation all the powers and authority of a commissioner appointed under Part 1 of the Inquiries Act. The procedure for compelling the attendance of witnesses is spelled out, and I think this new section will be much fairer than the old one to any person who appears as a witness before an inquiry or investigation into these matters. For example, at the present time a witness who persists in refusing to answer a question can be committed for contempt if the person conducting the inquiry has the power of a commissioner under Part 1 of the Inquiries Act; but under this amendment the refusal to answer any proper question will become an offence punishable on summary conviction. In other words, the authority to determine that there has been contempt, and to commit a person for contempt, is taken from the person conducting the inquiry. In my opinion it is wise to remove this authority from the person who is conducting the inquiry. A feeling might develop during the course of the proceedings which would influence him in deciding the propriety of any question, or in determining the penalty that might be imposed. A third party, say, a magistrate, might be considered more impartial in dealing with the matter and imposing any penalty.

Section 8 of the bill provides for appeals from decisions of the Tariff Board. It provides that on questions of law appeals may be made to the Exchequer Court, and authorizes the Exchequer Court judges to set up rules of procedure.

Section 7 raises a very pertinent question, and one which we considered recently in connection with claims for refunds. Subsection 1 of section 115 of the Act at present provides:

> Where any difference arises or where any doubt exists as to whether any or what rate of tax is payable on any article under this Act and there is no previous decision upon the question by any competent tribunal binding throughout Canada, the Tariff Board constituted by the Tariff Board Act may declare what amount of tax is payable thereon or that the article is exempt from tax under this Act.

The present subsection 2 provides:

> A declaration by the Tariff Board under this section shall have the same force and effect as if it had been sanctioned by statute.

That is to be repealed, and a new subsection 2 substituted therefor, as follows:

> Before making a declaration under subsection 1 the Tariff Board shall provide for a hearing and shall publish a notice thereof in the *Canada Gazette* at least twenty-one days prior to the day of the hearing; and any person who, on or before that day, enters an appearance with the Secretary of the Tariff Board may be heard at the hearing.

Subsection 3 makes a declaration by the Tariff Board under this section final and conclusive, subject to appeal on a question of law to the Exchequer Court, as I have already pointed out.

There is also a new subsection 4, which I think the Senate will consider important. It cuts short the time within which a claim may be made for refund resulting from or arising out of a decision of the Tariff Board. The time limit now provided in the Excise

Act is two years. That limitation is set out in subsection 5 of section 105 of the Act, and it may be just as well to read it. It is as follows:

> No refund or deduction from any of the taxes imposed by this Act shall be paid unless application in writing for the same is made by the person entitled thereto within two years of the time when any such refund or deduction first became payable under this Act or under any regulation made thereunder.

The new subsection 4 of section 115, as set out in this bill, says that where a matter has been referred to the Tariff Board because of doubt, etc., and the board makes a declaration which has the effect of reducing the rate of duty on any particular goods, no refund or deduction shall be made in respect of taxes paid more than six months before the date of the application to the Tariff Board for a declaration.

Hon. Mr. Haig: May I interrupt my honourable friend there? Does that mean that the total period within which a refund may be claimed is limited to six months?

Hon. Mr. Hayden: The refund is limited to taxes paid not more than six months before the date of the application.

Hon. Mr. Haig: But six months might go by before the application is heard.

Hon. Mr. Hayden: I am sorry, but I have not made the point clear. The subsection says:

> No refund or deduction shall be made under section one hundred and five as the result of any declaration of the Tariff Board under this section . . . in respect of taxes paid more than six months before the date of the application to the Tariff Board for a declaration under this section.

Hon. Mr. Haig: It is not six months after the date of the application?

Hon. Mr. Hayden: No. Let us assume that an application is made today. Well, a refund may be made in respect of taxes six months prior to this date.

Section 13 of the bill, on page 6, provides that this subsection 4 of section 115 shall not come into force until the first day of December of this year.

Sections 2 and 5 of the bill amend the definitions of "duty paid value" and "sale price". Frankly, after reading the amendments, wherein the word "is" is substituted for "be", and "determining" is substituted for "calculating", and so on, I must confess that the meaning of any change that may possibly be wrapped up in these substitutions is beyond my ability to follow or explain. It will be noted that the definitions of each of the terms are given twice. From now on the same definitions are used in both Part XI and Part XIII.

Section 1 of the bill is of a type which we should like to meet more often. It repeals Part X of the Act. Naturally when a portion of a taxing statute is repealed we would prefer not to have it replaced by some other taxing provision. Unfortunately in this instance it happens that Part X, which deals with the excise tax on cigarette papers and cigarette paper tubes, is being repealed only to make way for re-enactment of and increase in the tax elsewhere in the bill, as I have already mentioned.

These are all the points which I think it is necessary to mention.

Hon. Mr. Crerar: May I ask my honourable friend if the exemptions from the sales tax remain as they have been?

Hon. Mr. Hayden: The exemptions under the Sales Tax part of the Excise Tax Act, Part XIII, are not disturbed at all. The only change is the addition of the miscellaneous item. Schedule III, the exemptions schedule, includes the exemptions under Part XIII and other exemptions as well. Nothing is added to and nothing is taken away from the exemptions from the sales tax.

Hon. Mr. Euler: Honourable senators, my deskmate (Hon. Mr. Crerar) has just asked a question which I had intended to ask. Before I put a further question, I should like to compliment my friend from Toronto (Hon. Mr. Hayden) upon the exceptional clarity with which he has explained this bill, and indeed with which he always explains a bill.

The question I had intended to ask is this: Has there been any change in the policy of exempting all articles of food—I think I am correct in saying "all"—from the sales tax? I think that question has been answered now. And am I correct in assuming that margarine is to become subject to the sales tax of 10 per cent, although butter and all other foods will continue to be exempted?

Hon. Mr. Hayden: That is correct.

Hon. Mr. Euler: I should like to protest against that.

Hon. Mr. Horner: The tax should be higher.

Hon. John T. Haig: Honourable senators, I will not deal with the technical clauses of the bill, for I think they can be considered much better in committee, where we have the opportunity of questioning departmental officials. We had an illustration of that this morning when we were able to get from officials an explanation of the reason for a certain bill and a statement of how it will work in practice. Honourable members will know that in the present bill there are some

sections with which I do not agree; still I think it is better to go into them in committee.

At present I wish to confine my few remarks to the tremendous increase in taxation which will result from this bill. We may as well recognize that the sales tax on articles covered by the bill has been increased by 25 per cent. I could deal with the history of the sales tax in this country, but I shall not take the time to do that this afternoon. I may be told that the tax was introduced when the Conservative party was in power, and although the Liberal party promised to repeal it if given a chance, that has not been done. Indeed, the startling thing is that under a Liberal administration the tax has been increased.

Now, the effect of the sales tax on a certain class of people is absolutely unfair. One may justify income tax on the ground that those with higher incomes pay higher taxes than those with lower incomes. That theory may be open to question, but I will not go into it now. There can, however, be no contradiction of the fact that sales tax bears more heavily on the people in the lower income tax brackets than upon any other class. For instance, the family with an income of $10,000 a year may buy no more of the articles subject to sales tax than the family with an income of $2,000. In fact, the likelihood is that the one with the higher income will have two or three children, while the other may have five or six children.

The system of sales tax is absolutely wrong. It is a desperate remedy in desperate times. We are not exactly in desperate times now, but as we are expected to be ready for war or by our readiness to prevent war, we are in them to a certain extent. But there is an awfully big difference between being actually engaged in a war and being in the preparatory stage. The fact is that only a relatively few men and women have so far been taken out of industrial employment to engage in defence projects. We have perhaps five or six thousand men in Korea and several thousand more have volunteered; but, that is only a drop in the bucket compared with the number of men and women who will be drawn from industry under actual wartime conditions. In my opinion sales tax is a wicked levy on the people. It is just a step from the application of a capital levy.

As regards excise tax, there may be some justification for an increase in rates on some of the items set out in the schedules, but as to others there can be no justification. Take automobiles, for instance. I have nothing special to say about that item. True, the world got along without cars before 1900, but today they are practically a necessity for many people. An excise tax of 15 per cent seemed plenty, but now it is being increased to 25 per cent.

I wish to draw the attention of the house particularly to the tax on articles that are used for housekeeping. I know that in the rural parts of the province of Manitoba the women make good use of such electrical appliances as stoves, washers, refrigerators and heaters. This fact was demonstrated recently during a visit to my house by a lady from Holland district—a rural area—who was attending a church meeting in the city. While at the house she asked my wife to show her the kitchen equipment. My wife showed her the electric stove, the washing machine, the sweeper, the refrigerator and the heater in the bathroom. This lady from the country commented that although she lived on a farm she had all these conveniences, and that half of her equipment was of the same make as my wife's.

In the western provinces, and indeed all across Canada, electricity has gone into almost every community, and there is no greater convenience to farm people, particularly the housewives. In the development of electrical power in the province of Manitoba we adopted the Ontario practice. If I may digress for a moment, I would say that the people of Ontario, having taken over the power developments, are not required to pay taxes on them to the Dominion government. We in turn took over the power sites in Manitoba, and are not required to pay taxes to the Dominion government.

Hon. Mr. Beaubien: That is why we have a sales tax.

Hon. Mr. Haig: The development and distribution of electrical energy all across my province has brought many labour-saving devices to the women-folk. Now we find that a great many of the appliances used in the home to make life a little easier are being taxed heavily. I am told that, except for the care of young children, a woman whose home is equipped with modern electrical conveniences can perform her household duties alone as well as she could without that equipment but with the help of one or two maids.

To me it is outrageous that a Liberal government should seek to increase sales tax by 25 per cent on commodities that some people say are unessential. I say they are most essential, and therefore I oppose this kind of legislation.

Hon. Mr. Burchill: How would you raise the money?

Hon. Mr. Haig: That is a very good question, my friend. In the first place, I would not have spent as much money as the government has spent.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Haig: My honourable friend knows that this government is now spending five times as much as it spent when it came into office, and that for its first five years in power it did not increase its spending. In the second place, I would long ago have endeavoured to prevent the cost of essential commodities from soaring to the heights they have reached. There are other things that my friend and I know should have been done to keep the cost of living down, but I will not discuss them now.

We have, as I say, a Liberal government seeking to increase sales tax, a system of taxation which that government bitterly contested when it was brought in by the Bennett government, under terribly difficult conditions.

Hon. Mr. Euler: The Bennett government did not bring in sales tax.

Hon. Mr. Haig: I thought it was the Bennett government.

Hon. Mr. Hayden: It increased the tax.

Hon. Mr. Haig: Anyway, it had something to do with an increase which the Liberals opposed.

Hon. Mr. Euler: The Liberals brought it down to 1 per cent, and then put it up again.

Hon. Mr. Haig: That is just playing ducks and drakes with the law.

An increase in the excise tax on useful household articles goes against my grain. The proposal of such measures would almost indicate that we are in desperate straits—and I honestly think we are in desperate circumstances. When I look at the increase in expenditures that has taken place during the past ten or eleven years under the present administration, I am forced to believe that in another five years, if both my friend from Northumberland (Hon. Mr. Burchill) and I are alive, he will still be asking me how we are going to raise money to meet the ever-increasing cost of government. If other governments follow the lead of the federal government in its spending program, there is one inevitable result.

Incomes have been taxed very nearly to their limit; every commodity that has been lying around untaxed has been put under some levy. By increasing the sales tax on commodities used in the home, the government is taxing the people who can least afford to pay. I am strongly of the opinion that if in 1949 the people of Canada had been told that within two years the Liberal government would increase the sales tax by 25 per cent and apply an excise tax to many essential articles, it would have had great difficulty getting elected.

What do governments always do? By reducing certain taxes, they try to give the impression of making a concession. My personal feeling is that the right way to raise additional revenue is to slash our civilian expenditures. There is no question that that is the proper course. I do not say that in this matter the Dominion Government is any more remiss than the governments of the provinces. But what will happen in this country if there should be a slackening of world trade? That there may be, nobody can deny. Then where shall we get the money to pay this load of taxes? The honourable senator from Northumberland (Hon. Mr. Burchill) wanted to know where I would apply new taxes. I do not want to put on taxes, I want to take them off.

As regards these amendments, I am not discussing them. I am opposed in principle to this legislation. It is a retrograde step. I predict that before the next election the present government will remove these taxes, because it will not dare to face the electorate on this basis; the public would not stand for it.

Perhaps I have said enough on this matter. Speaking for our party as well as for myself, I hope I have made it clear that we do not believe taxes should be placed on articles in common use among the poorer people of our country, nor on household utensils which may have been luxuries twenty years ago, but which today are necessities.

Hon. Mr. Aseltine: You have not given the government credit for taking off the tax on candy.

Hon. Mr. Haig: I forgot that. A year ago, when I had to leave for home two days before the debate, I asked the honourable senator from Rosetown (Hon. Mr. Aseltine), the deputy leader of the party, to carry on for me in this chamber. He did so, and one phase of his speech was a criticism of the government for taxing candies. That speech was so effective that the government has removed the tax.

Some Hon. Senators: Oh, oh.

Hon. Iva C. Fallis: I wish to add a word to endorse strongly what the honourable leader of the opposition (Hon. Mr. Haig) has said about the proposed tax on household appliances. I believe my views are shared by a great many women, especially those who are living within modest budgets. In the parliamentary restaurant yesterday I got into an

argument on this subject with a member from the other place. Speaking about refrigerators, he said, "We can do without Frigidaires. We did without them before; why can't people do without them now?" I ask honourable senators to reflect on the housing conditions in this country today, and particularly to think of people with families living in small apartments. Without refrigeration, how are they to keep their food fresh; and at present prices they cannot afford to let it go to waste. We are living in a different age from our fathers.

Having endorsed the views of the leader of the opposition, I want to register a special protest against this 25 per cent tax on cheap furs. It is most unjust and discriminatory. I do not object to a tax on expensive or luxury furs being paid by people who can afford to indulge in high-priced furs. But, if I have gathered the right impression from the debates in the other place, coats made of mouton, which is simply processed sheepskin, come under this heading and are subject to the 25 per cent tax. We all know that in many parts of Canada the climate is such that furs of some kind are an absolute necessity for the health and well-being of the people. Why should persons of limited means, who live in areas where the temperature is at times extremely cold, and who cannot buy costly furs but can afford $100 to $150 for these cheap coats of processed sheepskin, have to pay 25 per cent tax on these articles of clothing which are absolutely necessary to them?

I know that my protest will make no difference, but I wish to go on record as saying that this tax is discriminatory and most unjust. I register my protest against it.

Hon. Thomas Reid: I intend to ask a question of the mover of the bill, but before doing so I should like to make one or two remarks about some observations we have heard this afternoon. I am not as sanguine as the leader of the opposition (Hon. Mr. Haig) professes to be when he says that before the next election the government will reduce the sales tax. The reason I differ with him on this point is that the great majority of the people are not aware of a hidden tax. The rate of sales tax began at 1 per cent, but was soon increased as governments, being human, found out that nobody rebelled very strongly against a hidden tax. For a reason I shall mention in a moment, I am glad that the government did not yield to the application of certain provinces for the right to impose indirect taxes. Five of the provincial representatives gave the assurance that, if the British North America Act were amended to give them the right to impose these taxes, they would not take advantage of it. But let me tell you about British Columbia. In our province there is a provincial tax of 3 per cent, so that honourable senators from other parts of Canada who now pay a tax of 8 or 10 per cent on a car would, if they lived in British Columbia, pay an additional 3 per cent, and they could not escape this charge even though the purchase were made outside the province.

Hon. Mr. Aseltine: The same is true of Saskatchewan.

Hon. Mr. Reid: Why are the provincial governments so anxious to get the right to impose a sales tax? At the present time, when somebody goes into a store and for a dollar article pays another three cents by way of provincial government tax, he is reminded that his three cents goes direct to the government, and this provokes, shall I say, propaganda against the government. For this reason the provincial governments of British Columbia and every other province would like to be able to impose a sales tax, because it would be indirect and concealed, and therefore unnoticed. It seems to me that we members of this honourable body should not fail to keep a keen eye on what governments are doing. The proposed taxation hits the poor far harder than it does any honourable senator or other person of means, and it hits them all along the line.

The opposition leader (Hon. Mr. Haig) made some reference to candy. I do not favour throwing such sops to the people as lowering the tax on candy, because in my opinion, if the Minister of Health were doing his duty he would protest against that particular tax concession. The more candy that is consumed—at least the cheaper kind—the worse for the health of the people. I remember a speech about Coca-Cola, which was not well received everywhere. Whatever some doctors may say, I believe that the heavy consumption of drinks of this kind, and of candies, particularly the cheap kinds, is of great detriment to the health of our children. Last Christmas I attended a dental conference where, believe it or not, I had been invited as guest speaker. I chose to speak about the care of teeth. Perhaps it was a case of "fools rush in where angels fear to tread". At all events, the president of the organization agreed with me that the great quantity of sugar consumed by our people is certainly detrimental to their teeth. During the last war the children of Italy did not have sugar, and it has since been proven that as a consequence their teeth were in better condition than those of the Italian children of prewar days and those of today.

I maintain that from the health point of view this tax should have been left as it was. If it is so necessary to acquire more revenue the tax might even have been boosted. But it was reduced because of the great cry that was raised about the penalty that was being imposed on our children.

I am opposed to hidden taxes, and I warn Canadians that they had better watch out for them because, in my opinion, the more the government can take from the people in this way the greater will be our federal expenditures. The majority of citizens think that it is the personal income tax which produces the revenue necessary to carry on the business of the country. They seldom turn their eyes to the sales tax. They do not realize that there is a hidden sales tax on everything they purchase.

On previous occasions in this chamber I have drawn attention to the high prices of household goods and foodstuffs in Canada as compared with those in the United States. I maintain without fear of successful contradiction that competition in this country has been stifled, and that there is practically no competition at all. That is not so in the United States. I can point to dozens of articles that sell at varying prices in different stores in a certain American city; and yet in British Columbia, no matter where you go the prices for these goods are exactly the same. Americans who have lived temporarily in Canada have pointed out to me that there seems to be some kind of a combine operating against our people because of lack of competition. I think we are all in favour of free enterprise, but we are in danger of losing free enterprise in Canada because of this non-competition. At some future time I shall quote prices to prove to this honourable body that in the goods I have mentioned competition exists in Seattle, and that despite the higher wages paid in the United States most goods are far cheaper than in Canada.

Honourable senators, these hidden taxes are dangerous; but all governments like them because the majority of people are unaware of their existence. I realize that money has to be found somewhere to meet our increased expenditures, but it is my opinion that our people would show a greater interest in government expenditures if they were better acquainted with how they are contributing their money. I should like the honourable senator from Toronto (Hon. Mr. Hayden) to tell us just what revenue was obtained last year through the sales tax?

Hon. Mr. Hayden: About $470 million.

The Hon. the Acting Speaker: Honourable senators, the question—

Hon. Mr. Hayden: If no other senator wishes to speak at this time, there are one or two comments I should like to make in closing the debate. In introducing the bill I merely dealt with the proposed amendments and the over-all effect of the legislation, but the remarks of subsequent speakers seem to have been based on policy and the wisdom of imposing these taxes.

I always enjoy being asked questions by the honourable senator from New Westminster (Hon. Mr. Reid). It was quite unnecessary for him to have said that in a certain instance he "rushed in where angels fear to tread" because even in the short time he has been in this chamber he has always been forthright in his remarks. I have not read the *Debates* of the other house over the long period when our colleague was a member there, so I cannot say whether or not he ever strenuously objected to the principle of indirect taxation. Assuming that he did, however, let me say that those supporting a party in power that increases revenues for social security measures and so forth, cannot then decry in a general way the methods adopted to secure the necessary revenues. I make that remark in its general application.

Hon. Mr. Reid: There will be another tax for social security purposes.

Hon. Mr. Hayden: Quite probably there will be. It is only a question of judgment on the part of those who administer the affairs of the country just how these taxes will be imposed.

There is one thing we can all be sure of, and that is that there will always be taxes; and there will probably be an increase in the number of things taxed. We must accept this as inevitable, because taxation is the only method by which a government can get the revenues necessary to carry on its business. It may be suggested, of course, that a government can cut down its expenditures. Well, in times when the strain on the treasury is not too great, a government can afford to cut down on expenditures, and then a lower tax rate is sufficient to carry on its business.

Let me say that I do not like paying taxes in any form. This is a most natural reaction. I do not think anyone enjoys paying taxes. But if you wish to live in an organized society under conditions such as exist in Canada, then you have got to be prepared to make some contribution. It may be that there are injustices here and there, but in a democracy, which moves slowly at all times, these things gradually correct themselves. To my way of thinking, for the very reason

given by the senator from New Westminster, a sales tax is a logical method of raising substantial revenues. It is painless in the sense that the ultimate consumer is not aware of the tax he is paying on the article he buys. The same argument applies with respect to customs and other duties.

Hon. Mr. Crerar: Would my honourable friend agree that they are not only painless but deceptive?

Hon. Mr. Hayden: Well, after having said that they were painless, if I agreed that they were deceptive that would not advance the argument in any direction at all. As I understand it, the principle of taxation is to raise revenue from sources where it can be collected with the greatest ease, the least objection, and at the lowest cost. Certainly the sales tax satisfies those requirements. It has been described as an unjust tax; but considering the very large number of necessaries of life that are exempt from the tax, I say it cannot correctly be so described. Schedule III of the Act, which lists the exemptions, includes practically every kind of food used by humans, except margarine. Furthermore, other goods and articles in great variety are exempted, under these headings:

Farm and Forest,
Engines,
Mines and Quarries,
Marine and Fisheries,
Religious, Charitable, Health, etc., Printing and Educational,
Diplomatic,
Certain building materials, Coverings,
Fire brick, Refractories, etc., Processing materials,
Machinery and apparatus to be used in manufacture or production,
Miscellaneous.

And then there is a whole list of exemptions specifically referred to under the heading:

Goods enumerated in Customs Tariff items.

My submission is that having regard to the exemptions applicable to necessaries of life, the statement that the sales tax is unjust is altogether too sweeping and general. It may be said that the excise tax on washing machines and refrigerators, for instance, is in the circumstances unjust. Well, let me say first of all that, as I conceive it, that tax and other excise taxes were imposed for two purposes, in accordance with government policy, namely, to raise revenue and to take away some spending power from the people. The government considered it wise at this time to levy taxes that would discourage a buying spree in certain classes of goods, the uncontrolled purchase of which might interfere with other and more important matters. It was felt that the raising of the price of goods through taxation was one way of decreasing demand. Certainly that has turned out to be true as to motor cars, and it looks as if the upward spiral of inflation may have stopped rising and turned into a downward spiral of deflation. At any rate, that is one objective that is sought to be accomplished by this taxation.

The government does not want to start in on a whole system of price controls, which would necessarily involve wage controls and prohibitions of one thing and another—to say nothing of subsidies which would have to be paid to producers of certain classes of goods in order to take care of increased production costs, for without subsidies no plan of price control could long succeed. The obvious reason why this would not be a good time to introduce such a system of controls, with all the other things that it would involve, is that there is no future point to which the people could look forward as being likely to mark the termination of the controls. When, in a time of war, a government asks parliament to sanction controls, it is stated or at least implied that they will be terminated as soon as possible after the end of the war. But just at present we are in what might be called a twilight stage, when we do not know whether the future will bring peace or war, and in these circumstances it is considered unwise to introduce controls to which no more or less definite terminating point could be fixed.

Therefore the policy of the government is to try to reduce by other means than price and wage controls the inflationary pressures which are affecting us all; and as inflation cannot be checked so long as the purchasing power of the people continues to increase, the government is seeking by means of taxation to drain off some of that purchasing power. As to the effectiveness of that policy some people may hold one opinion and some may hold another. I am simply pointing out that this is the policy of the government. It is at any rate a well-recognized method of doing the desired job, and it seems to be on the way towards doing that job in so far as some items are concerned.

Hon. Mr. Haig: Before my honourable friend goes farther, may I ask him a question for the purpose of seeing whether I understood him rightly? Did he say that the spiral of inflation was going down?

Hon. Mr. Hayden: No, I did not say that, or at least I did not mean to say that. My point is that an upward spiral of inflation is something that feeds on itself. The greater the purchasing power in the hands of the people the greater will be the demand for goods and the higher the prices of goods. The object of increased taxation such as proposed in this bill is to deprive the public of some of that

purchasing power so that the spiral of inflation may be stopped from rising and be converted into a downward spiral. There is of course a danger that if you start a deflationary spiral you may not be able to stop it. Producers of goods spend large sums of money on advertisements designed to encourage people to buy, and if we were to create a period of deflation the people would no longer have much purchasing power. Somewhere in between the two extremes there must be a more favourable position than that which we occupy at present.

The leader of the opposition (Hon. Mr. Haig) has said he is against the increased taxes provided for in the bill. Well, if we are going to discuss simply an increase in taxes, I too am against that on general principle. That is, if we could get along without increasing taxes I would certainly subscribe to my honourable friend's statement. But the government must have more money in order to take care of its present program, particularly the defence program.

Hon. Mr. Duffus: On a pay-as-you-go basis.

Hon. Mr. Hayden: Yes. In the last war we adopted the excellent policy of paying 50 per cent of the cost as we went along. Our revenues were more buoyant than those of most other countries that participated in the war, and after the war we recovered more rapidly than those countries did. The government's present policy is, to the fullest extent which the capacity of the country will permit, to pay as we go the expenditures forced upon us by the existing emergency.

Hon. Mr. Duffus: Hear, hear.

Hon. Mr. Hayden: This bill that we have before us is, in the opinion of the government, necessarily incidental to the carrying out of that policy. You may agree or disagree with it, but that is the government's policy.

My honourable friend the leader of the opposition also says that we are spending too much money. Well, I agree that it would be an excellent idea if we could reduce our expenditures and at the same time do all that we must do in this period of emergency to prepare ourselves to fight a war, if it should break out; and also if we could at the same time continue providing for all the social security measures that we now have in force. My friend the senator from New Westminster (Hon. Mr. Reid), who was a supporter of the government in another place when those measures were adopted, must take some responsibility for them. I am not criticizing him at all, for I myself have supported the same measures so long as I have been a member of this house. Yet those measures increase the drain on our revenues, and we must see that more money is collected through taxes. If we could maintain those measures without increasing taxation, no one would be happier than I. If the leader of the opposition could whisper into the ear of, say, the President of the Soviet Union, and persuade him to bring about a cessation of propaganda against us and our allies, so that we would no longer be disturbed by the threat of war and would no longer need to continue the defence program which we have undertaken, then I should say there would be no need for increased taxation of the kind we are now considering.

It is always easy to get up and talk against increased taxes. Anybody can make himself popular by proclaiming that taxes are too high and should be reduced. But there are times when, if you are considering the best interests of the country over a long range, you must run the risk—if need be, even during an election campaign—of incurring whatever degree of unpopularity may result from advocacy of increased taxes. The government says that it is in the best interests of Canada, and of other countries who think and act as we do, and want to preserve their ideals and objectives, to unite and be strong enough to resist aggression if it should come.

We hear criticism, for instance, based on whether the fur used in the manufacture of a certain garment is a high-priced or low-priced fur. When we take an over-all objective view of things, such criticisms are, in my view, petty. I believe that every Canadian loves his country, and wants to continue to live in a land of freedom and security. When he realizes what is going on elsewhere in the world, he is quite prepared to face any obligation, and perhaps even to pay any price, to maintain economic stability in this country.

Imposition of taxes is a matter of government policy. Some of these taxes could perhaps have been better chosen, and with respect to these the opposition is perfectly free to criticize the action of the government. If the iron curtain suddenly came down on Canada, such criticism would of course be immediately shut off. Criticism is, therefore, necessary and advisable; but we must keep in mind that if Canada is to remain strong in her place beside the other free countries she has got to increase taxation in order to do so.

Some Hon. Senators: Hear, hear.

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

Some Hon. Senators: Carried!

Hon. Mr. Haig: On division.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

POST OFFICE BILL

SECOND READING

Hon. G. P. Campbell moved the second reading of Bill 322, an Act respecting the Canada Post Office.

He said: Honourable senators, I desire, first, to draw attention to the fact that all honourable senators have in their files a copy of Bill 322, as presented for first reading in the other place. Except for certain changes in rates, as set out in Section 11, the bill was given third reading in the other house in substantially the form in which honourable senators have it before them.

This measure constitutes the first revision of the Canada Post Office Act that has taken place in many years. There are few changes except in rates—to which I shall refer—and one or two other amendments to which I will draw specific attention. This bill would delete certain ambiguous and obsolete provisions which are not in keeping with the practice followed in the Post Office Department, and in that way would considerably improve the Act.

Because of the lateness of the hour and the fact that it is proposed to refer this bill to the Standing Committee on Banking and Commerce, where officers of the department will be available to answer questions, I will not take the time of the house to deal with the bill section by section.

Section 2, which is the interpretation section, contains definitions of terms used throughout the bill.

Section 3, dealing with the general organization of the Post Office Department, provides for the appointment of the Postmaster General by a Commission under the Great Seal of Canada.

By section 4 the Governor in Council is given power to appoint a Deputy Postmaster General, and the other officers and employees may be appointed by the department.

The powers, duties and functions of the Postmaster General are very clearly set out in section 5 of the bill.

Section 6 gives the Postmaster General power to make regulations which will provide for administration of the department, and for the control of the various Post Office branches, and generally for the handling and distribution of mail.

Section 7, prohibits the use of mails for unlawful purposes, and these provisions may be of particular interest to some honourable members in view of the recent discussions which have taken place about the action taken by the Postmaster General in prohibiting the use of mail where fraud was suspected in the sale of securities. It was at that time suggested that there should be a board of review, to which any person who had been affected by a prohibitory order made against him could appeal to the minister. This new section will give the Postmaster General power to make an interim order prohibiting the use of the mails in cases where he suspects that the mails are being used for fraudulent purposes. I would point out that this power is necessary in order that action may be taken quickly against those who commit such frauds. We know that they are of a hit-and-run nature, and that the offenders may, when they feel they are being discovered, move elsewhere and operate under another name. The bill would, therefore, continue the power which authorizes the Postmaster General to take immediate action in such cases. The offender may, however, obtain a hearing by applying to the Postmaster General, who will refer the matter to a board of review consisting of three persons appointed by him. This body will have all the powers of a Commissioner under the Inquiries Act. After hearing the case it will report to the Postmaster General, who has the final say in the matter, and who, as the minister responsible for the administration of the department, retains the power to either confirm or revoke the interim order. Some question may be raised as to whether or not this is an effective appeal from a decision of the Postmaster General. I would point out to honourable senators that the minister, who is charged with the administration of the department and the control of the mails, is in turn responsible to parliament for any action which he or his officers take.

I turn next to section 10, which has to do with the increase in rates, and is probably the most important section of the bill. As honourable senators know, the exclusive right and power to handle letter mail and distribute letters is vested in the Postmaster General. So it has always been regarded as important that parliament should retain control of letter rates. This matter was discussed at some length in another place.

I desire to point out to honourable senators that the proposed increase applies, not to letters, but only to newspapers and periodicals. The rates now in force are inadequate; in fact the returns show that revenues

received from the handling of this class of mail amounted to less than $4 million, whereas the cost of handling it was between fifteen and sixteen million dollars, and the result was a deficit on this item of about $12 million. Therefore it was felt that there should be an adjustment of rates which would lighten somewhat the burden which in this respect falls upon the taxpayer. The low rates which have existed hitherto have amounted to a subsidy to those engaged in the publication of news through newspapers, weeklies and other periodicals. While nothing should be done to prevent the distribution throughout Canada of newspapers and periodicals which disseminate information, it is important to take a realistic attitude with respect to the cost of handling these things, and the proposed changes in rates will go some way towards providing for increased costs in wages, salaries and distribution expenses.

Hon. Mr. Lambert: Would the honourable senator indicate what the rates are now?

Hon. Mr. Campbell: I was about to give some figures by way of comparison. The present rate for dailies is 1½ cents a pound for the news content, and 4 cents per pound for the advertising material where it occupies more than 50 per cent of the space. In other words, a daily newspaper without advertising, or with an advertising content of less than 50 per cent, now pays 1½ cents per pound; but if the advertising content exceeds 50 per cent, the rate for the advertising material is 4 cents per pound. The proposed new rate is 2½ cents per pound on news and 4 cents for each pound of advertising material.

In this connection I would draw the attention of honourable senators to a change in the bill since it was introduced in the other place. The original draft provided for a rate of 4 cents, without any reference to advertising. Later it was provided that so far as weeklies are concerned, that those having a circulation of 50,000 or more would pay 3 cents for each pound weight or fraction thereof, as against the old rate of 1½ cents per pound; weeklies having a circulation of less than 50,000 but more than 10,000 would be charged 2½ cents for each pound weight or fraction thereof; and for weeklies with a circulation of less than 10,000 the charge would be 1½ cents for each pound weight, as compared with the old rate of 1 cent per pound, subject to the exception that 2,500 copies may be mailed free of postage within a distance of forty miles of the place of publication in a city or town having a population of not more than 10,000 persons.

It is estimated that the increased revenue will amount to about $800,000 from the dailies and $1,000,000 from the monthlies, weeklies and other periodicals. This total increased revenue of $1,800,000 will have the effect, it is hoped of reducing to $10,000,000 the difference between revenues and costs. Of the total volume of distribution, 45 per cent consists of dailies and 55 per cent of weeklies and other periodicals. It is estimated that the increased revenues from these two sources will correspond with the percentages they bear to the total volume. This, it is considered, is a fair distribution.

I do not know that the remainder of the bill needs any special comment.

Hon. Mr. Aseltine: How will section 11 in its amended form affect the small weekly newspaper with a circulation of, say, 2,000? Am I to understand that no charge is made for the first 2,500 copies or less?

Hon. Mr. Campbell: Yes; there is no charge where the total number of copies is 2,500 or less, distributed within an area of 40 miles of the place of publication.

There is a slight change in the section under "Free mail". Letters may be mailed without postage to or by a member of the Senate or House of Commons during a session or during ten days prior to or following a session. Previously the privilege was limited to members of both houses during a session, and to anyone sending mail to a member of either house ten days before a session. Now it is extended to ten days before and ten days after the session.

Hon. Mr. Lambert: Both ways.

Hon. Mr. Campbell: Both ways.

There is one change in connection with the power of the Postmaster General to deal with contracts. Formerly the period of time for advertising a contract for conveying mail was not less than six weeks. That period is reduced to three weeks. Also the Postmaster General is given power to enter into any contract for conveying mail involving an annual expenditure up to $1,000. Hitherto the maximum for a contract which could be let by the Postmaster General without the formality of tender was $200 per annum.

In the remainder of the bill provision is made for the transportation of mail, and persons engaged in this form of transportation are required to provide adequate facilities for carrying the mail or vehicles containing the mail.

There is another amendment dealing with offences. Under the present Act the Postmaster General has certain powers to impose fines and penalties. Under this bill these powers have been deleted, and the offences have been set forth in the Act. Provision has

been made for prosecution in the usual way, either by indictable offence or non-indictable offence.

The final section of the bill provides that the Postmaster General shall present to the Governor General an annual report respecting the administration of this department.

Unless there are specific inquiries, I would suggest that honourable senators hold their questions until the officers of the department and the Deputy Postmaster General appear before us in committee to discuss in detail the various sections of this bill.

Hon. Mr. Burchill: Is section 23 new?

Hon. Mr. Campbell: No. I just mentioned that the Postmaster General previously had the authority to award contracts up to $200 without tender. This provision has been changed to give him authority to award contracts up to $1,000.

Hon. Mr. Lambert: Can the honourable senator tell us whether there is a deficit or a surplus in the total revenues of this department?

Hon. Mr. Campbell: I am sorry, but I do not have that information.

Hon. Mr. Roebuck: It seems that deliveries have been reduced to one a day, and this has resulted in a great deal of dissatisfaction among post office employees. Is this matter referred to anywhere in the bill before us?

Hon. Mr. Campbell: If the honourable senator is referring to Toronto, I can say that the Post Office Department is quite aware of the bad situation which exists in that city. As a result of the tremendous increase in the business and in the population of that city, the post office officials have found it impossible to get the necessary personnel to provide for the frequency of delivery that they feel is warranted. This problem is receiving constant attention, but my information is that there does not appear to be any immediate hope of improving the situation.

It may be of interest to honourable members to learn that during the last five years 285 post offices have been established in Canada. During the same period 65,000 additional rural route boxes were set up, and 385,000 additional persons were served by letter-carrier delivery. I suppose the larger cities are responsible for increasing the burden on the department in connection with this last item. The matter referred to by the honourable gentleman from Toronto-Trinity is under consideration.

Hon. Mr. Roebuck: Perhaps the wages are too low.

Hon. Mr. Reid: I am opposed to our Post Office Department subsidizing the newspapers of this country to the extent of $12 million. I think it is time to take action when the honourable the Postmaster General admits that Canadians could have a three-cent postage rate instead of a four-cent rate if it were not for this subsidy of $12 million. I realize that this subsidy has been paid for a long time now, and that people have got used to it. I am also familiar with the argument that our people read the newspapers and are educated by them and so on. But I maintain that if the newspapers were to decrease their advertising by a slight degree there would be no need for this subsidy.

Many countries today are appealing to Canada for newsprint, and in this connection I would refer to the large size of some of our daily newspapers. The week-end editions carry magazine sections which must weigh at least two pounds, and fifty to sixty per cent of the space in them is taken up by advertising. I should like to know what it costs the government to send some of these trashy, sexy and so-called comic papers through the mail from, say, Toronto to British Columbia. I am absolutely opposed to this country subsidizing this type of newspaper. The merchants who advertise in them are of course aware that it is to their advantage to have the newspapers go into every corner of the country; but I would point out that in many instances they are competing against local merchants who pay taxes in the places where they carry on business.

I know that my protest will not have any effect on this legislation, because the bill has already been passed by the House of Commons. I just wanted to let the Senate know where I stand on the issue.

Hon. Mr. Roebuck: Is the subsidy of $12 million a gain to the newspapers or is it a gain to the recipients of the newspapers?

Hon. Mr. Reid: I cannot give you any better authority than the Postmaster General, and I have quoted his words. If you take exception to what he has said you should ask about it in committee. It is not what I say.

Hon. Mr. Roebuck: Yes, but my question really is: Who gets the benefit?

Hon. Mr. Reid: I think the newspapers get a greater benefit than the readers. Both the newspaper publisher and the newspaper advertiser are anxious that the paper be widely circulated. The advertiser, as is well known, pays according to the number of subscribers to the publication in which he is advertising. The larger the circulation the more costly the advertising rate. It is to the advantage of newspapers to have a large circulation, and naturally they are death

against paying a higher postal rate. The protests against this come mostly from newspaper men.

Hon. Mr. Roebuck: Is it not a fact, that the larger the circulation the larger the benefits given by the newspaper to its Canadian readers?

Hon. Mr. Reid: That is a very debatable point.

Hon. Mr. Hugessen: It depends what is in the newspaper.

Hon. W. A. Buchanan: Honourable senators, I hope that I will not be interpreted as rising in my capacity of publisher of a newspaper, though I confess that the newspapers are affected by this legislation. Probably those most affected are the smaller newspapers of the country. I am not complaining on my own account, but I resent the suggestion that the newspapers are being subsidized and the impression is left that nothing else in this country is subsidized.

Unquestionably a loss in postal revenue for carrying newspapers may be interpreted by some people as a subsidy. On the other hand, the Canadian Broadcasting Corporation is competing with the newspapers in Canada in advertising as well as in supplying news, and is the Canadian Broadcasting Corporation not being subsidized in some form or other directly by the people of Canada? Is this not also true of Trans-Canada Airways? I say that that corporation loses money in the carrying of mail, and that the loss is made up by the public. It seems to me most unfair to single out newspaper publishers as though they were the only class receiving a federal subsidy.

What I am about to say has nothing to do with the newspaper I publish, so I cannot be accused of speaking from self-interest. In Prince Edward Island there is published a newspaper whose circulation is principally among farmers who can be reached only by the rural mail routes. They will now have to pay more money to have the paper delivered to their homes. There is no question about that, for the newspaper publisher cannot absorb the whole extra cost. I received today from the publisher of a paper in a small city in Ontario a letter stating that the extra postage charges would mean an additional expenditure of $10,000 a year for him. I cannot say that he is raising any strong complaint, but I bring the matter to the attention of the house because I believe that the increased costs will be proportionately heavier for the small papers than for the large newspapers.

I rose principally to speak on this question of subsidy. If we are going to stop the payment of subsidies from the federal treasury let us go ahead and do so; but surely we should not single out some subsidies for this treatment and leave others undisturbed.

Hon. Paul H. Bouffard: Honourable senators, I have no financial interest at all in any newspaper in the country, but I know that the financial position of some of them is not what it should be. The more educational a paper is, the greater is the difficulty of supporting it by revenue from subscriptions and advertisements.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Bouffard: I quite understand that some papers in large cities are able to balance their budgets with more or less ease. With high revenues from subscriptions and advertising, they will not be seriously affected by the increased mailing rates. But the effect on a newspaper in a smaller city—I would say, for instance, in Quebec—might be severe, for much of the distribution is done by mail, to subscribers who live at considerable distances from the place of publication. There is no other means of sending the paper to many of these people, and I am sure that if the increase which was first proposed had been put into effect the most educational newspapers published in the province of Quebec would have found it hard to survive. They could only have attempted to meet the increased cost by raising their subscription rates. Were they obliged to do that the number of subscribers would decline, and of course in consequence the advertising rates and revenues would go down. In my opinion the full postal increase as originally proposed would have made it impossible for some of the most useful papers in the country to balance their budgets.

I am not saying at all that a subsidy should be paid to the newspapers of the country. My point is that, had the increased mail charges been imposed to the full extent first suggested, the burden on newspapers which fulfil a very useful function in this country would have been very heavy, perhaps in some cases heavier than they could bear. I therefore wish to congratulate the Postmaster General upon his action in reducing the rates from the level first announced, and I hope it now will be possible for the newspapers, particularly those outside of Montreal, to carry on without increasing their subscription and advertising rates. There is a considerable difference between advertising rates charged in Montreal and in Quebec city. In Montreal a newspaper can get 40 cents a line, but in Quebec it is not

possible to charge more than 16 cents. If a publisher asked a higher rate than that he would not get the advertising. The subscription price for newspapers in Quebec is now up to $12 a year. Well, there are a good many people who will pay that much for a newspaper but cannot afford to pay any more, and who would have to discontinue their subscriptions if the charge were increased. And, as I mentioned before, any serious decline in the number of subscribers will cause a drop in advertising revenues.

I do not consider that the government is paying a subsidy to the newspapers. As I look at it, the government is simply doing what it can to enable as many people as possible to receive a newspaper. And of course a newspaper often furnishes to the reader not only news but material of considerable educational value. Though I am not opposing the increased mail rates as provided for in the bill, I certainly think the government would have been unwise had it insisted on fixing the rates high enough to wipe out the whole of the $12 million deficit.

I repeat my opinion that no subsidy is being given to the newspapers. If there is any subsidy at all, it is to the newspaper readers, many of whom live in more or less remote parts of the country and depend upon a newspaper for their news and a great bulk of other informative material. It is a good thing that the postage charges are not being pushed so high that newspapers will in consequence be forced to increase their subscription rates, for then many people such as I have in mind would have to do without a newspaper altogether. Certainly I would not have supported any bill which would have had that result.

Hon. Arthur W. Roebuck: Honourable senators, like the preceding speaker (Hon. Mr. Bouffard) I also have no financial interest in any newspaper. But I am by no means without experience in newspaper work. When a younger man I earned my living for fifteen years as a newspaper writer: five years on the Toronto *Daily Star* editorial staff, and ten years in northern Ontario, where I published my own small papers. So I have some intimate knowledge of the difficulties encountered by newspapers in smaller communities in their struggle to survive.

My opinion is—I may be prejudiced in this—that newspapers, both large and small, have performed a very useful service in our communities.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Roebuck: I think that without assuming too much as a Canadian—which I am proud to be—I can say that the population of this country is above the world average in intelligence. I do not think we are assuming too much in saying that. I would attribute a considerable degree of that high intelligence, which we as a nation have, to the services rendered by our magazines and newspapers. It would indeed be a disaster if any large number of these publications went out of business. I would call the attention of my fellow senators to the number of newspapers that over the years have not survived. There are fewer newspapers today in Ontario, and I think in Canada generally, than there were ten years ago.

Hon. Mr. Buchanan: That is the case all across Canada.

Hon. Mr. Roebuck: Thank you. I would suppose that to be the case. The difficulties which newspapers encounter in keeping up their activities are very great indeed. The logic of the matter was expressed in the question which I asked as to whether the bonus by way of a moderate charge for carrying, was to the newspaper industry as such or to the readers who buy the newspapers. I am not in a position to express an opinion as an accountant on whether $12 million is too little or too much, or on whether the favour is well distributed. I think, however, that the minister has a very grave responsibility on his shoulders if, by some change in the policy of the Post Office, he makes it impossible for at least some of the smaller newspapers to exist.

Hon. G. H. Barbour: Honourable senators, the senator from Lethbridge (Hon. Mr. Buchanan) referred to a paper in Prince Edward Island which would be adversely affected by the postage rates provided by the bill as originally drafted, and before it was amended in the other house. I am told that the difference between the original rate of four cents a pound and the amended rate of two and one-half cents would amount to the difference between $30,000 and $10,000. That is a big item for a newspaper like the *Charlottetown Guardian*. The amendment would provide at least some relief.

Hon. Norman P. Lambert: Honourable senators, I do not intend to detain the house long, but there is one aspect in connection with the relationship of the Post Office Department to the distribution of newspapers which should be appreciated. When the bill reaches committee we will possibly be able to analyze the situation more carefully than

we can here. I feel, however, that the problem with which the department is faced in connection with insufficient revenue from the carrying of newspapers is largely concentrated in a comparatively few populous areas in this country.

Reference has been made to the growth and size of the so-called Sunday magazine. I know that fourteen or fifteen years ago the department considered a similar proposal to the one contained in this bill in order to secure additional revenue from the carrying of newsprint in the form of newspapers. The extensive network of roads and highways in the Province of Ontario, and also in Quebec, has enabled certain metropolitan newspapers to distribute their daily and weekly publications to a large extent by truck. They have thus been relieved of the four cent rate that would be charged to carry the papers by mail to, for instance, Vancouver. I think there is something to be said by way of requiring those particular institutions to pay a little more on that part of their output which goes through the mails. In their cases there is an equalizing factor by reason of distributions which are made by truck.

I was brought up in an Ontario town where a country weekly newspaper was published, and I have a particular interest in newspapers in places where the circulation is limited to 2,500 or 3,000. They will not be affected by this bill. I think a greater value attaches itself to the weekly newspapers than is generally appreciated. I know of many towns in Ontario which forty years ago had two newspapers, now have only one.

Hon. Mr. Roebuck: That is right.

Hon. Mr. Lambert: The reason they have only one paper today is because the population of those communities has declined in favour of the urban areas in and around Toronto, Hamilton and other cities where industrial development has taken place. The amalgamation of the two newspapers in those towns came about by economic pressure.

Hon. Mr. Roebuck: And competition from the big papers.

Hon. Mr. Lambert: Industrial growth in the urban communities has been greater than in the rural areas. I know that my own home town, which at one time had a population of 2,700 or 2,800, is today half that size. The same situation would apply to the entire rural area of Western Ontario, and I suppose to Eastern Ontario. The service being rendered today by the single weekly papers, which are distributed in and around these small towns and act as a kind of letter from home to those who have moved away from the area, is one which I think this bill recognizes by exempting them from the extra cost of postage.

As to the larger and more wealthy publications, which carry more advertising, and particularly the week-end magazines, I think they could be properly analysed and classified so as to bring out some facts about where the incidence of this change should rest, rather than leave the burden of the cost of distribution to be spread over the country regardless of the fields that are being served. It is very difficult to bring to bear on any special groups the incidence of any kind of taxation. It has got to fall on all heads. I think in this case it might be possible to grade the charge in such a way as to get greater returns from the sources that should pay it, and that have been getting the benefits of scientific development over the past twenty-five or thirty years, in particular, in the form of better highways, motor trucks, and so on.

Hon. Mr. Haig: Are magazine sections of Saturday newspapers subject to the same rate as the newspapers themselves?

Hon. Mr. Campbell: Yes. The magazine section is rated as a weekly periodical.

Hon. Mr. Haig: For instance, if the *Winnipeg Free Press* sends out a magazine section, and *Maclean's Magazine* goes out the same day, are both charged the same postal rates?

Hon. Mr. Campbell: They pay the same rate if they are in the classification of a weekly publication.

Hon. Mr. Aseltine: And the Toronto *Star Weekly,* and the Montreal *Standard?*

Hon. Mr. Campbell: That is right. They are classed as weeklies, and pay the same rate as a magazine.

Hon. Vincent Dupuis: I should like to take this occasion to say a word or two in favour of our French newspapers and their publishers. I submit that, compared with newspapers and magazines published in the English language, these French papers are in an especially difficult position. As you know, the bulk of the French population is in the Province of Quebec, and newspapers and magazines published in that province are sent to any part of Canada where there is a nucleus of French-speaking people. I recall that the last time I went to Edmonton, while looking for a French newspaper, I entered a store and found there all the Montreal papers. I was told that the proprietor was the only supplier in Alberta of French-speaking newspapers.

Contrary to the opinion of my honourable friend from New Westminster (Hon. Mr. Reid), I believe that the subsidizing of a newspaper is as justifiable and effective as the subsidizing of any public service, such as a railroad or the radio. I think it is especially important to support the French press, which incurs an exceptionally heavy expense in distributing magazines and newspapers to parts of the country remote from the place of their publication.

I take this opportunity to tender my respects and most sincere thanks to our English-speaking fellow citizens for the broadminded way in which they have helped us to maintain among our Canadian citizens of French origin all over the country their knowledge and appreciation of our language and culture. Two great races have formed our Canadian heritage and I firmly believe that any help we can give to spread and improve the knowledge of the French and English languages would contribute greatly in giving to our common country that special characteristic which would differentiate it from other countries. I do not know whether an especially low rate of postage is available to newspapers and periodicals which are sent from the province of Quebec, and principally from Montreal, to the extreme limits of Canadian territory. If not, I suggest that assistance in this form be given to these publications, which foster the love and knowledge of our language and literature.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, after the speeches that have just been delivered in English, it seems fitting that I should add a word in French. It seldom happens that a law enacted for the whole country pleases everybody. There is always someone, somewhere, who feels wronged, because exceptions invariably crop up and it is impossible to make a law providing for every exception. Generally speaking, it is the white-collar class which is hardest hit by an excise or income tax law. In considering the bill which is before us, I would compare that class of the population to newspapers with average circulation, published in cities of average population, as our honourable friend from Grandville (Hon. Mr. Bouffard) explained so well a moment ago. Those are the newspapers that educate the public, because, after all, the thick newspapers, filled with advertising, are often more like colossal circulars than instruments of learning. We would be ill advised to pass laws which would promote the distribution of commercial circulars by the Post Office Department, while shackling this means of culture.

I wish to thank the Postmaster General and to congratulate him for having amended his original bill as he did, in order to help out the newspapers with average circulation which are unable to take in the most highly paid advertising because of their limited space. The heavier newspapers contain so-called comic strips which, far from serving an educational purpose, seem rather to distort people's minds and hearts. I wonder if the Postmaster General could not bear down more heavily on this particular section of widely read newspapers, or at least force them to put a little more sense in these so-called comics, in the interest of our young girls and boys and even of those who, although they have reached a respectable age, emulate youngsters or go back to their childhood ways. Such a step would strengthen the ideals of our young people, further the greatness of our country and provide them with educational matter presented not in slang but in good French. I sincerely hope that an effort will be made to improve conditions. If the press is supposed to be an instrument of culture, then let us make sure that that insrument develops the mind instead of distorting it.

(Text):

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 14, 1951

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

Prayers and routine proceedings.

CRIMINAL CODE (RACE MEETINGS) BILL

COMMONS AMENDMENT

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill P-11, an Act to amend the Criminal Code (Race Meetings), and to acquaint the Senate that they have passed the bill with an amendment, to which they desire the concurrence of the Senate.

The amendment was read by the Clerk Assistant as follows:

1. Page 2, lines 47 to 49: Strike out paragraph (ii) of paragraph (d) and substitute the following: "(ii) no more than eight races or dashes, or four heat races of three heats each shall be held during any twenty-four hour period, and".

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

Hon. Mr. Robertson: Next sitting.

EXCISE TAX BILL

REPORT OF COMMITTEE

Hon. Mr. Beaubien, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 294, an Act to amend the Excise Tax Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 294, from the House of Commons, an Act to amend the Excise Tax Act, have in obedience to the order of reference of June 13, 1951, examined the said bill and now beg leave to report the same with the following amendments:

1. Page 3, line 32: Delete "six" and substitute "twelve".
2. Page 6, lines 8 to 11 inclusive: After the word "day" delete the colon, substitute therefor a period and strike out the proviso.

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

Hon. Mr. Robertson: Next sitting.

BUSINESS OF THE SENATE

NATIONAL HOUSING BILL

On the Orders of the Day.

Hon. Wishart McL. Robertson: Honourable senators, before the Orders of the Day are proceeded with, I should like to make a brief explanation with regard to the legislative program before the house.

I anticipate that all the business on the Order Paper will be disposed of this afternoon, and that there will be no important measures forthcoming from the other place for some days. It is my intention, therefore, to ask that when the house adjourns today it stand adjourned until next Tuesday evening.

There is, however, one difficulty in the way of carrying out that intention. The Standing Committee on Banking and Commerce has before it Bill No. R-12, an Act to amend the National Housing Act, 1944. The committee sat yesterday and considered this bill, but because additional information was required by the leader opposite, and others, it was not reported back to the house today. In the ordinary course of events an adjournment until next Tuesday would mean that the passage of this bill would not take place before next Wednesday. It is the wish of the minister concerned that the matter be not delayed to that extent. I have conferred with the leader opposite, and he has indicated that he is quite willing to get the information he wants from the Minister of Finance when he appears before the Finance Committee later this afternoon. Therefore I would suggest to honourable senators that upon completion of the business on the Order Paper the house, by consent, should adjourn during pleasure. In that way members of the Banking and Commerce Committee could attend a meeting of that committee, which I have already undertaken to call, and when the sitting of the house is resumed the bill could be reported back and given third reading.

I would ask the leader opposite if he is in agreement with that suggestion.

Hon. John T. Haig: Honourable senators, as the leader of the government has said, Bill R-12 was considered in the Banking and Commerce Committee yesterday. At five minutes to six the chairman pointed out that it was getting late, and that perhaps we had better adjourn. I suggested that we proceed with our consideration of the bill, but as that did not seem to meet with approval, I then requested that the report be delayed to allow me to get certain information regarding interest rates from the Minister of Finance. Subsequently, the Chairman of the Finance Committee informed me that a meeting of his committee would take place this afternoon, and that the Minister of Finance would be in attendance, whereupon I agreed to put my questions to the Minister of Finance today when he appears before the Finance Committee.

I appreciate very much the courtesy extended to me by the members of the Banking and Commerce Committee, in giving me an opportunity to get the information which I require. I am quite sure that I speak for the members on this side of the house when I say that we are agreeable to follow the program suggested by the leader of the government.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved third reading of the following bills:

Bill S-12, an Act for the relief of Flora Muriel Crane Keane.

Bill T-12, an Act for the relief of Opal Jean Ellis Pike.

Bill U-12, an Act for the relief of Elphege Fournier.

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

CENTRAL MORTGAGE AND HOUSING CORPORATION BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill M-12, an Act to amend The Central Mortgage and Housing Corporation Act.

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

CUSTOMS TARIFF BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 295, an Act to amend the Customs Tariff.

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

PRIVATE BILL

COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill U-6, an Act to incorporate Champion Pipe Line Corporation Limited.

Hon. Mr. Campbell moved concurrence in the amendment.

The motion was agreed to.

PRIVATE BILL

COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill D-8, an Act to incorporate Independent Pipe Line Company Limited.

Hon. Mr. Turgeon moved concurrence in the amendment.

The motion was agreed to.

CUSTOMS BILL

COMMITTEE AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill 198, an Act to amend the Customs Act.

Hon. Mr. Robertson moved concurrence in the amendments.

The motion was agreed to.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

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

WEIGHTS AND MEASURES BILL

COMMITTEE AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the Standing Committee on Banking and Commerce to Bill 355, an Act respecting Weights and Measures.

Hon. Mr. Robertson moved concurrence in the amendment.

The motion was agreed to.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

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

The Senate adjourned during pleasure.

The sitting of the Senate was resumed.

NATIONAL HOUSING BILL

REPORT OF COMMITTEE

Hon. Mr. Euler, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the Committee on Bill R-12, an Act to amend the National Housing Act, 1944.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce to whom was referred Bill R-12, an Act to amend the National Housing Act, 1944, have in

obedience to the order of reference of June 7, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

The Senate adjourned until Tuesday, June 19, at 8 p.m.

THE SENATE

Tuesday, June 19, 1951

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from The Assistant Secretary to the Governor General acquainting him that the Honourable Robert Taschereau, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Administrator, would proceed to the Senate Chamber, Wednesday, June 20, at 5:45 p.m., for the purpose of giving Royal Assent to certain bills.

PRIVATE BILL

COMMONS AMENDMENT

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill E, an Act respecting British Columbia Telephone Company, and to acquaint the Senate that they have passed this bill with an amendment to which they desire the concurrence of the Senate.

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

1. Page 1, lines 17-19. After the word "privileges" strike out the following words down to and including the word "shares", line 19, and substitute the following:

"of any class of preference or preferred shares shall be made unless the holders of seventy-five per cent in par value of the shares of such class."

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

Hon. Mr. Hugessen: Tomorrow.

CANADA-SWEDEN INCOME TAX AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 372, an Act respecting an Income Tax Agreement between Canada and Sweden, signed at Ottawa on the sixth day of April, 1951.

The bill was read the first time.

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

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

CANADA-FRANCE SUCCESSION DUTY CONVENTION BILL

FIRST READING

A message was received from the House of Commons with Bill 373, an Act respecting a Succession Duty Convention and Protocol between Canada and France, signed at Paris on the sixteenth day of March, 1951.

The bill was read the first time.

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

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

CANADA-FRANCE INCOME TAX CONVENTION BILL

FIRST READING

A message was received from the House of Commons with Bill 374, an Act respecting an Income Tax Convention between Canada and France, signed at Paris on the sixteenth day of March, 1951.

The bill was read the first time.

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

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

EMERGENCY GOLD MINING ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 194, an Act to amend the Emergency Gold Mining Assistance Act.

The bill was read the first time.

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

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

INCOME TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 296, an Act to amend the Income Tax Act.

The bill was read the first time.

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

Hon. Mr. Hugessen: Thursday.

MANITOBA NATURAL RESOURCES TRANSFER BILL

FIRST READING

A message was received from the House of Commons with Bill 385, an Act to vary the Manitoba Natural Resources Agreement.

The bill was read the first time.

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

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

ALBERTA NATURAL RESOURCES TRANSFER BILL

FIRST READING

A message was received from the House of Commons with Bill 386, an Act to vary the Alberta Natural Resources Agreement.

The bill was read the first time.

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

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

SASKATCHEWAN NATURAL RESOURCES TRANSFER BILL

FIRST READING

A message was received from the House of Commons with Bill 387, an Act to vary the Saskatchewan Natural Resources Agreement.

The bill was read the first time.

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

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

DIVORCE BILL

FIRST READING

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

Bill V-12, an Act for the relief of Marie Elizabeth Rose Ange Cousineau Brousseau.

The bill was read the first time.

SECOND READING

Hon. Mr. Aseltine: Honourable senators, with leave, I move that this bill be now read the second time.

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

THIRD READING

Hon. Mr. Aseltine: Honourable senators, with leave, I move that this bill be now read the third time.

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

PRIVATE BILL

FIRST READING

Hon. Mr. Lambert presented Bill W-12, an Act respecting the Trust and Loan Company of Canada.

The bill was read the first time.

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

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

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Aseltine moved:

That the parliamentary fees paid upon Bill B-10, an Act to incorporate the Baptist Union of Western Canada, be refunded to the petitioners, less printing and translation costs.

The motion was agreed to.

NORTH ATLANTIC TREATY

TABLING OF FINAL DRAFT OF AGREEMENT REGARDING STATUS OF FORCES

Hon. A. K. Hugessen: Honourable Senators, I beg to lay on the Table the final draft of the agreement between the parties to the North Atlantic Treaty regarding the status of their forces, dated today, June 19, 1951. In so doing, I should like to make the following statement respecting the agreement.

It is entitled "Agreement between the parties to the North Atlantic Treaty regarding the status of their forces," or in abbreviated form, "The NATO Forces Agreement." I am tabling the text of the agreement now for the information of the Senate.

This agreement sets forth the rights and obligations of North Atlantic Treaty countries in respect of their armed forces stationed in or passing through other North Atlantic Treaty countries. The agreement is subject to ratification and, of course, the approval of parliament will be sought prior to ratification; but that will not be done during the present session.

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Hugessen: At the outset I should like to emphasize that this agreement does not deal with the question of whether troops

are to be sent abroad, and it has no connection with the question of command of integrated NATO forces. It is solely concerned with the laws and regulations which are to govern an armed force after it has been sent, by mutual agreement, into another North Atlantic country.

It is a fully reciprocal agreement, and will give valuable protection to Canadian servicemen serving in the integrated force. At the same time the rights of the receiving country are fully respected. The agreement provides that "it is the duty of a force . . . to respect the law of the receiving State, and to abstain from any activity inconsistent with the spirit of the present agreement, and, in particular, from any political activity in the receiving State."

General Eisenhower, in a statement issued today, says that it is a most important agreement, one of great significance to the integrated force under his command.

As there will be full opportunity for detailed discussion of the agreement in parliament in due course, I do not propose to take up time now with a clause by clause explanation. I will, however, list the main subjects dealt with in the agreement. They are:

1. The criminal and disciplinary jurisdiction of the military courts of the visiting force and the jurisdiction of the civil courts of the receiving country;

2. The application of the tax laws and customs tariff of the receiving country to the visiting force;

3. The application of the immigration regulations of the receiving country to the members of the visiting force;

4. The settlement of claims for damage or injury arising out of the activities of the visiting force;

5. The procurement by the visiting force of goods, accommodation, labour and services from sources in the receiving country;

6. The wearing of uniforms and the carriage of arms.

From this brief description of the scope of the agreement, honourable members will realize, I am sure, that the twelve negotiating countries, with their differing laws and legal systems, had to be willing to compromise in order to arrive at any agreement. It was realized that many countries might have to modify their laws to take account of the presence of other NATO forces in their midst; but an attempt was made to reduce to a minimum the need for legislative change. The legal authorities of the Canadian Government are studying the agreement to determine whether legislation will be necessary, and if so, its scope and extent. It is expected that the whole question will be brought before parliament at the next session.

In conclusion I should like to quote the statement made today in London by the Chairman of the North Atlantic Council Deputies. He said:

The agreeement on the status of armed forces which the North Atlantic Treaty governments have signed today is an important addition to the structural framework of NATO. We believe we have developed a multilateral charter that provides a uniform and administratively workable basis for an orderly, consistent, and fair relationship between forces from one NATO country and any other NATO country where they may be assigned to serve.

The agreement is part of the collective defence effort, and is essential for the development of the integrated force under General Eisenhower's command. It gives the governments and the military authorities simple, practical procedures for regulating a complex relationship. It guarantees the members of the armed forces adequate legal protection, and at the same time, without infringing on the authority of the military command, fully recognizes the peacetime rights and responsibilities of the civilian authorities in the host countries.

The development of collective defence in peacetime requires that forces of various countries which form part of the integrated force for the defence of the North Atlantic Treaty area be stationed in various other countries. They must be free to move from one country to another, in accordance with the demands of strategy and the orders of the Supreme Command. It is essential that there be uniformity of arrangement governing their status in countries other than their own and their relationship to the authorities and people of those countries. The conclusion of this agreement is an important step in our common effort to organize integrated strength adequate to keep the peace.

Hon. John T. Haig: Honourable members, I should like to thank the honourable acting leader for the complete statement which he has given on this problem, and also to offer a suggestion to which I am sure all members of this house will agree. The final draft of the agreement, which the Clerk has just handed me, is not very long, and as there will not likely be much discussion tonight and our *Hansard* will be short, I would suggest that this document be made an appendix to tonight's proceedings. This final draft is an important document, and one which the judges, lawyers and citizens of Canada will want to study. If printed in *Hansard,* it will be available to the members of this house for ready reference, and we will be well informed on the subject when it comes up for discussion.

I would move that this document be printed in today's *Hansard.*

Hon. Mr. Hugessen: Obviously, I have no objection whatever to my honourable friend's suggestion.

The motion was agreed to.

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

INTERNAL ECONOMY COMMITTEE

ADDITION TO PERSONNEL

Hon. Mr. Hugessen: Honourable senators, with leave of the Senate, I move that the name of the Honourable Senator Vaillancourt be added to the list of senators serving on the Standing Committee on Internal Economy and Contingent Accounts.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS (QUEBEC RAILWAY, LIGHT AND POWER COMPANY) BILL

FIRST READING

Hon. Mr. Hugessen presented Bill X-12, an Act respecting Canadian National Railways and to authorize the acquisition of the railway of the Quebec Railway, Light and Power Company.

The bill was read the first time.

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

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

SUPREME COURT BILL

FIRST READING

Hon Mr. Hugessen presented Bill Y-12, an Act to amend the Supreme Court Act.

The bill was read the first time.

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

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

CRIMINAL CODE (RACE MEETINGS) BILL

COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill P-11, an Act to amend the Criminal Code (Race Meetings) Bill.

Hon. Mr. Hugessen moved concurrence in the amendment.

He said: Honourable senators, this amendment would seem to be an unimportant one. In the bill as passed by this house subparagraph (ii) of paragraph (d) of section 1(2) reads as follows:

> No more than eight races or dashes, or ten heats shall be held during any twenty-four hour period . . .

The other house passed an amendment striking out this subparagraph and substituting therefor the following:

> (ii) no more than eight races or dashes, or four heat races of three heats each, shall be held during any twenty-four hour period . . .

The motion was agreed to, and the amendment was concurred in.

EXCISE TAX BILL

COMMITTEE AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill 294, an Act to amend the Excise Tax Act.

Hon. Mr. Beaubien moved concurrence in the amendments.

Hon. Mr. Reid: Just what are the amendments, may I ask?

Hon. Mr. Hugessen: The main amendment is similar to the amendment which was made to the Customs Act. It extends from six to twelve months the period within which a man who has overpaid the tax can claim return of the excess payment.

The motion was agreed to, and the amendments were concurred in.

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

Hon. Mr. Beaubien: With leave, tomorrow.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

Final Draft of the Agreement Between the Parties to the North Atlantic Treaty Regarding the Status of Their Forces

The Parties to the North Atlantic Treaty signed in Washington on 4th April, 1949,

Considering that the forces of one Party may be sent, by arrangement, to serve in the territory of another Party;

Bearing in mind that the decision to send them and the conditions under which they will be sent, in so far as such conditions are not laid down by the present Agreement, will continue to be the subject of separate arrangements between the Parties concerned;

Desiring, however, to define the status of such forces while in the territory of another Party;

Have agreed as follows:

Article I

1. In this Agreement the expression—

(a) "force" means the personnel belonging to the land, sea or air armed services of one Contracting Party when in the territory of another Contracting Party in the North Atlantic Treaty area in connexion with their official duties, provided that the two Contracting Parties concerned may agree that certain individuals, units or formations shall not be regarded as constituting or included in a "force" for the purposes of the present Agreement;

(b) "civilian component" means the civilian personnel accompanying a force of a Contracting Party who are in the employ of an armed service of that Contracting Party, and who are not stateless persons, nor nationals of any State which is not a Party to the North Atlantic Treaty, nor nationals of, nor ordinarily resident in, the State in which the force is located;

(c) "dependent" means the spouse of a member of a force or a civilian component, or a child of such member depending on him or her for support;

(d) "sending State" means the Contracting Party to which the force belongs;

(e) "receiving State" means the Contracting Party in the territory of which the force or civilian component is located, whether it be stationed there or passing in transit;

(f) "military authorities of the sending State" means those authorities of a sending State who are empowered by its law to enforce the military law of that State with respect to members of its forces or civilian components;

(g) "North Atlantic Council" means the Council established by Article 9 of the North Atlantic Treaty or any of its subsidiary bodies authorised to act on its behalf.

2. This Agreement shall apply to the authorities of political sub-divisions of the Contracting Parties, within their territories to which the Agreement applies or extends in accordance with Article XX, as it applies to the central authorities of those Contracting Parties, provided, however, that property owned by political sub-divisions shall not be considered to be property owned by a Contracting Party within the meaning of Article VIII.

Article II

It is the duty of a force and its civilian component and the members thereof as well as their dependents to respect the law of the receiving State, and to abstain from any activity inconsistent with the spirit of the present Agreement, and, in particular, from any political activity in the receiving State. It is also the duty of the sending State to take necessary measures to that end.

Article III

1. On the conditions specified in paragraph 2 of this Article and subject to compliance with the formalities established by the receiving State relating to entry and departure of a force or the members thereof, such members shall be exempt from passport and visa regulations and immigration inspection on entering and leaving the territory of a receiving State. They shall also be exempt from the regulations of the receiving State on the registration and control of aliens, but shall not be considered as acquiring any right to permanent residence or domicile in the territories of the receiving State.

2. The following documents only will be required in respect of members of a force. They must be presented on demand:

(a) Personal identity card issued by the sending State showing names, date of birth, rank and number (if any), service, and photograph;

(b) Individual or collective movement order, in the language of the sending State and in the English and French languages, issued by an appropriate agency of the sending State or of the North Atlantic Treaty Organisation and certifying to the status of the individual or group as a member or members of a force and to the movement ordered. The receiving State may require a movement order to be countersigned by its appropriate representative.

3. Members of a civilian component and dependents shall be so described in their passports.

4. If a member of a force or of a civilian component leaves the employ of the sending State and is not repatriated, the authorities of the sending State shall immediately inform the authorities of the receiving State, giving such particulars as may be required. The authorities of the sending State shall similarly inform the authorities of the receiving State of any member who has absented himself for more than 21 days.

5. If the receiving State has requested the removal from its territory of a member of a force or civilian component or has made an expulsion order against an ex-member of a force or of a civilian component or against a dependent of a member or ex-member, the authorities of the sending State shall be responsible for receiving the person concerned within their own territory or otherwise disposing of him outside the receiving State. This paragraph shall apply only to persons who are not nationals of the receiving State and have entered the receiving State as members of a force or civilian component or for the purpose of becoming such members, and to the dependents of such persons.

Article IV

The receiving State shall either

(a) accept as valid, without a driving test or fee, the driving permit or licence or military driving permit issued by the sending State or a sub-division thereof to a member of a force or of a civilian component; or

(b) issue its own driving permit or licence to any member of a force or civilian component who holds a driving permit or licence or military driving permit issued by the sending State or a sub-division thereof, provided that no driving test shall be required.

Article V

1. Members of a force shall normally wear uniform. Subject to any arrangement to the contrary between the authorities of the sending and receiving States, the wearing of civilian dress shall be on the same conditions as for members of the forces of the receiving State. Regularly constituted units or formations of a force shall be in uniform when crossing a frontier.

2. Service vehicles of a force or civilian component shall carry, in addition to their registration number, a distinctive nationality mark.

Article VI

Members of a force may possess and carry arms, on condition that they are authorized to do so by their orders. The authorities of the sending State shall give sympathetic consideration to requests from the receiving State concerning this matter.

Article VII

1. Subject to the provisions of this Article,

(a) the military authorities of the sending State shall have the right to exercise within the receiving State all criminal and disciplinary jurisdiction conferred on them by the law of the sending State over all persons subject to the military law of that State;

(b) the authorities of the receiving State shall have jurisdiction over the members of a force or civilian component and their dependents with respect to offences committed within the territory of the receiving state and punishable by the law of that State.

2. (a) The military authorities of the sending State shall have the right to exercise exclusive jurisdiction over persons subject to the military law of that State with respect to offences, including offences relating to its security, punishable by the law of the sending State, but not by the law of the receiving State.

(b) The authorities of the receiving State shall have the right to exercise exclusive jurisdiction over members of a force or civilian component and their dependents with respect to offences, including offences relating to the security of that State, punishable by its law but not by the law of the sending State.

(c) For the purposes of this paragraph and of paragraph 3 of this Article a security offence against a State shall include

(i) treason against the State;

(ii) sabotage, espionage or violation of any law relating to official secrets of that State, or secrets relating to the national defence of that State.

3. In cases where the right to exercise jurisdiction is concurrent the following rules shall apply:

(a) The military authorities of the sending State shall have the primary right to exercise jurisdiction over a member of a force or of a civilian component in relation to

(i) offences solely against the property or security of that State, or offences solely against the person or property of another member of the force or civilian component of that State or of a dependent;

(ii) offences arising out of any act or omission done in the performance of official duty.

(b) In the case of any other offence the authorities of the receiving State shall have the primary right to exercise jurisdiction.

(c) If the State having the primary right decides not to exercise jurisdiction, it shall notify the authorities of the other State as soon as practicable. The authorities of the State having the primary right shall give sympathetic consideration to a request from the authorities of the other State for a waiver of its right in cases where that other State considers such waiver to be of particular importance.

4. The foregoing provisions of this Article shall not imply any right for the military authorities of the sending State to exercise jurisdiction over persons who are nationals of or ordinarily resident in the receiving State, unless they are members of the force of the sending State.

5. (a) The authorities of the receiving and sending States shall assist each other in the arrest of members of a force or civilian component or their dependents in the territory of the receiving State and in handing them over to the authority which is to exercise jurisdiction in accordance with the above provisions.

(b) The authorities of the receiving State shall notify promptly the military authorities of the sending State of the arrest of any member of a force or civilian component or a dependent.

(c) The custody of an accused member of a force or civilian component over whom the receiving State is to exercise jurisdiction shall, if he is in the hands of the sending State, remain with that State until he is charged by the receiving State.

6. (a) The authorities of the receiving and sending State shall assist each other in the carrying out of all necessary investigations into offences, and in the collection and production of evidence, including the seizure and, in proper cases, the handing over of objects connected with an offence. The handing over of such objects may, however, be made subject to their return within the time specified by the authority delivering them.

(b) The authorities of the Contracting Parties shall notify one another of the disposition of all cases in which there are concurrent rights to exercise jurisdiction.

7. (a) A death sentence shall not be carried out in the receiving State by the authorities of the sending State if the legislation of the receiving State does not provide for such punishment in a similar case.

(b) The authorities of the receiving State shall give sympathetic consideration to a request from the authorities of the sending State for assistance in carrying out a sentence of imprisonment pronounced by the authorities of the sending State under the provision of this Article within the territory of the receiving State.

8. Where an accused has been tried in accordance with the provisions of this Article by the authorities of one Contracting Party and has been acquitted, or has been convicted and is serving, or has served, his sentence or has been pardoned, he may not be tried again for the same offence within the same territory by the authorities of another Contracting Party. However, nothing in this paragraph shall prevent the military authorities of the sending State from trying a member of its force for any violation of rules of discipline arising from an act or omission which constituted an offence for which he was tried by the authorities of another Contracting Party.

9. Whenever a member of a force or civilian component or a dependent is prosecuted under the jurisdiction of a receiving State he shall be entitled:

(a) to a prompt and speedy trial;

(b) to be informed, in advance of trial, of the specific charge or charges made against him;

(c) to be confronted with the witnesses against him;

(d) to have compulsory process for obtaining witnesses in his favour, if they are within the jurisdiction of the receiving State;

(e) to have legal representation of his own choice for his defence or to have free or assisted legal representation under the conditions prevailing for the time being in the receiving State;

(f) if he considers it necessary to have the services of a competent interpreter; and

(g) to communicate with a representative of the government of the sending State and, when the rules of the court permit, to have such a representative present at his trial.

10. (a) Regularly constituted military units or formations of a force shall have the right to police any camps, establishments or other premises which they occupy as the result of an agreement with the receiving State. The military police of the force may take all appropriate measures to ensure the maintenance of order and security on such premises.

(b) Outside these premises, such military police shall be employed only subject to arrangements with the authorities of the receiving State and in liaison with those authorities, and in so far as such employment is necessary to maintain discipline and order among the members of the force.

11. Each Contracting Party shall seek such legislation as it deems necessary to ensure the adequate security and protection within its territory of installations, equipment, property, records and official information of other Contracting Parties, and the punishment of persons who may contravene laws enacted for that purpose.

Article VIII

1. Each Contracting Party waives all its claims against any other Contracting Party for damage to any property owned by it and used by its land, sea or air armed services, if such damage

(i) was caused by a member or an employee of an armed service of the other Contracting Party in the execution of his duties in connexion with the operation of the North Atlantic Treaty; or

(ii) arose from the use of any vehicle, vessel or aircraft owned by the other Contracting Party and used by its armed services, provided either that the vehicle, vessel or aircraft causing the damage was being used in connexion with the operation of the North Atlantic Treaty or that the damage was caused to property being so used.

Claims for maritime salvage by one Contracting Party against any other Contracting Party shall be waived, provided that the vessel or cargo salved was owned by a Contracting Party and being used by its armed services in connexion with the operation of the North Atlantic Treaty.

2. (a) In the case of damage caused or arising as stated in paragraph 1 to other property owned by a Contracting Party and located in its territory, the issue of the liability of any other Contracting Party shall be determined and the amount of damage shall be assessed, unless the Contracting Parties concerned agree otherwise, by a sole arbitrator selected in accordance with sub-paragraph (b) of this paragraph. The arbitrator shall also decide any counterclaims arising out of the same incident.

(b) The arbitrator referred to in sub-paragraph (a) above shall be selected by agreement between the Contracting Parties concerned from amongst the nationals of the receiving States who hold or have held high judicial office. If the Contracting Parties concerned are unable, within two months, to agree upon the arbitrator, either may request the Chairman of the North Atlantic Council Deputies to select a person with the aforesaid qualifications.

(c) Any decision taken by the arbitrator shall be binding and conclusive upon the Contracting Parties.

(d) The amount of any compensation awarded by the arbitrator shall be distributed in accordance with the provisions of paragraph 5 (e) (i), (ii) and (iii) of this Article.

(e) The compensation of the arbitrator shall be fixed by agreement between the Contracting Parties concerned and shall, together with the necessary expenses incidental to the performance of his duties, be defrayed in equal proportions by them.

(f) Nevertheless each Contracting Party waives its claim in any such case where the damage is less than:—

Belgium	B. fr.	70,000
Canada	$	1,460
Denmark	Kr.	9,670
France	F. fr.	490,000
Iceland	Kr.	22,800
Italy	Li.	850,000
Luxembourg	L. fr.	70,000
Netherlands	Fl.	5,320
Norway	Kr.	10,000
Portugal	Es.	40,250
United Kingdom	£	500
United States	$	1,400

Any other Contracting Party whose property has been damaged in the same incident shall also waive its claim up to the above amount. In the case of considerable variation in the rates of exchange between these currencies the Contracting Parties shall agree on the appropriate adjustments of these amounts.

3. For the purpose of paragraphs 1 and 2 of this Article the expression "owned by a Contracting Party" in the case of a vessel includes a vessel on bare boat charter to that Contracting Party or requisitioned by it on

bare boat terms or seized by it in prize (except to the extent that the risk of loss or liability is borne by some person other than such Contracting Party).

4. Each Contracting Party waives all its claims against any other Contracting Party for injury or death suffered by any member of its armed services while such member was engaged in the performance of his official duties.

5. Claims (other than contractual claims and those to which paragraphs 6 or 7 of this Article apply) arising out of acts or omissions of members of a force or civilian component done in the performance of official duty, or out of any other act, omission or occurrence for which a force or civilian component is legally responsible, and causing damage in the territory of the receiving State to third parties, other than any of the Contracting Parties, shall be dealt with by the receiving State in accordance with the following provisions:

(a) Claims shall be filed, considered and settled or adjudicated in accordance with the laws and regulations of the receiving State with respect to claims arising from the activities of its own armed forces.

(b) The receiving State may settle any such claims, and payment of the amount agreed upon or determined by adjudication shall be made by the receiving State in its currency.

(c) Such payment, whether made pursuant to a settlement or to adjudication of the case by a competent tribunal of the receiving State, or the final adjudication by such a tribunal denying payment, shall be binding and conclusive upon the Contracting Parties.

(d) Every claim paid by the receiving State shall be communicated to the sending States concerned together with full particulars and a proposed distribution in conformity with sub-paragraphs (e) (i), (ii) and (iii) below. In default of a reply within two months, the proposed distribution shall be regarded as accepted.

(e) The cost incurred in satisfying claims pursuant to the preceding sub-paragraphs and paragraph 2 of this Article shall be distributed between the Contracting Parties, as follows:

(i) Where one sending State alone is responsible, the amount awarded or adjudged shall be distributed in the proportion of 25 per cent chargeable to the receiving State and 75 per cent chargeable to the sending State.

(ii) Where more than one State is responsible for the damage, the amount awarded or adjudged shall be distributed equally among them: however, if the receiving State is not one of the States responsible, its contribution shall be half that of each of the sending States.

(iii) Where the damage was caused by the armed services of the Contracting Parties and it is not possible to attribute it specifically to one or more of those armed services, the amount awarded or adjudged shall be distributed equally among the Contracting Parties concerned: however, if the receiving State is not one of the States by whose armed services the damage was caused, its contribution shall be half that of each of the sending States concerned.

(iv) Every half-year, a statement of the sums paid by the receiving State in the course of the half-yearly period in respect of every case regarding which the proposed distribution on a percentage basis has been accepted, shall be sent to the sending States concerned, together with a request for reimbursement. Such reimbursement shall be made within the shortest possible time, in the currency of the receiving State.

(f) In cases where the application of the provisions of sub-paragraphs (b) and (e) of this paragraph would cause a Contracting Party serious hardship, it may request the North Atlantic Council to arrange a settlement of a different nature.

(g) A member of a force or civilian component shall not be subject to any proceedings for the enforcement of any judgement given against him in the receiving State in a matter arising from the performance of his official duties.

(h) Except in so far as sub-paragraph (e) of this paragraph applies to claims covered by paragraph 2 of this Article, the provisions of this paragraph shall not apply to any claim arising out of or in connexion with the navigation or operation of a ship or the loading, carriage, or discharge of a cargo, other than claims for death or personal injury to which paragraph 4 of this Article does not apply.

6. Claims against members of a force or civilian component arising out of tortious acts or omissions in the receiving State not done in the performance of official duty shall be dealt with in the following manner:

(a) The authorities of the receiving State shall consider the claim and assess compensation to the claimant in a fair and just

manner, taking into account all the circumstances of the case, including the conduct of the injured person, and shall prepare a report on the matter.

(b) The report shall be delivered to the authorities of the sending State, who shall then decide without delay whether they will offer an ex gratia payment, and if so, of what amount.

(c) If an offer of ex gratia payment is made, and accepted by the claimant in full satisfaction of his claim, the authorities of the sending State shall make the payment themselves and inform the authorities of the receiving State of their decision and of the sum paid.

(d) Nothing in this paragraph shall affect the jurisdiction of the courts of the receiving State to entertain an action against a member of a force or of a civilian component unless and until there has been payment in full satisfaction of the claim.

7. Claims arising out of the unauthorised use of any vehicle of the armed services of a sending State shall be dealt with in accordance with paragraph 6 of this Article, except in so far as the force or civilian component is legally responsible.

8. If a dispute arises as to whether a tortious act or omission of a member of a force or civilian component was done in the performance of official duty as to whether the use of any vehicle of the armed services of a sending State was unauthorised, the question shall be submitted to an arbitrator appointed in accordance with paragraph 2(b) of this Article, whose decision on this point shall be final and conclusive.

9. The sending State shall not claim immunity from the jurisdiction of the courts of the receiving State for members of a force or civilian component in respect of the civil jurisdiction of the courts of the receiving State except to the extent provided in paragraph 5 (g) of this Article.

10. The authorities of the sending State and of the receiving State shall co-operate in the procurement of evidence for a fair hearing and disposal of claims in regard to which the Contracting Parties are concerned.

Article IX

1. Members of a force or of a civilian component and their dependents may purchase locally goods necessary for their own consumption, and such services as they need, under the same conditions as the nationals of the receiving State.

2. Goods which are required from local sources for the subsistence of a force or civilian component shall normally be purchased through the authorities which purchase such goods for the armed services of the receiving State. In order to avoid such purchases having any adverse effect on the economy of the receiving State, the competent authorities of that State shall indicate, when necessary, any articles the purchase of which should be restricted or forbidden.

3. Subject to agreements already in force or which may hereafter be made between the authorised representatives of the sending and receiving States, the authorities of the receiving State shall assume sole responsibility for making suitable arrangements to make available to a force or a civilian component the buildings and grounds which it requires, as well as facilities and services connected therewith. These agreements and arrangements shall be, as far as possible, in accordance with the regulations governing the accommodation and billeting of similar personnel of the receiving State. In the absence of a specific contract to the contrary, the laws of the receiving State shall determine the rights and obligations arising out of the occupation or use of the buildings, grounds, facilities or services.

4. Local civilian labour requirements of a force or civilian component shall be satisfied in the same way as the comparable requirements of the receiving State and with the assistance of the authorities of the receiving State through the employment exchanges. The conditions of employment and work in particular wages, supplementary payments and conditions for the protection of workers, shall be those laid down by the legislation of the receiving State. Such civilian workers employed by a force or civilian component shall not be regarded for any purpose as being members of that force or civilian component.

5. When a force or a civilian component has at the place where it is stationed inadequate medical or dental facilities, its members and their dependents may receive medical and dental care, including hospitalization, under the same conditions as comparable personnel of the receiving State.

6. The receiving State shall give the most favourable consideration to requests for the grant to members of a force or of a civilian component of travelling facilities and concessions with regard to fares. These facilities and concessions will be the subject of special arrangements to be made between the Governments concerned.

7. Subject to any general or particular financial arrangements between the Contracting Parties, payment in local currency for

goods, accommodation and services furnished under paragraphs 2, 3, 4 and, if necessary, 5 and 6, of this Article shall be made promptly by the authorities of the force.

8. Neither a force, nor a civilian component, nor the members thereof, nor their dependents, shall by reason of this Article enjoy any exemption from taxes or duties relating to purchases and services chargeable under the fiscal regulations of the receiving State.

Article X

1. Where the legal incidence of any form of taxation in the receiving State depends upon residence or domicile, periods during which a member of a force or civilian component is in the territory of that State by reason solely of his being a member of such force or civilian component shall not be considered as periods of residence therein, or as creating a change of residence or domicile, for the purposes of such taxation. Members of a force or civilian component shall be exempt from taxation in the receiving State on the salary and emoluments paid to them as such members by the sending State or on any tangible movable property the presence of which in the receiving State is due solely to their temporary presence there.

2. Nothing in this Article shall prevent taxation of a member of a force or civilian component with respect to any profitable enterprise, other than his employment as such member, in which he may engage in the receiving State, and, except as regards his salary and emoluments and the tangible movable property referred to in paragrph 1, nothing in this Article shall prevent taxation to which, even if regarded as having his residence or domicile outside the territory of the receiving State, such member is liable under the law of that State.

3. Nothing in this Article shall apply to "duty" as defined in paragraph 12 of Article XI.

4. For the purposes of this Article the term "member of a force" shall not include any person who is a national of the receiving State.

Article XI

1. Save as provided expressly to the contrary in this Agreement, members of a force and of a civilian component as well as their dependents shall be subject to the laws and regulations administered by the customs authorities of the receiving State. In particular the customs authorities of the receiving State shall have the right, under the general conditions laid down by the laws and regulations of the receiving State, to search members of a force or civilian component and their dependents and to examine their luggage and vehicles, and to seize articles pursuant to such laws and regulations.

2. (a) The temporary importation and the re-exportation of service vehicles of a force or civilian component under their own power shall be authorized free of duty on presentation of a triptyque in the form shown in the Appendix to this Agreement.

(b) The temporary importation of such vehicles not under their own power shall be governed by paragraph 4 of this Article and the re-exportation thereof by paragraph 8.

(c) Service vehicles of a force or civilian component shall be exempt from any tax payable in respect of the use of vehicles on the roads.

3. Official documents under official seal shall not be subject to customs inspection. Couriers, whatever their status, carrying these documents must be in possession of an individual movement order, issued in accordance with paragraph 2 (b) of Article III. This movement order shall show the number of despatches carried and certify that they contain only official documents.

4. A force may import free of duty the equipment for the force and reasonable quantities of provisions, supplies and other goods for the exclusive use of the force and, in cases where such use is permitted by the receiving State, its civilian component and dependents. This duty-free importation shall be subject to the deposit, at the customs office for the place of entry, together with such customs documents as shall be agreed, of a certificate in a form agreed between the receiving State and the sending State signed by a person authorized by the sending State for that purpose. The designation of the person authorized to sign the certificates as well as specimens of the signatures and stamps to be used, shall be sent to the customs administration of the receiving State.

5. A member of a force or civilian component may, at the time of his first arrival to take up service in the receiving State or at the time of the first arrival of any dependent to join him, import his personal effects and furniture free of duty for the term of such service.

6. Members of a force or civilian component may import temporarily free of duty their private motor vehicles for the personal use of themselves and their dependents. There is no obligation under this Article to grant exemption from taxes payable in respect of the use of roads by private vehicles.

7. Imports made by the authorities of a force other than for the exclusive use of that force and its civilian component, and imports, other than those dealt with in paragraphs 5 and 6 of this Article, effected by members of a force or civilian component are not, by reason of this Article, entitled to any exemption from duty or other conditions.

8. Goods which have been imported duty-free under paragraphs 2 (b), 4, 5 or 6 above:

(a) may be re-exported freely, provided that, in the case of goods imported under paragraph 4, a certificate issued in accordance with that paragraph, is presented to the customs office: the customs authorities, however, may verify that goods re-exported are as described in the certificate, if any, and have in fact been imported under the conditions of paragraphs 2 (b), 4, 5 or 6 as the case may be;

(b) shall not normally be disposed of in the receiving State by way of either sale or gift: however, in particular cases such disposal may be authorized on conditions imposed by the authorities concerned of the receiving State (for instance on payment of duty and tax and compliance with the requirements of the controls of trade and exchange).

9. Goods purchased in the receiving State shall be exported therefrom only in accordance with the regulations in force in the receiving State.

10. Special arrangements for crossing frontiers shall be granted by the customs authorities to regularly constituted units or formations, provided that the customs authorities concerned have been duly notified in advance.

11. Special arrangements shall be made by the receiving State so that fuel, oil and lubricants for use in service vehicles, aircraft and vessels of a force or civilian component, may be delivered free of all duties and taxes.

12. In paragraphs 1-10 of this Article,

"duty" means customs duties and all other duties and taxes payable on importation or exportation, as the case may be, except dues and taxes which are no more than charges for services rendered;

"importation" includes withdrawal from customs warehouses or continuous customs custody, provided that the goods concerned have not been grown, produced or manufactured in the receiving State.

13. The provisions of this Article shall apply to the goods concerned not only when they are imported into or exported from the receiving State but also when they are in transit through the territory of a Contracting Party, and for this purpose the expression "receiving State" in this Article shall be regarded as including any Contracting Party through whose territory the goods are passing in transit.

Article XII

1. The customs or fiscal authorities of the receiving State may, as a condition of the grant of any customs or fiscal exemption or concession provided for in this Agreement, require such conditions to be observed as they may deem necessary to prevent abuse.

2. These authorities may refuse any exemption provided for by this Agreement in respect of the importation into the receiving State of articles grown, produced or manufactured in that State which have been exported therefrom without payment of, or upon repayment of, taxes or duties which would have been chargeable but for such exportation. Goods removed from a customs warehouse shall be deemed to be imported if they were regarded as having been exported by reason of being deposited in the warehouse.

Article XIII

1. In order to prevent offences against customs and fiscal laws and regulations, the authorities of the receiving and of the sending States shall assist each other in the conduct of enquiries and the collection of evidence.

2. The authorities of a force shall render all assistance within their power to ensure that articles liable to seizure by, or on behalf of, the customs or fiscal authorities of the receiving State are handed to those authorities.

3. The authorities of a force shall render all assistance within their power to ensure the payment of duties, taxes and penalties payable by members of the force or civilian component or their dependents.

4. Service vehicles and articles belonging to a force or to its civilian component, and not to a member of such force or civilian component, seized by the authorities of the receiving State in connexion with an offence against its customs or fiscal laws or regulations shall be handed over to the appropriate authorities of the force concerned.

Article XIV

1. A force, a civilian component and the members thereof, as well as their dependents, shall remain subject to the foreign exchange regulations of the sending State and shall also be subject to the regulations of the receiving State.

2. The foreign exchange authorities of the sending and the receiving States may issue special regulations applicable to a force or civilian component or the members thereof as well as to their dependents.

Article XV

1. Subject to paragraph 2 of this Article, this Agreement shall remain in force in the event of hostilities to which the North Atlantic Treaty applies, except that the provisions for settling claims in paragraphs 2 and 5 of Article VIII shall not apply to war damage, and that the provisions of the Agreement, and, in particular of Articles III and VII, shall immediately be reviewed by the Contracting Parties concerned, who may agree to such modifications as they may consider desirable regarding the application of the Agreement between them.

2. In the event of such hostilities, each of the Contracting Parties shall have the right, by giving 60 days notice to the other Contracting Parties, to suspend the application of any of the provisions of this Agreement so far as it is concerned. If this right is exercised, the Contracting Parties shall immediately consult with a view to agreeing on suitable provisions to replace the provisions suspended.

Article XVI

All differences between the Contracting Parties relating to the interpretation or application of this Agreement shall be settled by negotiation between them without recourse to any outside jurisdiction. Except where express provision is made to the contrary in this Agreement, differences which cannot be settled by direct negotiation shall be referred to the North Atlantic Council.

Article XVII

Any Contracting Party may at any time request the revision of any Article of this Agreement. The request shall be addressed to the North Atlantic Council.

Article XVIII

1. The present Agreement shall be ratified and the instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which shall notify each signatory State of the date of deposit thereof.

2. Thirty days after four signatory States have deposited their instruments of ratification the present Agreement shall come into force between them. It shall come into force for each other signatory State thirty days after the deposit of its instrument of ratification.

3. After it has come into force, the present Agreement shall, subject to the approval of the North Atlantic Council and to such conditions as it may decide, be open to accession on behalf of any State which accedes to the North Atlantic Treaty. Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America, which shall notify each signatory and acceding State of the date of deposit thereof. In respect of any State on behalf of which an instrument of accession is deposited, the present Agreement shall come into force thirty days after the date of the deposit of such instrument.

Article XIX

1. The present Agreement may be denounced by any Contracting Party after the expiration of a period of four years from the date on which the Agreement comes into force.

2. The denunciation of the Agreement by any Contracting Party shall be effected by a written notification addressed by that Contracting Party to the Government of the United States of America which shall notify all the other Contracting Parties of each such notification and the date of receipt thereof.

3. The denunciation shall take effect one year after the receipt of the notification by the Government of the United States of America. After the expiration of this period of one year, the Agreement shall cease to be in force as regards the Contracting Party which denounces it, but shall continue in force for the remaining Contracting Parties.

Article XX

1. Subject to the provisions of paragraph 2 and 3 of this Article, the present Agreement shall apply only to the metropolitan territory of a Contracting Party.

2. Any State may, however, at the time of the deposit of its instrument of ratification or accession or at any time thereafter, declare by notification given to the Government of the United States of America that the present Agreement shall extend (subject, if the State making the declaration considers it to be necessary, to the conclusion of a special agreement between that State and each of the sending States concerned), to all or any of the territories for whose international relations it is responsible in the North Atlantic Treaty area. The present Agreement shall then extend to the territory or territories named therein thirty days after the receipt by the Government of the United States of America of the notification, or thirty days after the conclusion of the special agreements

if required, or when it has come into force under Article XVIII, whichever is the later.

3. A State which has made a declaration under paragraph 2 of this Article extending the present Agreement to any territory for whose international relations it is responsible may denounce the Agreement separately in respect of that territory in accordance with the provisions of Article XIX.

In witness whereof the undersigned, being duly authorised by their respective Governments, have signed the present Agreement.

Done in London this ———— day of ————, in the English and French languages, both texts being equally authoritative, in a single original which shall be deposited in the archives of the Government of the United States of America. The Government of the United States of America shall transmit certified copies thereof to all the signatory and acceding States.

For Belgium

For France

For Luxembourg

For Portugal

For Canada

For Iceland

For The Netherlands

For the United Kingdom of Great Britain and Northern Ireland

For Denmark

For Italy

For Norway

For the United States of America.

APPENDIX

Country Ministry of Service

TRIPTYQUE*

Valid from To

for temporary importation to

of the following service vehicle

Type

Registration Number Engine Number

Spare tyres

Fixed Communication Equipment

Name and signature of the holder of the triptyque

.....

Date of issue By order of

.....

TEMPORARY EXITS AND ENTRIES

Name of Port or Customs Station	Date	Signature and Stamp of Customs Officer
Exit		
Entry		
Exit		
Entry		
Exit		
Entry		
Exit		
Entry		

*This document shall be in the language of the sending State and in the English and French languages.

THE SENATE

Wednesday, June 20, 1951

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

Prayers and routine proceedings.

STAFF OF THE SENATE

REPORT OF CIVIL SERVICE COMMISSION—REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to present a report of the Civil Service Commission with respect to changes of the rates of compensation of permanent employees of the Senate.

Hon. Mr. Lambert: I move that this report be referred to the Standing Committee on Internal Economy and Contingent Accounts.

The motion was agreed to.

EXCISE TAX BILL

THIRD READING

Hon. Mr. Hugessen moved the third reading of Bill 294, an Act to amend The Excise Tax Act.

Hon. R. B. Horner: Honourable senators, there are a few remarks that I wish to make before this bill is read the third time. There were some very fine speeches made on the second reading of the bill, and it was partly because of the excellent explanation of it by the honourable senator from Toronto (Hon. Mr. Hayden) that I did not rise to speak at that time. While I agree with some of his remarks, there was a certain angle of the question which he entirely failed to touch upon. It is true that, while no one likes paying taxes, the government must have money to carry on its business. But we must be very careful to see that the taxpayers are entirely satisfied with what they are getting for their money. They must be assured that the methods by which they are being taxed are not having the very opposite effect to that which is intended.

As to all this business of planning, I think we will soon be as bad as Russia, with her five-year plan. We have a three-year plan—and it may be extended to five years. I do not want a dictator whether his name is Stalin or Howe. This system is objectionable to me. Let me refer back a few years to a time when we attempted a certain plan with the object of cutting down the cost of living. At that time No. 1 dairy butter was selling at 32 cents a pound, and a small subsidy was being paid to the dairy producers. Honourable senators who were here then will recall that I said this was foolish, and that the plan should not have been attempted at anything less than 60 cents a pound. Instead of reducing the cost of living, it resulted in a shortage of beef cattle and butter production, a situation that in a country like this is simply ridiculous. This was a direct result of the government's interference in setting a price so low that people were forced out of dairy production and the cattle industry in many parts of the country.

Honourable senators will remember that when the question of margarine came up we were told in this chamber that the world was so desperately short of oils that the lifting of the ban on the manufacture and sale of margarine would not make any difference. It was said that our quota of the world's oils would be insufficient to enable our margarine production to amount to anything. But what happened? Fifty million pounds of margarine came on the market, and although parts of the world are starving today there is no sign yet of any oil shortage, and our butter production has been lowered tremendously. Yet we hear a great deal about the protection of our native industries.

Surely anyone who is at all acquainted with Canada and our dairy industry must realize that a country like this is in a sad position when it imports vegetable oils. The situation is most ridiculous and uneconomic. Instead of depriving other parts of the world of vegetable oils, we should be producing a sufficient quantity of butter for our own needs and a surplus for export. Some of the oils that enter into the manufacture of margarine are imported duty free. Others—inedible oils that have to be processed here—are subject to a duty of 10 per cent.

This whole question reminds me of what happened a few years ago when there was an outcry against the high cost of binder twine. We had a factory at Portage la Prairie—honourable senators from Manitoba will recall this—but the duty was taken off, and imported twine flooded the market; so our local product could not be sold profitably and the factory had to shut down. Now the price is three times as high as it ever was before in this country. I just mentioned this to illustrate what happens sometimes.

A lot of people wonder where our tax money goes. I have complained before, and I still complain, that in my opinion an awful lot of the money spent on our so-called defence preparation is largely wasted. I was not one of the members of parliament to make the trip to Churchill in Northern Manitoba, but some who did have told me of the enormous sums of money that are being spent up there. I may be wrong, but I am not satisfied that

there is any necessity for all that expenditure. I understand that instead of training men to withstand the climate, the government has built underground tunnels from building to building and installed every kind of modern convenience that one could think of. I noticed the same kind of thing on my trip to Petawawa. Sods were being trucked fifty miles or so to beautify the homes, and running water systems were being installed and so on. Well, that is not my idea of what should be done to aid in the defence of this country.

Really necessary conveniences in farm homes today are taxed, and as I said before, one of the regrettable trends in this country is the movement of people from the farms to the cities. That movement will become more serious than it is if something is not done to retard it. Part of the reason for it is that farms lack modern conveniences, and young people refuse to stay. Some families who procured refrigerators and so on before the heavy tax was imposed were fortunate, but anyone who wishes to buy necessities of that kind now has to pay the higher tax.

I am very much concerned about these questions of taxation and defence. And what I think is a more important matter is the moral and spiritual condition, if you like, of the people, and their ideals. We must be careful about this, above all, if we are to win the so-called cold war. In other words, we should be most careful to first cast out the beam out of our own eye before we try to pull the mote out of our brother's eye. I believe that we have in this country much evidence of, shall I say, unfair business ethics. We must live with one another and set an example of what a freedom-loving country can accomplish. If this end is attained it will obviate the necessity of a shooting war. Our actions of fair policy and good government should spread throughout the world.

We hear the question raised, even in this chamber, what policies would be most advantageous in the winning of an election. I am alarmed that in these serious times the government should consider such a question. The subject of maintaining a certain party in power forever sometimes crops up even in this chamber. Surely this is a situation against which we should protect ourselves.

I re-emphasize my earlier remarks, that we should see that the levy of taxation falls fairly on all the people of this country. Many of the recent moves by the government have served to increase rather than to decrease the cost of living in Canada. For instance, I think that some method other than the raising of money by an increase of 25 per cent in sales tax should be considered. It is all very well to say that the people do not see that tax. That may be true, but such a tax bears heaviest on the people who are in the lower income brackets, and they can least afford it.

I have made these observations because, with all due respect for the excellent speech made by the senator from Toronto (Hon. Mr. Hayden), I was not at all satisfied that he had covered this particular angle of the question. For my part, I do not like to pay taxes, but I do not mind paying them if I am getting value for my money. That theory is, I believe, shared by many other Canadians.

The Hon. the Speaker: Honourable senators, the question is on the motion of Honourable Senator Hugessen for the third reading of this bill, as amended. Is it your pleasure to carry the motion?

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

PRIVATE BILL

COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill E, an Act respecting British Columbia Telephone Company.

Hon. Mr. Reid: Honourable senators, on behalf of the senator from Kootenay East (Hon. Mr. King) I move concurrence in the amendment.

The motion was agreed to, and the amendment was concurred in.

PRIVATE BILL

SECOND READING

Hon. Norman P. Lambert moved second reading of Bill W-12, an Act respecting the Trust and Loan Company of Canada.

He said: Honourable senators, this bill affects two of the oldest financial institutions in Canada, the Trust and Loan Company of Canada, and the Canada Permanent Mortgage Corporation. The bill, although it is entitled "an Act respecting the Trust and Loan Company of Canada", is presented on behalf of the shareholders and boards of directors of both parties to the agreement, which is published as schedule II to the bill. Parliament is asked to agree to the reorganization of the capital of The Trust and Loan Company of Canada. It is asked to agree also to the transfer of the company's head office from London, England, to Canada; to the alteration of its investment objects and powers; and to the sale to Canada Permanent

Mortgage Corporation of its assets in Canada, which are comprised in its present business of a mortgage loan company.

It is interesting to note that, by an Act of the Province of Canada, the Trust and Loan Company was incorporated in 1843 with the object of lending British capital for the development of Canadian farm lands. The legal office, in Kingston, of the first Prime Minister of this country, John A. Macdonald, was charged with the duty of drafting the papers of incorporation of the Trust and Loan Company, and for a time the head office of the company was in Kingston. Its business tended, however, to follow the western trend of Canadian development, and at the present time its assets are represented largely by substantial holdings in mortgages, agreements for sale and farm properties in the prairie provinces. Its offices in Winnipeg and Regina have been established for a considerable period.

The capital stock of the company has been owned almost exclusively in the United Kingdom. The old country shareholders are now anxious to enlarge the field of their Canadian investments so that they can participate in the mining and industrial expansion of this country. Into this field British investors, because of present circumstances and policies, including emergency control regulations in Great Britain, find it difficult to enter, and the company has arranged to sell its entire holdings of Canadian assets to Canada Permanent Mortgage Corporation.

The terms of the agreement of sale are annexed as Schedule II of the bill. They have been approved by the shareholders of the Trust and Loan Company in England as well as by the shareholders of the Canada Permanent Mortgage Corporation. Also bylaws have been passed in virtue of which, subject to approval by parliament, the name of the company will be changed to "Trust and Loan Investment Company of Canada, Ltd.," the head office may be transferred to Toronto, and the corporate objectives and powers will be altered to bring the company for all practical purposes under the provisions of the Canadian Companies Act of 1934.

If this bill is enacted, the company will receive in Canada a cash consideration of seven and a quarter million dollars, which will be available to it for diversified investment in Canadian enterprises. The money will be made available by Canada Permanent Mortgage Corporation, which, as I have stated, will take over the assets.

So far as the Canada Permanent Mortgage Corporation is concerned, that company is subject to the Loan Companies Act of this country, and it has received from Treasury Board the certificate of approval necessary to the purchase of the Trust and Loan Company's assets. Because it is not clear that the Trust and Loan Company has power under its act of incorporation to sell its Canadian assets, Canada Permanent Mortgage Corporation supports the bill. Without parliamentary approval, there would be some doubt as to the validity of the corporation's title to the assets to be purchased. All parties concerned have agreed to the transaction, and in order to make the new status of both companies clear and legally defensible it is necessary that parliament shall give consent.

Hon. Mr. Roebuck: I understand that the shareholders of both companies have consented. Where is the doubt?

Hon. Mr. Lambert: That is correct. The shareholders and boards of directors in both the United Kingdom and Canada have agreed; so have the Treasury Board and the officials of the departments concerned.

Hon. Mr. Roebuck: Wherein lies the doubt?

Hon. Mr. Lambert: The Trust and Loan Company was incorporated in 1843 under the old Province of Canada, and it has not been subject to the Loan Companies Act, the Companies Act, or any other legislation passed since confederation. For that reason the officers of the Canada Permanent Mortgage Corporation have some doubt as to the validity of their title to any assets which they may take over from the Trust and Loan Company.

Hon. Mr. Roebuck: As to the power of the vendors to sell?

Hon. Mr. Lambert: That is correct.

I will not take up the time of the house with references to the individual clauses, of which there are eleven. The matters dealt with in the sections are of a technical nature, and are framed for the purpose of enabling the new company to adjust itself to the requirements of the Companies Act. If there are any questions regarding the legality or validity of the bill, its relation to the agreements and the plan of recapitalization, or other details, there will be ample opportunity to deal with them up in committee.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

SUSPENSION OF RULE

Hon. Mr. Lambert moved, with leave of the Senate, that Rule 119 be suspended in so far as it relates to this bill.

He said: The purpose of this motion is to dispense with the one-week delay imposed by the rule, and enable us to proceed with the examination of the bill as soon as possible.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS (QUEBEC RAILWAY, LIGHT AND POWER COMPANY) BILL

SECOND READING

Hon. J. G. Turgeon moved the second reading of Bill X-12, an Act respecting Canadian National Railways and to authorize the acquisition of the railway of the Quebec Railway, Light and Power Company.

He said: Honourable senators, this bill has been brought to parliament by the honourable the Minister of Transport. As honourable members know, some three or four years ago the Minister of Transport appeared before this chamber on two occasions to present legislation. On this occasion, however, he found it impossible to attend here, and the honour of presenting this bill has fallen to me.

It is my intention, owing to the urgency of the situation, to go a little deeper into the explanatory notes than I would otherwise do. This proposed legislation would authorize the purchase by the Canadian National Railways of the line of railway owned by the Quebec Railway, Light and Power Company, which is an electrically operated line running out of Quebec and through Montmorency, Ste. Anne de Beaupré and other points to St. Joachim, along the northern coast of the St. Lawrence river. Honourable senators will remember that in 1947 the government was authorized to purchase slightly over five miles of railway line running from St. Joachim to Cap Tourmente. That has been purchased, and the Canadian National Railways now operate the line from Cap Tourmente on to Nairn's Falls on Murray Bay.

I would point out here that the purchase price named in the bill—$750,000 for 25·75 miles of railway—will include all the operating facilities, electrical equipment and stores, which will enable the Canadian National Railways to administer and operate this to-be-acquired portion of the railways throughout the life of the present electrical equipment. I would point out also that while $750,000 is now being paid for this 25 miles of railway, the government in 1919 had to pay $3,400,000 for the 53 miles of railway running from Cap Tourmente to Nairn's Falls on Murray Bay. I am mentioning this fact just to make it plain that the Quebec Railway, Light and Power Company is not asking any exorbitant price for the railway and the facilities that are being sold.

I have here a statement of the net operating revenues of this Quebec Railway, Light and Power Company over a short period of years. From 1939 to 1948, both inclusive, the net operating revenue showed a loss in only one year, namely, 1939, when the loss was $50,355. Every year since then the net operating revenue has showed a profit.

Hon. Mr. Dupuis: Would the honourable senator be good enough to tell us what revenue is derived from the railway itself? What he is giving us is the revenue of the whole company.

Hon. Mr. Turgeon: What I am giving is the revenue of the Montmorency division of the Quebec Railway, Light and Power Company. That is what is being purchased. This company will continue to operate its buses. It is selling to the Canadian National Railways that line, of roughly 25 miles in length, which runs from Quebec City through Montmorency to Cap Tourmente. That sale, as I have already pointed out, will cover the equipment and the various other assets, and will include a portion of the railway station at the City of Quebec. Therefore the revenues, whether they show a profit or a loss, are the revenues derived from the operation of that particular piece of railroad. That is what I am giving.

Hon. Mr. Dupuis: Would the honourable member cite from the report of the Quebec Railway, Light and Power Company?

Hon. Mr. Turgeon: I do not happen to have that report, because what we are interested in here is the success or lack of success in the operation of the particular piece of railroad which is under consideration. We are not concerned, for instance, with what the Quebec Railway, Light and Power Company has been making in the last few years out of the operation of its bus service in the City of Quebec, because parliament has not been asked to authorize the purchase of that bus service. Parliament is only being asked to authorize the purchase of this particular piece of railroad which is approximately 25 miles in length.

Hon. Mr. Haig: Where does this 25 mile stretch of railway begin and end, and why is the Canadian National Railways buying it?

Hon. Mr. Turgeon: I am glad the leader of the opposition has asked that question. I would have come to it later, but possibly this is the proper time for it. The railway starts at Quebec City and runs in a northeasterly direction to Cap Tourmente. Between these points are such places as Montmorency and Ste. Anne de Beaupré. Some years ago, as I said before, the five mile stretch from St. Joachim to Cap Tourmente was acquired

by the C.N.R., and in 1919 the C.N.R. purchased the 63 miles of railway from Cap Tourmente to Nairn's Falls on the Murray river in the vicinity of Murray Bay. Under this proposed legislation the C.N.R. will be authorized to purchase the railway in question, and the headquarters of the C.N.R. at Quebec City will have complete control of this line. The Canadian National Railways now have absolute control over sixty-eight miles of the road, and it is important that the company be authorized to purchase the remaining twenty-five miles, so as to give it absolute control over the whole line running out of Quebec City into Murray Bay, on the north coast of the St. Lawrence river.

Hon. Mr. Reid: May I ask the honourable member a question? Do bus lines operate in the district traversed by the railway which it is proposed to purchase?

Hon. Mr. Turgeon: I imagine that bus lines are operating there. That is one reason why I mentioned the net operating revenue of the railway itself. As I say, in one year, 1939, the line operated at a loss, but in every other year, up to and including 1948, there was a net profit. In 1946 the net profit was $236,000; in 1947 it was $301,000; and in 1948, $230,996.

The bill does not propose anything novel, for in 1916 parliament passed a statute authorizing the government to purchase this piece of railway. However, the government did not act on that authority. After being incorporated, the Canadian National Railways entered into an arrangement for operating over this line. Though I have visited Quebec City, as I suppose most senators have, I am not familiar with the country through which the line runs, but I am informed that one of the reasons why the Canadian National finds it difficult to operate there to the best advantage is that the twenty-five miles section is electrically controlled and when passing out of this section it is necessary to change over to steam locomotives.

I am sure that all senators would be glad to see any proper steps taken to assist the Canadian National to acquire complete control over this line, so that thereby better passenger freight and passenger service may be given and the Canadian National be able to benefit from the operation.

On September 5, 1947, the Canadian National agreed to purchase the five miles of railway from St. Joachim to Cap Tourmente. The purchase was never properly concluded because the Quebec Railway Light and Power Company is not authorized by its charter to sell to the Canadian National Railways. That is why the present measure is necessary. One of the clauses in the company's charter says:

> The company may enter into an agreement with the Canadian Pacific Railway Company, the Lake St. John Railway Company, the North Shore Railway Company, the Quebec Street Railway Company or the St. John Street Railway Company or with any other electric railway company in the district of Quebec, for conveying or leasing to such company the railway of the company in whole or in part . . .

As the charter does not authorize any sale or lease to the Canadian National Railways, the purchase was never concluded. Section 4 of the bill ratifies and confirms this transfer, at $75,000. This amount, added to the $750,000 for the line of 25·75 miles from St. Joachim to Cap Tourmente, is the total expenditure authorized by this bill.

I am grateful to honourable senators for questions of the kind that have been asked, and if there are any more I shall do my best to answer them. I would urge the house to pass the measure as soon as possible, for I understand from the department that the minister regards it as a matter of urgency just now, I suppose largely because we appear to be coming to the end of the session.

Hon. Mr. Aseltine: I should like to ask the honourable gentleman a question. According to his statement the piece of railway which the Quebec Railway, Light and Power Company is proposing to sell has been operating at a profit of approximately $200,000 to $300,000 a year. If that is so, why is the company eager to sell, and at such a small price?

Hon. Mr. Turgeon: As my honourable friend knows, I could hardly answer that. On the other hand, I think the purchasing company realizes that this is an opportune time to take over the line. The vending company was willing to sell in 1947, which was one of its most profitable years. And, as I have already pointed out, away back in 1916 parliament authorized purchase of the line by the government. The operation of the line has been a conglomerate one. I am assuming, without any knowledge whatever of the facts, that the administrators of the line probably felt it would be wise to get out of the railway business altogether and devote their entire time and attention to other phases of their activities.

Hon. Mr. Aseltine: I think the company wants to get rid of the line.

Hon. Mr. Reid: May I ask if it is intended to refer this bill to a standing committee? If not, I think it should go at least to Committee of the Whole. In my opinion we should not pass this bill in a hurry simply because the minister wants to have that done. It is

time that the parliament of this country viewed with some alarm the acquiring of additional railway mileage, especially by the Canadian National Railways. I for one am not satisfied with the answers and explanation given this afternoon, and I think the bill should be dealt with in committee.

Hon. Mr. Turgeon: I have no objection whatever to having the bill sent to Committee of the Whole or to a standing committee, as honourable members desire. That is a matter purely for the house. I am calling the attention of the Senate to the urgency of the matter.

The senator from New Westminster (Hon. Mr. Reid) raised a question about the Canadian National Railways constantly acquiring new lines.

Hon. Mr. Reid: Yes.

Hon. Mr. Turgeon: I would point out that the acquisition of this line was commenced many years ago, and that this bill would bring about the purchase of the remaining twenty-five miles of railway. I imagine that this portion of the line, by reason of its proximity to the City of Quebec, would be most profitable, especially as it runs through the district I have mentioned, to Montmorency, St. Joachim and Ste. Anne de Beaupre. As this twenty-five-mile section passes through the most heavily populated area on the sixty-eight miles of line, it would seem to be to the advantage of the Canadian National Railways to acquire it.

Hon. Mr. Horner: The senator from Cariboo (Hon. Mr. Turgeon) mentioned the purchase of part of the buildings and lands which are to be acquired. I should just like to mention that my experience in shipping over this particular line would prompt me to believe that its ownership by the Canadian National Railways would be advantageous to shippers.

Hon. Mr. Turgeon: Honourable senators, I may say that I am not quite sure what part of the railway depots and lands are to be acquired. My information is that there are two stations, one of which is owned and operated by the Canadian National Railways and one that can be abandoned. The money spent in this will result in an absolute saving in the railway operation.

Hon. Mr. McDonald: Honourable senators, would it not be wise to refer this bill to the Standing Committee on Transport and Communications where all interested bodies could appear and ask questions?

Hon. Mr. Turgeon: I have no objection to that suggestion, but I should like to hear what the honourable acting leader has in mind.

Hon. Mr. Hugessen: Certainly there is no objection to this bill being referred to a committee. The only question is one of the time involved. Except for a measure which will be dealt with in a few minutes, this is the last bill to originate in this house this session; therefore it is desirable that it be given consideration in the other place as soon as possible.

Normally, a bill of this character would be referred to the Standing Committee on Transport and Communications; but as the Standing Committee on Banking and Commerce has already agreed to meet tomorrow morning at 10.30, I would suggest in the interests of expediency, and to allow full representation by all interested parties, that this measure be considered by the Banking and Commerce Committee when it meets tomorrow morning.

Hon. Mr. Isnor: Honourable senators, I have two questions I should like to ask the senator from Cariboo (Hon. Mr. Turgeon). First, was this bill introduced at the request of the Canadian National Railways?

Hon. Mr. Turgeon: The bill was definitely introduced at the request of the Canadian National Railways, following a discussion of the whole problem at a meeting of the directors of the company.

Hon. Mr. Isnor: Second, is the honourable senator in a position to make a comparison between the price paid under the 1947 agreement in the acquisition of approximately five miles of railway and the cost of this twenty-five mile stretch of line?

Hon. Mr. Turgeon: The 1947 agreement, as I understand it, called for the purchase of 5·8 miles at a price of $75,000; by the present legislation 25·75 miles would be acquired for $750,000. Therefore, the amount per mile to be paid under this bill is slightly higher than the amount paid in 1947, but it is less than the cost per mile in the purchase of sixty-three miles of line in 1919. I would point out that the acquisition of the remaining twenty-five miles of railway track includes all the electrical equipment and devices which are on hand. I assume that at the time of the sale of five miles odd, the company kept a good deal of its equipment; but with the disposal of the last twenty-five miles of line the company will have no further need for this equipment.

Hon. Mr. Crerar: May I ask my honourable friend whether the railway being purchased is standard gauge or not?

Hon. Mr. Bouffard: Exactly.

Hon. Mr. Turgeon: I understand it is exactly the same as that purchased previously.

Hon. Mr. Crerar: I presume it is the intention of the Canadian National Railways to operate this section of the line as a steam railway?

Hon. Mr. Turgeon: I am glad my friend asked that question. The intention, as I understand it, is to operate the line electrically during the lifetime of the equipment which is now being purchased; but when that is no longer useful the line will be operated as a steam railway. Therefore, within a short time the newly acquired line will be operated by steam, either diesel or coal engines.

Hon. Vincent Dupuis: Honourable senators, before the bill dealing with the Quebec Railway Light and Power Company is referred to a committee, I should like to make a few observations. As I am not a member of the committee to which it is proposed to refer the bill, I fear that I will not be able to put the questions I have in mind.

Hon. Mr. Aseltine: Why not?

Hon. Mr. Dupuis: I know from experience that senators who are not members of a committee are allowed to ask questions only as a matter of charity.

Some Hon. Senators: No, no.

Hon. Mr. Turgeon: May I be allowed to interject the comment that I too am not a member of the committee to which this bill will likely be referred.

Hon. Mr. Dupuis: The bill will be referred to the Banking and Commerce Committee, of which I am not a member. I do not say that the members of the committees to which I belong are not courteous, but the fact is that those who are not members of a committee find it difficult to enter into any debate in that committee. I am a little shy by reason of the fact that I was once told that because I was not a member of a certain committee I had no right to suggest anything there; that I could merely state my views. I think that is the correct attitude to take according to the rules of parliament.

In any event, I must give my reasons for saying that this important bill should be discussed in a little more detail before it goes to committee. For instance, we should know the state of repair of the track. Is it in as good order as any other railway? Is the line to be operated by steam? There are many important and interesting details of which we know nothing.

The bill is desired by the authorities of the Canadian National Railway, and it is important that the representatives of the Canadian people shall discover whether the railway is justified in attempting to acquire another piece of railroad, particularly in the light of the fact that the general operations of the Canadian National Railways for the last fiscal year resulted in a heavy deficit, which must be met by the taxpayers. Although the road, compared with the whole Canadian National Railway System, is very small, we are entitled, I think, to know more about the purpose of the bill. May I suggest that it would be very enlightening and very interesting to have the views of the honourable member from Grandville (Hon. Mr. Bouffard) on this matter. I do not suggest that he is bound to speak, but I should be very glad to hear from him or any other honourable senator from Quebec. I do not think the bill should be allowed to pass until we know more about the details.

The Hon. the Speaker: Honourable senators, is it your pleasure—

Hon. Mr. Dupuis: Before the motion is put, I would like to know whether the honourable senator from Grandville (Hon. Mr. Bouffard) will be good enough to let us have his views.

The Hon. the Speaker: I believe the honourable member from Grandville has already understood what has been asked of him, and I am not going to urge him to speak. The request has already been made.

Hon. Mr. Dupuis: I thought he had not had time to respond to it.

Hon. Mr. Quinn: I think the honourable member from Rigaud (Hon. Mr. Dupuis) is within his rights in asking for more information, and he should be assured of the privilege and the honour of appearing before whatever committee this bill is referred to.

Hon. Mr. Dupuis: I know that I can do so.

Hon. Mr. Quinn: I feel certain that if the honourable senator attends before the committee he will receive every consideration, and I think he should be told by the acting leader of the government (Hon. Mr. Hugessen) that this opportunity will be afforded him.

Hon. Mr. Beaubien: Well, he ought to know it by now.

Hon. Mr. Quinn: Well, let him be assured of it.

Hon. Mr. Dupuis: I protest against these remarks. I made the statement as clearly as I could that a senator who attends a committee of which he is not a member is assured of a courteous reception. But he cannot make suggestions nor impose his views in committees to which he does not belong.

Hon. Mr. Quinn: Oh, yes, you can. You can do everything but vote.

The Hon. the Speaker: I may remind honourable senators that they should not be shy about exercising their rights. Any honourable senator is entitled to be present at the sessions of any committee; the only right he does not enjoy is that of voting. He can appear and he may ask witnesses as many questions as he wants to ask.

Hon. Mr. Dupuis: I have already said that.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Turgeon: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

SUPREME COURT BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill Y-12, an Act to amend the Supreme Court Act.

He said: Honourable senators, this is a very short and simple bill. It deals with a subject which was first brought into the Supreme Court Act in 1949, by amending legislation which allowed appeals to the Supreme Court to be made by leave *in forma pauperis*. As all honourable senators know who are members of the legal profession, an appeal *in forma pauperis* is an appeal by a person who is able to show that he has not the means to take an appeal which otherwise he would be entitled to take. In the case of the Supreme Court, under ordinary circumstances an appellant has to deposit $500 as security for costs in appeal. As I have said, in 1949 an amendment was made to permit appeals *in forma pauperis* by leave of the Supreme Court itself. The two amendments contained in the present bill are simply consequential on that. They allow a judge of the Supreme Court to grant a delay beyond the usual point of sixty days where an appeal is being made *in forma pauperis*, and they also permit the Supreme Court to allow a respondent to defend *in forma pauperis*.

As I have said, the changes are very small, and it does not seem to me necessary that the bill be referred to a standing committee, although it can go there if any honourable senator so desires.

Hon. Mr. Aseltine: Is not section 1 rather wide? It provides that on an application for leave to appeal *in forma pauperis*, a Supreme Court judge may allow an appeal by giving the applicant leave to serve notice of appeal although the time prescribed by section 64 has expired. There is no limit. A person would never know when his litigation was ended. Application for leave to appeal might be made months and months after the time prescribed by the section had expired.

Hon. Mr. Hugessen: I think we can properly leave questions of that kind to be decided by judges of the Supreme Court. Obviously in cases of that kind they would not allow an unreasonable delay.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Hugessen: Now.

Hon. Mr. Roebuck: I suggest that the bill should go to committee. I do not quite understand it and its full significance. I think some explanation may be required as to why there is no time limit and why the respondent as well as the plaintiff may defend *in forma pauperis*.

Hon. Mr. Hugessen: Honourable senators, under the circumstances I am only too willing to refer the bill to committee. This is the very last of the bills being introduced in the Senate this session, and I think it is rather urgent that it go to the other place as soon as possible. However, I move that the bill be referred to the Standing Committee on Banking and Commerce which, as I have said, is to meet tomorrow morning. I shall see to it that the officials of the Department of Justice are available in committee to give any necessary explanations.

The motion was agreed to.

EMERGENCY GOLD MINING ASSISTANCE BILL

SECOND READING

Hon. Thomas Reid moved the second reading of Bill 194, an Act to amend the Emergency Gold Mining Assistance Act.

He said: Honourable senators, perhaps it would be advisable to take a minute or two to outline the basis of the Emergency Gold Mining Assistance Act of 1947, and the reasons for the amendments sought in the bill now before the house.

Honourable senators will recall that the reason for introducing the original Act in December, 1947, was to assist the primary gold producers in meeting the increased cost of production of gold. After experiencing a very difficult period during the last war they

faced a major reconstruction job, including the recruitment of working forces, the rehabilitation of mining and milling plants, the development of new ore reserves and the restoration of efficient capacity operation. Wages and other costs of production had risen very substantially. It was hoped that at the end of the three-year assistance period —that is, at the end of 1950—more normal operating conditions and costs would be experienced by the gold operators.

The payment of cost-aid has been of great assistance to the operators and has most satisfactorily served the purpose for which it was chiefly designed. As evidence of this I shall give you briefly the figures of production for the past three years. In 1947 the gold production was 2,773,104 ounces; in 1948 it was 3,159,934 ounces; in 1949 it was 3,662,766 ounces, and in 1950 it was 3,874,523 ounces. The total assistance given during the period 1948-1950 was as follows. In 1948 it was $10,520,322; in 1949 it was $12,557,322, and in 1950 it dropped to $7,176,140, a total of $30,253,785. The estimate of assistance to be given during the current year is $10,500,000.

All the major gold mines got a new lease on life and were able to increase their tonnage and to process less valuable ore. Prospects which were not operating at the price of $20.67 came into commercial production and became the employers of people who at that period could not find other employment owing to world economic conditions. The mines were rehabilitated and restored to efficient operation, and many of the high-cost mines, which would have been compelled to close but for the assistance rendered by the government to the gold mining industry, were put into production. However, because of a certain amount of inflation, the gold mining industry is again experiencing difficulty because of higher costs of supplies, labour and other services required for the production of gold, while the price of the product remains the same as it was in 1947.

I should like to make a personal observation here. I know there are those who claim that the production of gold is not as valuable as it was many years ago when gold was used as the basis for our currency. I know too that certain statements have been made about expending large sums of money to dig gold from the bowels of the earth only to transport it and bury it in the earth somewhere else. As is well known, the United States today controls and has in its vaults over 80 per cent of the world production of gold, apart from that held by Soviet Russia. No one can give the proper answer to why the United States is holding $22 billion worth of gold on the basis of $35 an ounce. She holds the amazing quantity of 600,000,000 ounces or, in broader terms, 20,000 tons of gold. In my opinion she would have done a greater service to the other nations of the world had she taken some of that gold and distributed it at the time when countries like Great Britain could not purchase United States or Canadian dollars and had to deal principally with sterling countries. In other words, the United States holds nearly all the chips, and I am one of those who believes that a redistribution—

Hon. Mr. Lambert: Is the honourable senator aware of the fact that just after the war the gold supply was much higher than $22 billion? It has been reduced to the extent of $6 or $7 billion during the last three or four years.

Hon. Mr. Reid: My figures may not be exact.

Hon. Mr. Lambert: They are accurate enough, but the amount has now been reduced.

Hon. Mr. Reid: It is quite possible that the United States has reduced its gold reserves by exportation to other countries.

I should like to indicate to the Senate the importance of the gold mining industry in the Canadian economy. This industry has been a pioneer in the development of Northern Canada. Owing to the fact that gold can be readily transported without the building of expensive railroads, gold mines have been established in the north country where few transportation facilities are available. In many cases the mining of gold has drawn attention to the areas in which the mines are situated, with the resultant discovery of commercial base metal and strategic mineral deposits which are essential for maintaining a high industrial economy as well as for defence production. This is particularly true in northwestern Quebec, British Columbia, Manitoba, Ontario and the Northwest Territories. Base metal mines, however, cannot operate without adequate transportation facilities. Consequently, further development has led to the settlement of communities around the mines in the north country, and the building of railroads in order to supply products, particularly those of the forest and agriculture, to these mining communities. Thus the growth of Canada's northern development has been dependent on the search for gold.

The gold mines now in operation give employment to about 23,000 people. In addition to employees and dependent communities directly supported by the gold mines, employment is sustained in cities and towns across Canada where machinery and supplies are

manufactured, and in areas where agricultural and forest products are grown. Many isolated centres are directly dependent upon one or two mines for existence.

Honourable senators will recall that in September 1949 steps were taken by the government to alter the value of the Canadian dollar in relation to the United States dollar. This action resulted in a change in the Royal Canadian Mint gold price from $35 to $38.50 a fine ounce, an increase of 10 per cent. As a result of this increase in price the government introduced legislation amending the Emergency Gold Mining Assistance Act, to provide that during the designated or calendar year 1950 the total amount of assistance payments paid to the operator of any mine would be reduced by an amount equal to the product of the number of ounces of gold to which the rate of assistance is applied and $3.50. This Act was approved by parliament and given Royal Assent on December 10, 1949.

On September 30, 1950, the Honourable the Minister of Finance announced that the official fixed rates of exchange were abolished, and that the rates would be determined by conditions of supply of and demand for foreign currencies in Canada. A direct result of this policy has been a reduction in the price paid by the Mint to the gold producers from the price of $38.50 established in September 1949. The minister also announced that the reduction in the assistance payment in respect of the designated year 1950 would not be applied in respect of gold produced and sold during the last quarter of 1950. Prior to September 30, when the official fixed rates of exchange were abolished, the discount on the Canadian dollar was 10 per cent, but after that date the discount fell to 5 or 6 per cent.

A gold mine is defined as one whose value of gold output during any designated year is 70 per cent or more of the total value of the mine's production. A mine that does not come within that definition is not eligible for assistance under the Act.

The necessary amendment to the Act to implement this announcement is contained in section 1 of the bill now before the Senate. Section 2 of the bill adds a new section to the Act and provides for assistance payments in respect of gold produced from the mines and sold in the year 1951. This section also implements the announcement made by the Minister of Finance in the House of Commons on March 9. The International Monetary Fund has been consulted about this and has raised no objection.

It is proposed that the rate of assistance in 1951 shall be one-half of the amount by which the average cost of production per ounce of gold produced from a mine and sold exceeds $22, provided that the maximum rate of assistance be $11.50. This maximum rate is applied when the cost of production of gold is $45 or more per ounce. The rate of assistance in 1951 will be applied in the case of an old mine to the number of ounces of gold by which the number of ounces produced from the mine and sold in the year 1951 exceeds one-half of the number of ounces produced in the new base year, which is the calendar year 1949.

Where a mine has been unable to increase its production in relation to its 1949 production, the rate of assistance will be applied to one-half the number of ounces produced and sold during the calendar or designated year 1951. I might say here that the Act as it now reads provides for assistance payments in respect of gold produced and sold up to the designated year 1950, and the new section 3A continues these assistance payments to the designated year 1951.

In the case of new mines coming into production on or after January 1, 1949, the base year means the first year of production as determined by the Department of National Revenue. The rate of assistance in 1951 will be applied to all the gold produced and sold from a new mine during that part of the designated year 1951 that is also part of its first year of production.

It is estimated that under section 1 of the bill the assistance payments to gold mines in respect of the designated year 1950 will increase from approximately $7,200,000, as now provided, to approximately $9,200,000, and that section 2 of the bill will mean an expenditure of approximately $10,500,000 in respect of the gold produced in the designated year 1951.

In conclusion, I wish to state that the effects of this bill, in brief, will be encouragement and assistance to the industry in meeting the rising costs of gold production and maintaining the dependent communities.

There are a number of points which could be better discussed and answered in committee, and if the motion for second reading is carried I shall move that the bill be referred to the Standing Committee on Banking and Commerce.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

CANADA-SWEDEN INCOME TAX AGREEMENT BILL

SECOND READING

On the Order:

Second reading of Bill 372, an Act respecting an income tax agreement between Canada and Sweden, signed at Ottawa on the sixth day of April, 1951.

Hon. Mr. Hugessen: Honourable senators, this bill and the next two following it on the order paper deal with tax agreements between Canada and other countries, and all the measures are of a similar nature. With the rush of work that usually comes towards the end of the session the Printing Bureau is getting a little behind in its work, and so far we have received the first two bills in the form only in which they were introduced and given first reading in the other house. I am informed, however, that no change was made in them.

Hon. Mr. Haig: I was in the gallery when the bills were dealt with, and I know there was no change.

Hon. Mr. Hugessen: We have the last of these three bills, in the form in which it passed the House of Commons, so that in effect there are before us current copies of all three bills as passed there.

Hon. Mr. Haig: There were four of these bills passed in the other house, were there not?

Hon. Mr. Hugessen: We have received only three.

Hon. Calvert C. Pratt moved the second reading of Bill 372, an Act respecting an income tax agreement between Canada and Sweden, signed at Ottawa on the sixth day of April, 1951.

He said: Honourable senators, the general purpose of this bill is to give effect to an agreement entered into between the Government of Canada and the Government of Sweden, and signed at Ottawa on April 6 this year. The purpose of the agreement is to avoid double taxation. This affects the field of dividends, royalty payments, trading profits and interest. It also establishes rules for reciprocal fiscal assistance in the matter of income tax collections. Similar reciprocal agreements have been in force between Canada and the United Kingdom, Canada and the United States, and Canada and New Zealand.

These agreements are not identical in their terminology, because existing laws in the field of taxation differ with each country; and while the purposes and results obtained run very much to a pattern—in fact, the objectives are the same—the rule of application necessarily varies considerably.

It may be useful if I make a brief comment on the various Articles:

Article I makes specific reference to respective taxes and provides for the inclusion of taxes which may be imposed at a future date.

Article II gives a general definition which I need not enlarge upon.

Article III covers taxing of commercial and industrial profits when they are owned by a permanent establishment in either country.

Article IV is for the purpose of preventing the shifting of profits as between assessable companies or persons in the two countries for the purpose of avoiding taxation.

Article V stipulates that profits on the operations of ships and aircraft shall be taxed only in the country of residence.

Article VI is a particularly important one. It confirms Canada's right, as at present existing, to withhold taxes, and Sweden agrees to similar procedure. A ceiling of 15 per cent is placed on the withholding tax on income flowing from Canada to Sweden. This ceiling is similarly placed by Sweden on incomes from Sweden to Canada. It also confirms our present law that dividends from a subsidiary company to a non-resident parent company are subject to a Canadian tax of 5 per cent.

Articles VII and VIII take care of certain exemptions.

Article IX has standard provisions in respect to government officials in either country.

Article X places the term of temporary residence which taxation does not apply at 183 days. Public entertainers are not included in this arrangement.

Article XI exempts for taxes at its source a pension or annuity paid under the terms of a contract.

Articles XII and XIII have special reciprocal provisions for those in educational work. This is for the purpose of fostering cultural interest between the two countries.

Article XIV provides that residents of both countries shall be exempt for taxes on capital gains.

Article XV is intended to provide similarity in procedure as between both countries in regard to the granting of tax credits.

Article XVI provides that each state will extend the same treatment to persons of the other state as it does to its own resident taxpayers.

Article XVII is intended to prevent double taxation on an estate, the beneficiaries of which are resident in Canada.

Article XVIII provides for exchange of information.

Article XIX makes provision whereby a taxpayer who considers that he has been subject to double taxation, may lay a claim against his government.

Article XX sets forth a previous agreement between Canada and Sweden in respect of shipping and aircraft and is superseded by this agreement.

The closing Article, XXI, provides for the termination of the agreement under certain conditions.

Honourable Senators will be interested in knowing that a bill giving effect to this agreement was ratified by the Parliament of Sweden on May 16 last.

It will be readily appreciated that agreements of this nature are made in pursuance of a wise policy to remove onerous restrictions on the investment of capital as between one country and another, by clarifying and simplifying taxation issues, and by preventing burdensome overlapping and duplication of taxation. Such an agreement makes its contribution to freer trade and extension of industry on an international scale.

Hon. Mr. Lacasse: I compliment my honourable friend on the clear explanation he has given us of this bill. As I understand it, its main purpose is to avoid duplication of taxation.

May I ask my honourable friend, first, what has been the arrangement between these countries heretofore? And second, what is the present state of affairs as between other countries respecting double taxation?

Hon. Mr. Pratt: In the matter of double taxation, there is an arrangement for tax credits. In the case of Canada, as we know, the domestic law provides for credits on taxes that are paid abroad. Heretofore Sweden did not have any system of extending tax credits to other countries. Under this agreement it would accomplish the same purpose by exempting from taxation incomes received by Swedish residents in Canada. Does that answer my friend's questions?

Hon. Mr. Reid: Honourable senators, I was just wondering whether in becoming a party to this agreement we are not getting the short end of the stick. I realize that many industrialists and wealthy people are leaving Great Britain and the United States, but I am wondering how many Canadians there are in the industrial field in Sweden. True, many Canadians have left established industries and are living in the old country, and in Australia and New Zealand. Have we any data as to how the reciprocal arrangement with Sweden will work out? I put that question to the honourable senator who explained the bill.

Further, there is in this country an ancient tax which some call "head tax" and others call "poll tax". When this treaty is in force, will the municipalities be able to impose a head tax as they have done in the past?

Hon. Mr. Pratt: I am not sure that I can answer the last question completely. I did, however, make inquiries as to the withdrawal of capital investments and whether this agreement would bear more favourably on the one country than the other. I received definite information that there was more Swedish capital invested in this country than there was Canadian capital invested in Sweden. Canada reserves the right to tax profits made in this country. For instance, the profits of a Swedish company operating in Canada will be properly taxed in Canada. We understand this to be the equitable practice. On the other hand, apart from an agreement the Swedish Government could tax profits made in this country without giving adequate credit for such taxes. This legislation is designed to create an equitable system as between the two countries.

Hon. Mr. Reid: What about poll taxes? The question is an important one, because the honourable senator has explained that the taxes to be imposed cannot be more onerous in one country than in the other.

Hon. Mr. Davis: We cannot deal here with legislation on other than Dominion matters. We have nothing to do with the operations of municipalities.

Hon. Mr. Reid: I did not say we had. The question still stands: municipalities and cities will go ahead with their taxing. My question is a perfectly legitimate one. Can a municipality impose a head tax on a Swede resident in this country if a like tax is not in force in Sweden? There is nothing wrong with a question of that kind, though perhaps I did not make it clear. I do not say that we have jurisdiction over the provinces. That is not the point.

Hon. Mr. Davis: I was just saying that it is not within our prerogative to deal with provincial or rural taxes. They have to be dealt with on another basis. The position is somewhat similar to legislation dealing with labour matters. Treaties which are made on a federal basis can be implemented on a provincial basis.

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

THIRD READING

Hon. Mr. Pratt moved the third reading of the bill.

He said: It is not my intention, unless it is the desire of honourable senators, to move the reference of this bill to committee. The agreement took quite a long time to negotiate. If honourable senators feel that there are matters in the bill which should be more clearly defined, by all means refer it to committee. But if any contemplated changes are merely of a minor character, I suggest consideration of the fact that this agreement has been negotiated and is the subject of a bill which was passed by the Parliament of Sweden. Any further change would involve the re-negotiation of the agreement.

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

CANADA-FRANCE SUCCESSION DUTY CONVENTION BILL

SECOND READING

Hon. Calvert C. Pratt moved the second reading of Bill 373, an Act respecting a Succession Duty Convention and Protocol between Canada and France, signed at Paris on the sixteenth day of March, 1951.

He said: Honourable senators, this bill covers the Succession Duty agreement entered into with the Government of the Republic of France. It is a result of negotiations which commenced in 1947, and it has particular regard to the avoidance of double taxation and the exchange of information and facts which may be useful in the prevention of evasion of taxation obligations.

The agreement now before you is very similar to conventions now in effect with the United States and the United Kingdom. With your permission I will make a brief reference to the various articles.

Hon. Mr. Aseltine: Is this bill exactly the same as the other one?

Hon. Mr. Pratt: No. This relates to succession duties. The other one deals with—

Hon. Mr. Aseltine: —income tax.

Hon. Mr. Crerar: It is similar in principle.

Hon. Mr. Pratt: There is a great deal of similarity, but it occupies a different field, namely succession duty collections.

Hon. Mr. Crerar: May I ask my friend if this bill embodies an arrangement similar to that which we have with Britain and the United States covering the matter of succession duties?

Hon. Mr. Pratt: Yes.

Hon. Mr. Crerar: Consequently, it is one that the house can accept, I would think, without any question.

Hon. Mr. Beaubien: Go ahead and explain it.

Hon. Mr. Roebuck: We would like to hear from the honourable senator.

Hon. Mr. Pratt: While I have not personally studied the other bills which the honourable senator has in mind, I am informed that they are substantially the same, though with certain variations to adapt them to the legislation existent in each country. I understand that these tax agreements are to synchronize to some extent with existing legislation in other countries; but if honourable members wish to have this bill stand to permit of further explanations—

Hon. Mr. Roebuck: No. Go ahead.

Hon. Mr. Beaubien: Go ahead and explain the bill.

Hon. Mr. Lambert: Go ahead.

Hon. Mr. Roebuck: Yes. We want to hear from you.

Hon. Mr. Pratt: I was about to give an explanatory note on each article.

Article I defines the duties and taxes to which the convention relates.

Article II, in the first paragraph, defines the geographical areas which the convention covers. The second paragraph determines the definitions of terms for purposes of interpretation.

Article III provides, in the first paragraph, for the establishment of the domicile of a deceased person. The second paragraph deals with the possibility of both countries claiming domicile, in which event the fiscal authorities will decide the issue by a special agreement.

Article IV provides that either country, in taxing the estate of a person domiciled in the other, will at least allow exemptions, debts and deductions, based on a ratio of the assets in the country in question to the assets wherever situated. Such proportionate allowances are now and always have been made by Canada under the terms of the Act, so that as far as Canada is concerned this article makes no change.

The essence of Article V is that on property taxed by both countries the country of domicile will allow a credit against its duty amounting to the lesser of its tax on such property and the tax of the other country on the same property. The second paragraph establishes that such credits will be allowed after all other credits to which the estate is entitled. This is all similar to the provisions in the United Kingdom and the United States treaties.

Article VI provides for a refund period of five years from the date of death, and for refunds without interest.

Article VII provides that the two countries undertake to exchange information so that each will be advised of the death of its domiciled decedents and of the composition of their estates. Furthermore, each country will be advised of the composition of estates of persons domiciled in the other country who have property situated in the first country. This is similar to the arrangements existing with the United States.

Article VIII provides for the extension of the agreement to overseas territories and defines the conditions upon which this may be done. A similar provision exists in the British agreement.

Article IX provides for the authenticity of the two texts, the effective date of the agreement, and its length of existence.

As to the protocol, the first three sections are self-explanatory and the fourth section outlines what assets each country respectively will expect to be informed of by the other.

Hon. Mr. Burchill: Was there any previous agreement between Canada and Sweden respecting succession duties?

Hon. Mr. Pratt: No, not to my knowledge. I cannot answer the question definitely, but my impression is that this is the initial agreement.

Hon. Mr. Roebuck: At all events, there is not now one in force.

Hon. Mr. Hugessen: No.

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

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

Hon. Mr. Hugessen: Tomorrow.

CANADA-FRANCE INCOME TAX CONVENTION

SECOND READING

Hon. Calvert C. Pratt moved the second reading of Bill 374, an Act respecting an Income Tax Convention between Canada and France, signed at Paris on the sixteenth day of March, 1951.

He said: Honourable senators, the principle of this bill has the same practical effect as the tax agreement bill to which we gave second reading.

In effect this bill is designed to approve an agreement entered into by the Government of Canada and the Government of the Republic of France for the avoidance of double taxation. It provides means for the two governments to co-operate in preventing the evasion of taxation on income. As I have pointed out, the principle of this bill, and the effect of the various articles, are very similar to those of Bill 372. Nevertheless I feel it might be useful to draw attention to Article VII, particularly paragraph 2 thereof, which has important implications that were not necessary in the other bill to which I have referred.

Under the French taxation system a threefold tax is imposed upon a French subsidiary company of a Canadian parent company. The subsidiary is first taxed on its industrial and commercial profits earned in France. The dividends paid by the subsidiary to the Canadian parent company are also subject to tax. In addition, France imposes a tax on a portion of the profits earned by the parent company through the medium of its subsidiary. The effect of Article VII of the proposed agreement is that a Canadian parent company will not be subject to tax on dividends which arise by reason of that company's participation in the profits of its French subsidiary.

There are a couple of minor factual differences between this bill and Bill 372, an Act respecting an Income Tax Agreement between Canada and Sweden. For instance, France has not agreed to exemption from taxation of teachers who are temporarily residing in that country. In the matter of the temporary period of residence the Swedish agreement provides for an exemption of a fixed period of 183 days, but France makes exemption only for an undefined period. This will be a matter for official discussion between the authorities of both countries. I am informed that these points were the subject of discussion, but no conclusion could be arrived at.

In view of the fact that the main features of this agreement have already been before this chamber in another bill, perhaps it will not be considered necessary to review the schedule of this bill item by item.

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

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

Hon. Mr. Hugessen: Tomorrow.

MANITOBA NATURAL RESOURCES TRANSFER BILL

SECOND READING

Hon. T. A. Crerar moved the second reading of Bill 385, an Act to vary the Manitoba Natural Resources Agreement.

He said: Honourable senators, the explanation to this bill is very simple. In 1879 the federal government set aside for school purposes sections 11 and 29 of each surveyed township in the Prairie Provinces. At that time the Dominion Lands Act clearly specified that these lands, known as school lands, were not subject to homesteading, and were to be utilized solely for the purposes of education. When the resources were transferred to the western provinces, the school lands fund which had been accumulated up to that date was also transferred to the provinces. In the transfer agreements covering Manitoba, Saskatchewan and Alberta, the provision in the Dominion Lands Act respecting the administration of these school lands was carried over to the provincial authorities.

One of the provisions was that the school lands fund was to be invested in Dominion Government securities. That brings us to the purpose of this bill and the two bills that are to follow it, which is to give the provinces of Manitoba, Saskatchewan and Alberta, respectively, the power to broaden the field of investment for these school lands funds. When this amendment to the transfer agreements is completed each of the provinces will have authority to invest these funds in not only Dominion Government securities but also in the securities of the province, or of a municipality or school district within the province. That is the sole purpose of the bill, and I think no exception can be taken to it.

I may say that the bills immediately following this one on the Order Paper—those intended to vary the agreements with Alberta and Saskatchewan—are identical in terms with the bill that I have explained.

Hon. Mr. Roebuck: May I ask one question? Apparently when these agreements were first entered into the Dominion authority required that these funds be invested exclusively in Dominion securities. Undoubtedly it was then and still is of advantage to the Dominion to have these moneys so invested. Why is this concession being made now? Is the federal government getting anything in return for the concession, or is there some compelling reason for the change?

Hon. Mr. Crerar: I think my honourable friend is under a misapprehension. The agreements as they now read require that the school lands funds be invested in Dominion Government securities. These capital funds are to remain intact, and the only change which the bills make is that each of the provinces which is now administering the funds, may invest them, as it sees fit, in securities not only of the Dominion but of the province or of any municipality or school district within the province.

Hon. Mr. Roebuck: My honourable friend has not quite understood my question. I appreciated what he told us in his explanation, that the original agreement required that the funds be invested in Dominion securities. My point is this. That requirement was no doubt of advantage to the Dominion, which was at that time transferring these resources and moneys to the province. Well, why is it proposed that the advantage be given up by the Dominion now? Does the Dominion get anything in return, or is there any compelling reason why it should make this concession?

Hon. Mr. Crerar: The only reason for the change is that the provinces now are responsible for administration of their respective funds, and can be depended upon, I think, to invest them in a way that will best serve the proper purposes and needs. The provinces have requested the federal government to have the change made, and I do not see any reason why the requests should be refused. The amendment simply broadens the field of investment for the funds.

Hon. Mr. Lambert: Is there any advantage to the Dominion Government in the requirement that these funds be invested in Dominion securities?

Hon. Mr. Howden: Originally the federal authority administered the natural resources for the provinces, or sold them and reinvested the funds. The school lands always belonged to the provinces, and when the natural resources were transferred from the Dominion the provinces assumed administration of these school lands along with administration of the other resources.

Hon. Mr. Beaubien: And why not?

Hon. Mr. Lambert: As to the point raised by the senator from Toronto-Trinity (Hon. Mr. Roebuck), I do not think there was any advantage to the Dominion in the investment of these funds in federal securities. It was at the time rather a question of the rate of interest. My own view is that—

Hon. Mr. Haig: I will answer that in a minute. I will explain what the advantage was.

Hon. Mr. Lambert: I know how you will explain it: you will point out that Dominion government bonds have declined on the market. We have passed this session bills authorizing various organizations to invest certain of their funds in securities yielding a higher return than is received from the securities now permissible as investments. One such bill, for instance, authorized a

change in the type of securities in which the United Church of Canada may invest its pension fund. I have no doubt that there is a similar explanation here. However, I think that when these original agreements required investment of the provincial funds in Dominion government bonds there was no particular advantage to the Dominion.

Hon. Mr. Haig: I am glad the senator from Toronto-Trinity (Hon. Mr. Roebuck) raised this point. My honourable friend from Ottawa (Hon. Mr. Lambert) thought I was going to explain it in one way, but I am going to say something else altogether. I will admit that the provinces have asked for this concession. Money in this country is getting tighter, surprisingly tighter. The provinces of Manitoba, Saskatchewan and Alberta know that they can get a higher yield if they invest their funds in other than Dominion securities. If we were acting in what we regarded as the best interests of the Dominion, we should not allow this bill to go through at all. However, we are supposed to represent the provinces, and the amendment may be a good thing for them. My own province of Manitoba has just floated in New York a bond issue of $10,400,000 at 3½ per cent, which is a higher rate than we have had to pay for some years. The province will have to pay the exchange in addition to that interest. I believe that at the present moment the discount on Canadian money in the United States is pretty close to 7 per cent. If you went to the bank tomorrow to buy United States dollars you would probably have to pay a premium of 7½ per cent.

Hon. Mr. Reid: It was 7 per cent last Saturday.

Hon. Mr. Aseltine: It was 7½ per cent on Friday.

Hon. Mr. Haig: The full value of the Manitoba issue in Canadian dollars at the present rate of exchange would be about $11,200,000, but the province is receiving only some $10,900,000. So the cost of the loan is more than $200,000, in addition to the exchange on the interest payments. I do not know whether anyone could tell exactly the net rate which the province will pay on this loan, but it will be quite a bit higher than Manitoba used to pay. Only about two and a half years ago the province sold an issue at, I think, 2¾ per cent, or at any rate a little under 3 per cent.

Hon. Mr. Aseltine: At par?

Hon. Mr. Haig: At par. That is why a desire has been expressed to have these bills passed promptly. It all comes about by reason of the fact that the Government of Canada is spending too much money; investors in government bonds are afraid of their securities and are demanding higher interest rates. The Dominion Government has now reached the stage—though Mr. Towers will not admit it—where it has not got enough money to liquidate the bonds, and as a result their market value has declined and the general rate of interest is going up. All the municipalities across Canada will be obliged to pay interest at higher rates than they have ever paid before. The Dominion has in the past sold some of its bonds at 2¾ per cent and some at 2⅞ per cent, but now the provinces know that their own bonds cannot be sold at less than 3½ per cent in New York, subject to exchange.

My honourable friend from Ottawa (Hon. Mr. Lambert) touched on the subject of securities the other day, but the illustration he offered was not as good as the one now before us. This is the first real evidence we have had that the investors cannot count on their securities. They feel that the old rates of interest are not sufficiently attractive for the risk they have to take. Surely this is a signal to the people of Canada that too much public debt is being incurred in view of the war situation. This measure is an indication from the provinces that they want to widen their investment field, because they are paying higher interest rates on their own securities.

Hon. Mr. Beaubien: Irrespective of the rate of interest, should not the provinces be allowed to administer funds from their own natural resources?

Hon. Mr. Haig: My friend from Toronto-Trinity (Hon. Mr. Roebuck) touched on business acumen. If I were in the place of the Dominion Government, and acting for myself, handing over the resources to the provinces, I would probably require them to invest in the securities I was selling. That, in effect, is what the Dominion Government did.

Hon. Mr. Fogo: May I ask the honourable gentleman if it is not a fact that the securities in question belong to the provinces?

Hon. Mr. Haig: Yes, they belong to the provinces, but since 1927 they have been held in the right of the Dominion.

Hon. Mr. Fogo: But they were held for the provinces?

Hon. Mr. Haig: That may be so, but all the natural resources in Manitoba, Saskatchewan and Alberta were held by the Dominion Government up to 1927, at which time an agreement was entered into with the provinces.

Hon. Mr. Beaubien: But since that time the securities have belonged to the provinces?

Hon. Mr. Haig: Yes; but the Dominion handed over the resources on condition that the income from them would be invested in Dominion securities. We are now asked to forego that condition.

I intend to vote for the bill, because we as senators are supposed to represent the provinces. The other place is supposed to look after the interests of the Dominion, but we are on the side of the provinces. I have taken this opportunity to call the attention of the people of this country to the fact that the government has to call a halt some place in its spending program. This first warning signal, as I would call it, comes not from a political or an individual citizen, but from a province as a whole, which thinks the money involved can be better invested elsewhere than in Dominion securities. I am very much in favour of the passage of the bill, and I see no necessity for its being referred to a committee.

Hon. A. W. Roebuck: Honourable senators, I thank the senator from Winnipeg (Hon. Mr. Haig) for his speech, although I do not entirely agree with one point he made. He said that the rate of interest on government bonds is rising because of some fear on the part of the public about repayment. Well, nobody knows what is in the minds of other men; such a fear may exist, but if it does I see no reason for it. I do know, however, that the interest rate is rising because of the fact that mortgage money is going up, not because the lender today is more apprehensive about repayment of his money than he was six months or a year ago. The plain fact is that money is being more profitably invested elsewhere, and the rate is going up.

Perhaps there are many factors which play a part in fixing the rate of interest; but if this is a reasonable concession to the provinces, I am not prepared to stand in its way. If it is a concession to the provinces, let us understand it to be such. There do seem to be some grounds for allowing the province to invest money which is for its benefit only, and is really within its control, in whatever manner it sees fit. Those who say that there is no advantage in the provision that the province shall invest this money in Dominion securities do not, I fancy, realize the picture presented to us at this moment. My friend from Winnipeg has already made some reference to it. The Bank of Canada until recently has supported government bonds. With the withdrawal of that support the value of these securities has gone down, thereby causing a good deal of trouble in the building field and elsewhere.

I should like the member from Churchill (Hon. Mr. Crerar) to tell us just how much money is involved in this transaction, and if as a result of the passage of this bill we will be faced with the possibility of a large block of Dominion Government bonds being thrown on the market. Will this agreement result in a further reduction in the value of government bonds, or what do we face in that regard? Will the senator tell us, first, how much money is involved in this transaction?

Hon. Mr. Crerar: If there are no further observations I shall be only too pleased to conclude the discussion.

Hon. Mr. Roebuck: Just answer the question; there may be other speeches to follow.

Hon. Mr. Crerar: My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) inquires how much money is involved in this transaction, and he fears that if it is a large amount, the provincial governments may throw on the market the Dominion securities now in the school lands fund and that that action would have an adverse effect. I submit to my honourable friend that that question is not at all relevant to the issue. This trust fund was set up as far back as 1879. The Province of Manitoba was then in existence; Saskatchewan and Alberta were not constituted until many years later. But the federal government, foreseeing the development of Western Canada, said, "We will assist education in the new provinces by setting aside for school purposes in each township two sections of land",—that is, one-eighteenth of the land which was surveyed; and they laid down the conditions of the transfer, namely that the lands must be sold by auction, and that the proceeds must be invested for the advantage of education. It was not intended that the capital should be drawn upon, but only the income which resulted from the sales. The proceeds were to be invested in Dominion Government securities. The amounts earned through the fund in Manitoba were turned over to the province for purposes of education.

Hon. Mr. Aseltine: We know all that, but we want to know how much money is involved.

Hon. Mr. Crerar: I do not know.

Hon. Mr. Aseltine: Well, that is the question.

Hon. Mr. Crerar: What difference does it make?

Hon. Mr. Aseltine: It makes a lot of difference.

Hon. Mr. Crerar: What difference does it make whether the amount is five or ten or twenty-five million dollars? That is not the matter we are concerned with. The question is whether or not the provinces which

now control these funds and the lands, shall have the authority to invest the money as they see fit.

Hon. Mr. Burchill: Just to clarify the matter: Suppose the fund amounts to $25 million. I do not know how much it is, but that sum has been suggested. I take it that if this bill is passed, the provincial authorities will have the right to sell Dominion Government bonds to the extent of $25 million and to reinvest the proceeds in provincial government bonds.

Hon. Mr. Crerar: Theoretically they would have the power.

Hon. Mr. Burchill: That is what the honourable senator wanted to find out.

Hon. Mr. Crerar: Yes, theoretically. But is that any reason why we should refuse the provinces the right to make other investments?

Hon. Mr. Roebuck: It is a very good reason.

Hon. Mr. Crerar: I do not think so. I think if we rejected the bill on that ground we would hear about it—and rightly so—from the provinces. On the practical side, however, does it stand to reason that any of these provinces that may have substantial amounts invested in Dominion Government securities would throw them helter-skelter on the market in order to invest the proceeds somewhere else? If they were to do that, probably they would lose more than they would gain. I anticipate that what they have in mind is this. Every year payments are added to the fund from purchases of school lands, and what the provinces desire is the authority to invest these new funds in such securities as are outlined in the bill.

Hon. Mr. Roebuck: The bill does not state that.

Hon. Mr. Crerar: I have no doubt that we can get information as to the total amount of Dominion Government bonds now in the fund. If we were to have that information tomorrow, and supposing the investments amounted to $50,000,000—although I do not suppose the total is nearly as large as that—would we on that account change one letter of this legislation? Would we refuse to comply with the very reasonable request which has been made by Manitoba, Saskatchewan and Alberta, and is being implemented in this legislation? I cannot foresee that parliament would reject their request. If it did I believe its action would be criticized.

As far as I am concerned, if my honourable friend wants to get further information, this and the two succeeding bills can be remitted to the committee. But I do not believe that the reasons given by the honourable member from Toronto-Trinity (Hon. Mr. Roebuck) would warrant us in refusing to pass these bills.

Hon. Mr. Roebuck: I certainly would hold my hand at this moment before I would throw on the market, or run the risk of having thrown on the market, $50,000,000 of government bonds. I do not object to the principle of a province investing its own money as it sees fit. But let us know what we are doing.

Hon. Mr. Hugessen: If the question is merely one of figures, may I suggest that we defer until tomorrow the third reading of this bill, and that we take up at that time the other two bills, which are precisely similar. By then, I am sure, we will have the information.

Hon. Mr. Haig: It is a good suggestion.

Hon. Mr. McGuire: Why not refer the bill to the Committee on Banking and Commerce?

Hon. Mr. Hugessen: If the only question is as to the amount of money invested, I do not think the bill need go to committee.

Hon. Mr. McGuire: If it goes to the Banking and Commerce Committee the officials will have time to get the information and let us have it. Nobody is suggesting that the bills be rejected, but I am sure we are entitled to know what is the total amount in the fund, and to consider what might be the consequences if the securities were to go on the market. The Banking and Commerce Committee meets this evening at 8 o'clock. There is only one bill to be considered. I suggest that any bills to which we give second reading this afternoon might go to the committee tonight; and when the bills relating to the Manitoba, Alberta and Saskatchewan natural resources agreements are before the committee the officials can tell us the amounts of bonds involved.

Hon. Mr. Lambert: With reference to the suggestion of the honourable senator from East York (Hon. Mr. McGuire), I was anxious to put before the Banking and Commerce Committee this evening the Trust and Loan bill which I presented this afternoon, but after some further consideration and inquiry I decided that it would be better for the committee to dispose this evening of the Post Office Bill, and postpone until tomorrow morning discussion of my bill and the others. I think there are only two more. In any event there are not so many that they could not be readily disposed of in the morning.

Hon. Mr. Haig: May I remark that it will not be possible to deal with these provincial

bills tonight. To get the information required it will be necessary, I am sure, to wire the Treasurers of the three provinces. They are the only persons who know the amounts of money invested.

Hon. Mr. Crerar: Certainly.

Hon. Mr. Haig: You will be very lucky if you get replies by tomorrow morning.

Hon. Mr. Hugessen: I do not think there is any hurry about these bills. All we can do is to hold over second reading of these bills until the information is available, and then we can carry them right ahead.

Hon. Mr. Haig: Any objection to the committee?

Hon. Mr. Hugessen: None. But why send the bills to committee when all we want is one figure which can be got by telegram?

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Robert Taschereau, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Administrator, 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 Administrator was pleased to give the Royal Assent to the following bills:

An Act to amend the Petition of Right Act.

An Act to amend the Juvenile Delinquents Act, 1929.

An Act to amend the Prisons and Reformatories Act.

An Act respecting Units of Length and Mass.

An Act respecting Indians.

An Act to amend the Customs Tariff.

An Act to incorporate Champion Pipe Line Corporation Limited.

An Act to incorporate Independent Pipe Line Company.

An Act to amend the Customs Act.

An Act respecting Weights and Measures.

An Act to incorporate the Baptist Union of Western Canada.

An Act to amend the Central Mortgage and Housing Corporation Act.

An Act to amend the Criminal Code (Race Meetings).

An Act to incorporate the Scripture Gift Mission (Canada) Incorporated.

An Act to incorporate the Polish National Catholic Church of America in Canada.

An Act to amend the Quebec Savings Banks Act.

An Act to amend the National Housing Act, 1944.

An Act respecting British Columbia Telephone Company.

An Act to amend the Excise Tax Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Administrator was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 21, 1951

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAY COMPANY (SHERRIDON TO LYNN LAKE) BILL

FIRST READING

A message was received from the House of Commons with Bill 376, an Act respecting the construction of a line of railway by Canadian National Railway Company from Sherridon to Lynn Lake, in the province of Manitoba.

The bill was read the first time.

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

Hon. Mr. Hugessen: Monday next.

MUNICIPAL GRANTS BILL

FIRST READING

A message was received from the House of Commons with Bill 390, an Act respecting Grants to Municipalities.

The bill was read the first time.

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

Hon. Mr. Hugessen: Monday next.

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

FIRST READING

A message was received from the House of Commons with Bill 392, an Act respecting Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations.

The bill was read the first time.

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

Hon. Mr. Hugessen: Monday next.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

FIRST READING

A message was received from the House of Commons with Bill 393, an Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways System during the calendar year 1951, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

The bill was read the first time.

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

Hon. Mr. Hugessen: Monday next.

THE ESTIMATES

REPORT OF COMMITTEE ON FINANCE

Hon. T. A. Crerar, Chairman of the Standing Committee on Finance, presented the committee's report on the Estimates laid before parliament for the fiscal year ending March 31, 1952.

He said: Honourable senators, this report is fairly lengthy and I would suggest that it be not read by the Clerk Assistant. I think the house would find it more satisfactory to have the report printed in the Minutes of the Proceedings for today, so that it will be available to honourable members tomorrow.

Hon. Mr. Reid: May I ask the Chairman of the committee (Hon. Mr. Crerar) when this report was passed? I am a member of the committee, but I do not remember being present at any sitting when the report was brought forward. Was it done in between sittings, and did the committee approve of it?

Hon. Mr. Crerar: In reply to my honourable friend, I would point out that the Finance Committee met yesterday, after the Senate rose. Notices of the meeting were circulated during the Senate sitting. More than a quorum of members of the committee were present and they approved the report.

Hon. Mr. Reid: The committee approved the full report?

Hon. Mr. Crerar: Surely.

Hon. Mr. Haig: Honourable members, this is a very important document; a good deal of work has been done on it, and I think the public should have an opportunity to read it. I would therefore suggest, subject to the consent of the acting leader of the government, that the report be printed in *Hansard.*

Hon. Mr. Hugessen: I think the suggestion of my honourable friend is a wise one, and I consent with pleasure.

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

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

Hon. Mr. Crerar: I move that the report be taken into consideration on Tuesday next.

The motion was agreed to.

POST OFFICE BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 322, an Act respecting the Canada Post Office.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 322, an Act respecting the Canada Post Office, have in obedience to the order of reference of June 13, 1951, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 7, line 7: Delete the period and insert "one of whom shall be a member of the legal profession."

2. Page 7, line 23: After the word "report" insert "with its recommendation".

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

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

Hon. Mr. Reid: Next sitting.

The Hon. the Speaker: Consideration at the next sitting of the house.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill W-12, an Act respecting the Trust and Loan Company of Canada.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill W-12, an Act respecting the Trust and Loan Company of Canada, have in obedience to the order of reference of June 20, 1951, examined the said bill and now beg leave to report the same with the following amendments:

1. Page 1, lines 7 and 8. Delete clause 1 and substitute the following:

"This Act may be cited as the Toronto and London Investment Company Ltd., 1951, Act."

2. Page 1, lines 20, 21 and 22. Delete all the words after "entity".

3. Page 1, lines 24 and 25. Delete the words "Trust and Loan Investment Company of Canada Ltd." and substitute the words "Toronto and London Investment Company Ltd."

4. Page 2, lines 1 to 14, both inclusive. Delete clause 5 and sub-clause (a) of clause 5, and substitute the following:

"5. The objects and powers of the Company shall be to carry on the business of an investment company and in connection therewith the Company may:

(a) acquire, and hold shares, stocks, debentures, debenture stock, bonds, obligations, choses in action, certificates of interest and securities issued or guaranteed by any individual, partnership, association, company or corporation, public or private, constituted or carrying on business in Canada or elsewhere and debentures, debenture stock, bonds, obligations, choses in action, certificates of interest and securities issued or guaranteed by any government, sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise, whether in Canada or elsewhere."

5. Page 2, line 15. Delete the word "To".

6. Page 2, line 18. Delete the word "to"

7. Page 2, line 20. Delete the word "to".

7(a). Page 2, line 24. Delete the word "to".

8. Page 2, line 27. Delete the word "To".

9. Page 2, line 36. Delete the word "To"

10. Page 2, line 39. Delete the word "To".

11. Page 2, line 43. Delete the word "to".

12. Page 2, line 45. Delete the word "To", where it appears the first time

13. Page 2, line 47. Delete the word "to", where it appears the first time.

14. Page 3, lines 33 to 38, both inclusive. Delete clause 10 and substitute the following:

"10. The Agreement made the 9th day of May, 1951, between the Company and Canada Permanent Mortgage Corporation which Agreement is Schedule II, is hereby confirmed and declared to be operative and effective."

15. Pages 3 and 4. Delete clause 11 and substitute the following:

"11. (1) Notwithstanding the provisions of Section 2 of The Companies Act, 1934, Part I of the said Act, except Subsection (1) of Section 5, and Sections 7, 8, 9, 10, 11, 21, 28, 29, 30, 85 and 87 thereof, shall apply to the Company and wherever in the said Part I reference is made to Letters Patent, such reference in the case of the Company shall be to this Act, and wherever under any provisions of the said Part I any thing or matter is required or permitted to be done or confirmed by Supplementary Letters Patent, the same may with respect to the Company be similarly done or confirmed by Supplementary Letters Patent.

(2) Part III of The Companies Act, 1934, shall not apply to the Company."

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

Hon. Mr. Lambert: When I moved second reading of this bill I asked that Rule 119 be suspended so that the committee could deal with the bill at once. I explained that there were particular circumstances which would justify this action. The petition for the bill was presented some weeks ago by the honourable senator from Winnipeg (Hon. Mr. Davis), but an unavoidable delay occurred because of the meetings which had to be held, and other proceedings which necessarily had to be taken by the boards of directors and shareholders in England as well as here, and the time required to obtain the approval of Treasury Board and officials of departments. Every possible effort was made to get the legislation before us as soon as possible.

The success of this effort to form the company in such a way as to permit it to carry on the business it has undertaken depends on getting this legislation through the other place promptly. I therefore urge

strongly that immediate consideration be given to the amendments, so that the bill may be sent to the House of Commons this week. Of course unanimous consent is necessary to the suspension of Rule 119, but I ask, unless there is some fundamental reason to the contrary, that such consent be accorded.

The Hon. the Speaker: Has the honourable senator from Ottawa (Hon. Mr. Lambert) the leave of the Senate to move concurrence in these amendments now?

Hon. Mr. Reid: Unless I can speak briefly on the matter, I will say "no". It can stand for a day.

Hon. Mr. Lambert: Suspension of the rule requires unanimous consent, and if the honourable senator decides that he cannot agree, it is his right and privilege to take that stand. In that event, I would like to move that consideration—

Hon. Mr. Horner: I understand that all the honourable senator wishes to do is to be allowed to speak on the third reading.

Hon. Mr. Reid: All I rose to say is that I have no fundamental reasons for objecting to this bill, but it seems to me that there is a tendency towards the end of the session to bring bills before the Senate for the first time and rush them through. Yesterday a bill was introduced with the suggestion that it must go through practically without consideration, and the bill now before us has been reported with quite a number of amendments. I rise as a matter of principle to suggest that third reading of bills should be delayed until another sitting. However, as I have stated, my objection in this case is not fundamental.

Hon. Mr. Lambert: With leave, then, I move that the amendments be concurred in now.

The motion was agreed to.

THIRD READING

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

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

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

CANADIAN NATIONAL RAILWAYS (QUEBEC RAILWAY, LIGHT AND POWER COMPANY) BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committ on Bill X-12, an Act respecting Canadian National Railways and to authorize the acquisition of the railway of the Quebec Railway, Light and Power Company.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill X-12, an Act respecting Canadian National Railways and to authorize the acquisition of the railway of the Quebec Railway, Light and Power Company, have in obedience to the order of reference of June 20, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Hayden: Honourable senators, I move that the bill be now read the third time.

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

EMERGENCY GOLD MINING ASSISTANCE BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 194, an Act to amend the Emergency Gold Mining Assistance Act.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 194, an Act to amend the Emergency Gold Mining Assistance Act, have in obedience to the order of reference of June 20, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Hayden: Honourable senators, I move that the bill be now read the third time.

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

SUPREME COURT BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill Y-12, an Act to amend the Supreme Court Act.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill Y-12, an Act to amend the Supreme Court Act, have in obedience to the order of reference of June 20, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Hayden: I move the third reading of the bill.

Hon. Mr. Roebuck: Honourable senators, this was the bill that I asked to have referred to the Banking and Commerce Committee. The bill was very well explained by a representative from the Department of Justice in committee, and I was entirely satisfied with the explanation. I am satisfied that the bill be passed now.

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

MANITOBA NATURAL RESOURCES TRANSFER BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the Committee on Bill 385, an Act to vary the Manitoba Natural Resources Agreement.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 385, an Act to vary the Manitoba Natural Resources Agreement, have in obedience to the order of reference of June 20, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

Hon. A. W. Roebuck: This is the bill that was discussed so thoroughly yesterday, and which was explained in part by the sponsor of the bill in the Banking and Commerce Committee this morning. We have still not been told, however, how much is involved, or whether the Manitoba Government holds dominion securities which can be thrown on the market. I am not prepared to continue objection to the bill, but I should like to point out that we are taking some chances on giving the bill third reading now. This house is certainly entitled to a better explanation than it has received. I think we have given thorough warning to the department about the possibilities that lie ahead, but should the sponsor insist on passage of the bill without giving the house the explanation to which I think it is entitled, I am not going to make any further objection.

Hon. Mr. McDonald: Honourable senators, the bill was discussed at some length this morning, and perhaps the honourable member from Churchill (Hon. Mr. Crerar) would tell the house what he told members of the committee.

Hon. Mr. Roebuck: That is fine.

Hon. T. A. Crerar: It seems to me important to get a clear understanding of the purpose of this legislation. I must confess that when I presented the bill for second reading yesterday it never occurred to me that objection would be taken to the principle of turning over to the Province of Manitoba the investment of its own funds, which do not belong to the federal government in any way whatsoever. I apologize for being unable to provide the information asked by honourable members in the house yesterday, but I had not thought it necessary to go beyond the explanation I gave. The same consideration was given to the bill when it was considered in the other place.

The explanation referred to by the Acting Chairman of the Banking and Commerce Commitee (Hon. Mr. McDonald) can very quickly be supplied now, and since it relates to the two other bills that will follow, it will serve the purpose for those bills as well.

I stated yesterday that in 1879, when it became clear that settlement was going into Western Canada, the federal government decided to set aside two sections in every surveyed township for what was known as school purposes. In other words, these two particular sections could not be disposed of by the federal government, except by sale, and my recollection is that the sale had to be by auction. The proceeds from such sales, as they were paid into the federal treasury, were put into a trust fund. Now, I do not know whether the government of that day established a trust fund or whether it put the proceeds into consolidated revenue and credited the account with the appropriate interest earnings.

By 1930, when these resources were transferred to the provinces, the amounts of the capital funds for the three provinces were as follows—in round figures: Manitoba, $5,900,000; Saskatchewan, $17,800,000; Alberta, $9,550,000. The total was slightly more than $33 million.

It is important to keep in mind that these were capital funds. Each year the interest earned by them was turned over in the right proportion to the provincial authorities. I was in error yesterday in stating that the moneys had been turned over to the provincial governments at the time of the transfer of the resources, in 1930. That transfer took place shortly before the election which was held in that year—an election which, by the way, I have some cause to remember.

The arrangement made about these moneys was this: The federal government, instead of paying over the cash, gave its note for one year to each of the provinces, and the note carried interest at 4 per cent. That is, the earnings on each of these funds credited

to the respective provinces were at the rate of 4 per cent and were paid to each province for school purposes. For some reason that I am unable to explain to the house, that arrangement carried through until 1950. That is to say, every year the federal government gave its notes for the amounts that I have mentioned to the provincial governments, and each of the notes carried interest at 4 per cent. In 1950 the federal government decided to liquidate this obligation to the provinces, and paid them in cash the respective amounts standing to their credit in these capital funds. I assume, of course, that the provinces now have in their respective funds amounts beyond the capital sums placed there in 1930, for in the intervening twenty years or so some school lands have been sold by each of the provinces and payments have been made by the individual purchasers. What the total amount of the funds is at the moment I do not know; that information would have to be secured from the provincial governments.

Yesterday my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck), for whose ability I have a very high respect—and I am not saying that by way of flattery—made a suggestion which I took to mean that in passing this bill we should attach some rider or provision which would place upon each of the three provincial governments some kind of limitation as to the securities in which they may invest these funds. In other words, the suggestion as I understood it was we should place upon the provinces some obligation not to dispose of any Dominion Government securities that they hold for these funds without first getting consent from, say, the Minister of Finance at Ottawa.

Hon. Mr. Roebuck: Will my honourable friend allow me? Of course, I did not make that suggestion at all. My honourable friend has attributed to me something that I did not say.

Hon. Mr. McDonald: It was the honourable senator from Rosetown (Hon. Mr. Aseltine) who suggested that.

Hon. Mr. Crerar: I am at a loss to understand then what objection was raised by the senator from Toronto-Trinity (Hon. Mr. Roebuck).

Hon. Mr. Roebuck: In the circumstances, may I be permitted to explain? I made no suggestion of the kind referred to by my honourable friend, particularly not of any continuing form of control over the moneys. The information I asked for was the amount of money invested in Dominion securities which this bill would release and which might be thrown on the market. The amount might be small—in fact, it might be no amount at all. I did not know, and I thought this house should have that information before the bill was passed. And when in the course of the debate yesterday my honourable friend asked me whether it would make any difference if there was $50 million invested in that way, my answer was yes, and that in view of the market conditions prevailing today I would hold my hand rather than throw that amount of money on the market just now. That is as far as I went. If $50 million or some amount of that size were likely to be thrown on the market immediately as a result of the passing of this bill, I would hold my hand unless some arrangement was made to govern reinvestment of the money. I do not think we should be blindfolded when passing a bill of this kind.

Hon. Mr. Crerar: I am told that no one in the Department of Finance has knowledge of what each of the provincial governments has done—

Hon. Mr. Roebuck: I think someone there ought to have knowledge before a bill of this kind is brought before us.

Hon. Mr. Crerar: —not only with the cash that was received from Ottawa a year ago but with the amounts that were collected in the intervening years.

Hon. Mr. Beaubien: They did not get bonds, they got cash.

Hon. Mr. Crerar: Yes. I think it would be rather an unwise thing, if I may say so, for parliament to say to the provincial governments, in effect, that we require to know how much of these funds is invested in Dominion Government securities before we pass this legislation.

Hon. Mr. Roebuck: Why?

Hon. Mr. Crerar: Because, I think, the provincial authorities could quite properly say that that is no concern of ours.

Hon. Mr. Beaubien: They could say, "It is none of your business".

Hon. Mr. Crerar: And it is not any concern of ours.

Hon. Mr. Roebuck: Federal government securities are involved.

Hon. Mr. Crerar: The provinces are autonomous in their own sphere and these moneys unquestionably belong to them. If the funds are not administered wisely the provincial governments will have to be held to account by the people of their respective provinces rather than by the people of Canada

as a whole. That is why I really do not see the force of the point raised by my honourable friend from Trinity.

Some Hon. Senators: Question.

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

INTERNAL ECONOMY COMMITTEE REPORTS

CONSIDERATION POSTPONED

Hon. Mr. Beaubien, Acting Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the ninth tenth, eleventh, twelfth and thirteenth reports of the committee.

The reports were read by the Clerk Assistant.

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

Hon. Mr. Beaubien: Next sitting.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Hugessen moved:

That the parliamentary fees paid upon the Bill I-7, an Act to incorporate the Polish National Catholic Church of America in Canada, be refunded to Messrs. Maclaren, Laidlaw & Co., solicitors for petitioners, less printing and translation costs.

The motion was agreed to.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mrs. Fallis moved:

That the parliamentary fees paid upon the Bill T-6, an Act to incorporate the Scripture Gift Mission (Canada) Incorporated, be refunded to Messrs. Briggs, Frost & Co., solicitors for petitioners, less printing, and translation costs.

The motion was agreed to.

SUSPENSION OF RULES

MOTION

Hon. Mr. Hugessen moved:

That for the balance of the present session Rules 23, 24 and 63 be suspended in so far as they relate to Public Bills.

He said: Honourable senators, this is the usual motion which is moved at this stage of each session. Its passage would suspend Rule 23 which calls for two days' notice of certain motions; Rule 24, which requires one day's notice of certain matters; and Rule 63 which, briefly, provides that no bill shall be read twice the same day.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Hugessen: Honourable senators, before the Orders of the Day are called, I think the house would like to have some idea of what has been suggested in connection with our future work. We have made very good progress this week with the various bills that have been submitted to us, and I am going to suggest that when the house adjourns this afternoon, it stand adjourned until Monday evening of next week. The only important bill yet before us is the bill to amend the Income Tax Act, which my honourable friend from Toronto (Hon. Mr. Hayden) will explain on second reading later this afternoon. I suggest that if the debate on the second reading of the bill is concluded this afternoon, the bill should then be moved into the Standing Committee on Banking and Commerce, to be considered there later this afternoon and this evening.

The four bills to which first reading was given this afternoon will be explained on second reading on Monday evening. As honourable senators will recall, three of them relate to the Canadian National Railways; and I have arranged for a meeting next Tuesday morning of the Standing Committee on Transportation and Communications to which these bills, if they receive second reading on Monday, will be submitted. Officials of the Canadian National Railways will be present to explain any questions that honourable members may wish to ask.

Hon. Mr. Reid: Why is it that some bills are referred to the Transportation Committee and others to the Banking and Commerce Committee? It seems to me a strange proceeding. I hope there is no idea of juggling them around.

Hon. Mr. Hugessen: No. The only reason I suggested yesterday afternoon that the bill relating to the Quebec Railway be submitted to the Standing Committee on Banking and Commerce is that that bill was presented in this house yesterday and it is very desirable to get it promptly to the other place so that it can be dealt with this session. It so happened that a meeting of the Standing Committee on Banking and Commerce was called for this morning; and, rather than have another meeting of the Committee on Transportation at some other time I felt, and I think the house agreed, that as a matter of convenience we should have that particular bill be considered in the Committee on Banking and Commerce. This, in fact, is what was done. I quite agree with my honourable friend that normal and proper procedure with respect to railway bills is to send them to the Committee on Transportation.

Hon. Mr. Reid: Certainly. That is what should have been done with the bill yesterday.

Hon. Mr. Hugessen: It would have been, but for the rather special need for prompt action.

CANADA-SWEDEN INCOME TAX AGREEMENT BILL

THIRD READING

Hon. Mr. Hugessen moved the third reading of Bill 372, an Act respecting an Income Tax Agreement between Canada and Sweden, signed at Ottawa on the sixth day of April, 1951.

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

CANADA-FRANCE SUCCESSION DUTY CONVENTION BILL

THIRD READING

Hon. Mr. Hugessen moved the third reading of Bill 373, an Act respecting a Succession Duty Convention and Protocol between Canada and France, signed at Paris on the sixteenth day of March, 1951.

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

CANADA-FRANCE INCOME TAX CONVENTION

THIRD READING

Hon. Mr. Hugessen moved the third reading of Bill 374, an Act respecting an Income Tax Convention between Canada and France, signed at Paris on the sixteenth day of March, 1951.

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

ALBERTA NATURAL RESOURCES TRANSFER BILL

SECOND READING

Hon. Mr. Crerar moved the second reading of Bill 386, an Act to vary the Alberta Natural Resources Agreement.

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

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

Hon. Mr. Crerar: If there is no objection, it might be read the third time now. If there is any, it can stand over until Monday evening.

Hon. Mr. Aseltine: Would it be possible for the sponsor of this bill to obtain for us, between now and Monday night, the information for which we asked in connection with the Manitoba bill? Both the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and I raised this question in the house yesterday, and in the committee this morning; and we would still like to know, if it is not going to hold up the bills too long, how much of this money is in dominion bonds because if a large amount is so invested we do not want all the bonds to be thrown on the market at once for fear that such action would depress the price. I am speaking in the interest of Canadians who have invested largely in such bonds. If the sponsor of the bill thinks it is possible to get the information asked for, I think that third reading of this bill should be deferred until Monday.

Hon. Mr. Roebuck: I very heartily second that suggestion. We have not had the information which was the subject of my request, in which request I was supported by my honourable friend from Rosetown (Hon. Mr. Aseltine). It would be very wise, no matter what the sponsor thinks he can do in the meantime, to leave this bill until Monday. Let us in any event have the time that is due to us.

Hon. Mr. Crerar: I am quite willing that third reading should stand over until Monday. As regards the request of my honourable friend from Rosetown—a very important place in the Province of Saskatchewan—

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Quinn: No joking, now!

Hon. Mr. Crerar: —I do not think it would be appropriate for me as a senator to ask the provincial governments of Western Canada for that information.

Hon. Mr. Aseltine: You do not have to. The Department of Finance will do it for you.

Hon. Mr. Beaubien: No, it will not.

Hon. Mr. Crerar: Let us get this clear. My honourable friend suggested that I should obtain the information.

Hon. Mr. Aseltine: Through the Finance Department.

Hon. Mr. Crerar: That is what I am about to say: It would be quite improper for me, as a humble member of this honourable house, to ask the governments of Saskatchewan, Alberta and Manitoba for this information, but I shall convey to the Finance Minister tomorrow morning the request that my honourable friend from Rosetown suggests should be made. If the Finance Minister cares to get the information, good and well, but if he takes the view that a question of that kind should not be put to the provincial governments of Western Canada, I do hope my honourable friends

from Toronto-Trinity (Hon. Mr. Roebuck) and Rosetown (Hon. Mr. Aseltine) will not hold the lash over me too severely.

The Hon. the Speaker: Honourable senators, is it your pleasure that the bill be read the third time on Monday next?

The motion for third reading was postponed.

SASKATCHEWAN NATURAL RESOURCES TRANSFER BILL

SECOND READING

Hon. Mr. Crerar moved the second reading of Bill 387, an Act to vary the Saskatchewan Natural Resources Agreement.

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

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

Hon. Mr. Crerar: Monday next.

INCOME TAX BILL

SECOND READING

Hon. Mr. Hugessen moved the second reading of Bill 296, an Act to amend the Income Tax Act.

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

Hon. Salter A. Hayden: Honourable senators, this bill implements certain budget resolutions and contains a number of amendments arising from requests by various public organizations. It also contains other amendments which the department thinks will clarify certain sections of the existing legislation.

The bill before the house may look somewhat terrifying with its forty sections, but I can assure honourable members that I do not intend to deal with the bill item by item. I propose to deal first with the sections which cover the budget resolutions, and then to discuss other sections of the bill which might be of particular interest to the Senate and the public at large.

The first of the budget resolutions provides for the defence surtax in relation to income of corporations and individuals. I should like to read the budget resolution relating to the corporation surtax. It provides:

That, in respect of income earned after the commencement of the 1951 calendar year, a corporation shall pay a defence surtax for the year equal to 20 per cent of that portion of its ordinary income tax for the year that is computed at the 38 per cent rate, or the 33 per cent rate if applicable, (before allowance is made for tax credits) subject to a right to a refund of such tax to the extent that it would reduce the corporation's taxable income after payment of ordinary income tax to an amount less than 5 per cent of its capital employed.

Section 12 implements the taxing part of this resolution by imposing the 20 per cent surtax. The Act now provides that the 20 per cent tax only applies where a corporation is subject to the going rate of corporate tax, which would be 38 per cent at the present time. It does not apply in the case of companies which earn up to $10,000 a year, nor does it apply in relation to the first $10,000 item of taxable income to which, by previous legislation, we assigned a special tax. That special tax, which was 10 per cent on the first $10,000, is now 15 per cent. So now the 20 per cent surtax applies to any amount of corporate income, which has been calculated at the maximum rate of 38 per cent. There is nothing in the bill which implements the other part of the resolution. That is to say, if the effect of the application of the 20 per cent surtax is to reduce the corporation's earnings below an amount of 5 per cent of its capital employed, the tax will not apply. I can only give here the explanation given by the minister in the other place. Many methods were suggested, but notwithstanding the exercise of the best intelligence and ingenuity to be found in the department, they have not been able to devise a method which would make this provision effective. I pass on this explanation as being a sincere and honest one, reached after very great efforts had been made to work out some method. The great problem was to decide how to determine capital employed in a way that would give any real meaning to this 5 per cent exemption calculated on capital employed. In many cases the result of this exemption would be negligible if you took the capital employed of a company operating largely on borrowed capital, on any ordinary definition of capital employed. At the same time, in the field of public utilities and elsewhere you have companies rendering great public service. In fact, they are being called on to render an increasing amount of public service which they have to finance out of public borrowings and from their own operations. It was desired to give them some assistance so that they might be able to accumulate something out of their operations by which to continue expanding in the public interest. Another factor is that the rates of many of these public utilities are regulated by an independent body, and you find these public utility bodies very loathe to recognize, other than in a limited way, the effect of increasing costs upon operations for which they seek to collect additional rates. The government was fully conscious of this situation and wanted to give some help; but to have done it by way of reference to the definition of capital employed in the excess profits tax Act would, in my opinion, have been to hand them an empty shell. I say

this because the definition of capital employed which excludes any consideration of the effect of borrowed capital as part of the working capital of the company, would not have given the proper result. As a matter of fact, the excess profits tax Act was a workable one during the last war only because of the additional provisions in the Act which provided other methods of estimating a standard profit of a company.

I regret as much as anyone that this part of the resolution was not implemented. I wish to express my personal feeling about this. That is why I asked the deputy leader (Hon. Mr. Hugessen) to move the second reading of this bill. I did not want to place any limitation on myself in expressing my opinion. I feel that the power to do this sort of thing, as was contained in the resolution, should have been taken in some form, so that we would have an assurance that if a method could be worked out for giving the relief provided for in the resolution it would be given. It may still be done, of course, if we get the necessary undertaking from the minister that the door is not closed and that the matter will still be considered; and that if and when it is considered, retroactive effect will be given to any solution that is found. I am mentioning this because we shall be considering the bill in committee, and also because it provoked a good deal of discussion in the other place and is a matter of important interest to the people at this time.

Public utilities are a vital factor in the life-blood and operation of business and in the whole economic life of the country, and if they are to continue to expand and meet the demands for expansion they must be able to get the names to do so. But if we are going to squeeze them against rising costs and a fixed rate for the services that they render, which fixed rate moves up slowly, if at all, then some solution will have to be found in the public interest. I would rather have that solution come by way of the company being permitted to earn sufficient and to retain a sufficient portion of its earnings to enable it to meet the demands for expansion with its own funds together with funds obtained by public financing, than that there should be some additional drain on the public treasury to support and finance that kind of thing.

Hon. Mr. Roebuck: Will the honourable senator tell me what is the reason for excluding borrowed capital from the capital of a company that is allowed to earn 5 per cent?

Hon. Mr. Hayden: The explanation most readily given is this, that interest which you pay on borrowed capital is a deductible item of expense, so the company gets the benefit of the use of the money and the cost of it is charged against the income from operations; and it was felt that in the ordinary course that consideration was generous enough and that in these circumstances the money should not be regarded as part of the capital employed.

Hon. Mr. Isnor: May I ask the honourable gentleman a question? Would the same answer apply to a person who used the proceeds from a life insurance policy as capital employed in his business?

Hon. Mr. Hayden: That is a difficult question to answer, because we are talking about capital employed in relation to a corporation and the effect of corporate surtax. If the proceeds of life insurance are put into a business by way of subscription for capital stock, they would of course form part of the capital employed, under any definition; but if they are put in by way of a loan to the business, then under any of the definitions that have been used heretofore they would not be regarded as capital employed—and that would be true, no matter what the source of the funds was.

Hon. Mr. Quinn: Suppose it was a loan from an insurance company to the policyholder.

Hon. Mr. Hayden: My honourable friend from Halifax (Hon. Mr. Isnor) was asking me about the proceeds of life insurace placed into a business.

Hon. Mr. Isnor: The senator from Bedford (Hon. Mr. Quinn) is simply enlarging a bit on my question.

Hon. Mr. Hayden: If I am carrying on business in a corporate way and I borrow money on life insurance policies and put that money into the business, I can put it in either by lending it to the company or by subscribing for capital stock.

Hon. Mr. Isnor: Or you could put it up as collateral.

Hon. Mr. Hayden: That is a form of borrowing, so far as the company is concerned, and a form of lending, by the person who puts up the money. If the money were put in as part of the subscribed capital of the company it would come within the ordinary definition of capital employed, but if it were lent or put up as collateral it would not come within that definition.

Hon. Mr. Davis: May I ask the honourable gentleman a question? Suppose a company owned and controlled in Canada operates in another country and is advanced money by the government of a third country, by way of capital, would that be subject to taxation under this particular scheme?

Hon. Mr. Hayden: In reply to my honourable friend's question, if I understand it correctly, I would say that there is no tax on capital as such in Canada. Capital employed came into the budget resolution only as being a formula by which you could arrive at an amount of the earnings of a company that could not be brought below that figure as a result of the application of a corporate surtax. In the formula this amount is 5 per cent of the capital employed. In the legal sense capital does not mean what people ordinarily take it to mean when they use the word; it includes, as the law now is, the subscribed capital of the company, but it does not take borrowed money into account. Now, to come to the question. If a foreign country lent money—let us put it that way—by way of capital to a company operating in Canada, there would be no tax on the capital, but there certainly might be a tax on the interest paid on that loan. And there would be no tax in respect of the repayment of the loan.

Hon. Mr. Aseltine: Is it possible that you yourself have worked out a scheme for giving effect to what you have referred to? For what you have said I take it that you think it possible to work out a scheme, and I am wondering if you have in mind something to suggest to the government.

Hon. Mr. Hayden: I thank my honourable friend very much for the implication in his question. Let me express my view this way. I think that for every human problem there exists an answer. Given the problem and the result that you want to accomplish, you try to find the best means of achieving that result. Very often in the past, knowing the objective that we wanted to attain, we have passed legislation dealing with certain problems in the belief that the legislation would solve them in whole or in part, yet year after year we find that legislation of this kind has to be amended for purposes of clarification or of meeting difficulties encountered in administering the law. Now, what we have here is an income tax problem, and if we know what objective we are aiming at, why do we not take some action designed to accomplish that objective? Why should we be hesitant because the method we choose may not prove in experience to be a perfect one. If we decide upon a certain solution this year and later on there has to be some amendment, that can always be brought before parliament and dealt with in the light of the then circumstances. My own personal view is that the door should not be closed just because we do not know at the moment how best to solve the problem. I would suggest that some attempt be made now to deal with the problem or that an undertaking be given that when some solution is decided on it be made to operate retroactively. I cannot go any further than that now.

Hon. Mr. Lambert: In the meantime would you give the minister discretionary authority over these cases when they come up?

Hon. Mr. Hayden: Now you are pushing me a little far. I would give the minister authority to deal with this problem by regulation, and then see what happens.

Section 8 of the bill imposes a defence surtax on individuals at the rate of 20 per cent of the tax paid during the year. There is an exception with respect to the year 1951, whereby the surtax is computed at 10 per cent for the year. Payment of the tax for this year will commence July 1 at the rate of 20 per cent for the balance of the year, thus averaging out to 10 per cent for the whole year. In the case of corporations, the tax shall be paid from January 1, 1951, at the rate of 20 per cent.

I come next to budget item 3, which covers a variety of things. Briefly, it deals with additional items of deductible expenses. Notice of these deductions was given in the budget resolutions, and they are now being implemented by way of amendments to the Income Tax Act. Provision is made for deduction of the following expenses incurred before computing taxable income: Take the following cases: travelling expenses which an officer or employee is required to pay under his contract of employment; professional membership dues, such as are paid by doctors and lawyers to their respective associations; office rent or salaries paid to an assistant or substitute, the payment of which by the officer or employee was required by the contract of employment; the cost of supplies consumed directly in the performance of the duties of an officer or employee; and union dues. Honourable senators will find these various items of expense deductions set out, commencing at page 3 of the bill, where subsection 3 of section 3 of the bill would amend section 11 of the general Act by adding the new subsections 9 and 10. If an employee or officer satisfies the conditions set out in the new subsection 9, he then qualifies for deduction of the expenses set out in the new subsection 10, paragraphs a, b, c and d.

I wish to make special comment on the item of deduction, union dues, which is dealt with in the new subsection 12. To be deductible, union dues must be the amount of money that a workman has to pay to maintain his membership in a union. He is not allowed

to deduct moneys which he contributes to a union for the purposes of insurance or pension.

Hon. Mr. Roebuck: Or for political purposes.

Hon. Mr. Hayden: Yes; for political action.

Hon. Mr. Roebuck: That is right.

Hon. Mr. Hayden: That is excluded.

Hon. Mr. Haig: Would my honourable friend care to say whether under this new schedule of deductions members of the House of Commons, senators, or members of any legislature, would be allowed to deduct expenses incurred in earning income?

Hon. Mr. Hayden: Again, I should not express an opinion. The new subsection 9, which establishes the conditions by which one gets in the door, so to speak, to make claims for travelling and other expenses, gives the first qualification in these words:

> Where an officer or employee, in a taxation year (a) was ordinarily required to carry on the duties of his employment away from his employer's place of business or in different places . . .

As an ordinary individual, I would say that members of the House of Commons and senators would not fit into that category, by reason of the fact that if parliament is regarded as their place of employment, they would be required to be in Ottawa. By that interpretation it would not be necessary for any of us, in the performance of our parliamentary duties, to travel from the place where parliament sits. Under those conditions, I would say the provisions do not apply to us.

Hon. Mr. Hugessen: I suggest that we are not officers or employees.

Hon. Mr. Hayden: A senatorship might be called an office.

Hon. Mr. Dupuis: For the purpose of income tax, we are called employees.

Hon. Mr. Roebuck: Why should we not charge for house expenses in our home town?

Hon. Mr. Hayden: I would readily reply to my friend that there is no good reason that I know of why actual expenditures laid out for the purpose of attending and performing duties here should not be deductible items; but as I read the document, it is not so provided.

I turn next to what has been called the "Armed Forces Code", commencing at page 16 of the bill, which implements budget resolution No. 4. That resolution provides:

> That the governor in council be authorized to make regulations under which the income tax of members of the armed forces on their service income will be paid in full in respect of the pay and allowances of each pay period by a deduction therefrom in accordance with a special table subject to the right of any member to file a return on an annual basis.

To implement this resolution the bill would add to the Income Tax Act two new sections, 60A and 60B. Section 60A comes into effect as of July 1, and from that time forward there will be a special table of the basis on which a member of the forces will have his deductions made. The section further provides with respect to the year 1951, both before and after July 1, that when a person employed in a civilian occupation on an income on which he has been taxed joins the forces, the amount that has been withheld in respect of the office or employment that he was in, plus the amount that is deducted in the period when he is in the armed forces, will be accepted in full of his liability for taxes for the year. If, however, he has had income in excess of $50 a year from sources other than the two mentioned, the withholding will not be accepted as full payment of his tax. On the other hand, the right is reserved to him to file a return in the usual way.

Section 60B would create a tax credit of $1 a day for members of the forces. The conditions under which this concession may be earned will be found on page 17. The party must be a member of the naval, army or air forces of Canada serving in a zone outside Canada as prescribed in a regulation made on the recommendation of the Minister of Finance. Section 60A applies until the member arrives at a zone outside Canada prescribed by regulation as aforesaid. Then section 60B becomes operative, and the member is entitled to this dollar-a-day tax credit. Here is an illustration of the effect upon a service-man's income of section 60B. The taxable pay and allowance of a private, 1st Class, is $140 per month. His monthly tax for the year 1952 would be $9.36. If however he is serving in a zone outside Canada which has been so designated by regulation, his credit of $1 per day more than exhausts any liability for tax. That situation obtains in the case of the single service-man under the rank of lieutenant. A lieutenant earns $247.67 a month. If he has other income to the extent of more than $50, his tax situation of course is different.

Hon. Mr. Reid: Does training in the United States count for tax credits?

Hon. Mr. Hayden: The only answer I can make to my honourable friend is that such matters are governed by regulations prescribed on the recommendation of the Minister of Finance. I would be very doubtful if the training period would count as service

outside Canada for this purpose. But I do not know what conditions will govern the recommendations of the Minister of Finance. I should think they would be more closely identified with active service than a training period in the United States can be said to be. A married private, first class, gets $170 a month. Equally, he would have no tax liability. The tables which show the effect that this tax will have on various ranks are contained in House of Commons *Hansard*, June 18, 1951, pages 4228 and 4229, and with the permission of the Senate I will put them on Senate *Hansard*.

FOLLOWING ARE THE TABLES REFERRED TO:

ARMED FORCES TAXATION

COMPARATIVE EFFECTS OF (1) TAX CREDIT

Single Serviceman

Rank	Taxable Pay and Allowance	Monthly Tax (1952)	Value of $1.00 per day Tax Credit (30 day month)	Monthly Tax Remaining Payable	Tax Free Foreign Allowance
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Private (1st Class)	140 00	9 36	9 36	.....	9 00
Corporal	153 00	11 70	11 70	.....	9 00
Sergeant	175 67	15 95	15 95	.....	12 00
Staff Sergeant	201 00	21 05	21 05	.....	15 00
Warrant Officer Class II	223 00	25 54	25 54	.....	16 50
Warrant Officer Class I	248 67	30 84	30 00	0 84	16 50
Lieutenant	247 67	30 64	30 00	0 64	.....
Captain	286 67	39 37	30 00	9 37	.....
Major	377 33	60 12	30 00	30 12	.....
Lieut-Colonel	439 00	74 66	30 00	44 66	.....
Colonel	596 33	116 81	30 00	86 81	.....
Brigadier	774 33	173 32	30 00	143 32	.....

NOTE: 1—Taxable pay and allowances consists of basic pay of rank for officers and basic pay of rank plus group 2 trades pay for soldiers, plus ⅔ the allowance for rations and quarters and, in the case of married personnel, marriage allowance.

ARMED FORCES TAXATION

COMPARATIVE EFFECTS OF (1) TAX CREDIT

Married Serviceman—No dependents

Rank	Taxable Pay and Allowance	Monthly Tax (1952)	Value of $1.00 per day Tax Credit (30 day month)	Monthly Tax Remaining Payable	Tax Free Foreign Allowance
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Private (1st Class)	170 00	.....	.....	.....	9 00
Corporal	183 00	2 16	2 16	.....	9 00
Sergeant	205 67	6 30	6 30	.....	12 00
Staff Sergeant	231 00	10 80	10 80	.....	15 00
Warrant Officer Class II	253 00	14 76	14 76	.....	16 50
Warrant Officer Class I	278 67	20 03	20 03	.....	16 50
Lieutenant	287 67	21 87	21 87	.....	.....
Captain	326 67	29 82	29 82	.....	.....
Major	417 33	50 09	30 00	20 09	.....
Lieut-Colonel	479 00	64 22	30 00	34 22	.....
Colonel	636 33	104 76	30 00	74 76	.....
Brigadier	814 33	158 82	30 00	128 82	.....

NOTE: 1—Taxable pay and allowances consists of basic pay of rank for officers and basic pay of rank plus group 2 trades pay for soldiers, plus ⅔ the allowance for rations and quarters and, in the case of married personnel, marriage allowance.

ARMED FORCES TAXATION

COMPARATIVE EFFECTS OF (1) TAX CREDIT

Married Serviceman—Two Family Allowance Dependents

Rank	Taxable Pay and Allowance	Monthly Tax (1952)	Value of $1.00 per day Tax Credit (30 day month)	Monthly Tax Remaining Payable	Tax Free Foreign Allowance
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Private (1st Class)	170 00	.....	.....	.....	9 00
Corporal	183 00	.....	.....	.....	9 00
Sergeant	205 67	1 80	1 80	.....	12 00
Staff Sergeant	231 00	6 30	6 30	.....	15 00
Warrant Officer Class II	253 00	10 26	10 26	.....	16 50
Warrant Officer Class I	278 67	14 94	14 94	.....	16 50
Lieutenant	287 67	16 77	16 77	.....	.....
Captain	326 67	24 72	24 72	.....	.....
Major	417 53	44 39	30 00	14 39	.....
Lieut-Colonel	479 00	58 52	30 00	28 52	.....
Colonel	636 33	98 16	30 00	68 16	.....
Brigadier	814 33	151 02	30 00	121 02	.....

NOTE: 1—Taxable pay and allowances consists of basic pay of rank for officers and basic pay for rank plus group 2 trades pay for soldiers, plus ⅔ the allowance for rations and quarters and, in the case of married personnel, marriage allowance.

The next budget resolution with which I wish to deal is no. 5, which widens the field of application of the right to pay a 15 per cent tax on undistributed corporate income. It is now applied to all companies, the word "private", which was the word of limitation in the section enacted last year, being removed.

In addition, the budget resolution proposes the withdrawal of this right, from April 10, 1951, from a corporation which is controlled by another corporation, except in relation to its surplus to the end of 1949. This sounds a little complicated, but an explanation will be found on pages 21 and 22 of the bill, beginning at the bottom of page 21. The purpose of the budget resolution was accomplished by striking out the words "private company" wherever they occurred and simply using the word "corporation". That opens up the provision to public corporations.

Hon. Mr. Aseltine: Is it retroactive?

Hon. Mr. Hayden: No.

Hon. Mr. Aseltine: It is effective January 1, 1951, is it not?

Hon. Mr. Hayden: Yes, that is right.

As regards the class of corporation known as a subsidiary controlled company, the privilege of taking the benefit of this 15 per cent is withdrawn as of January 1, 1951. The reason is this. You remember that last year when the section was introduced some discussion took place as to the status of companies which acquired control of other companies after a certain date, and May 10, 1950, was fixed as the effective date relating to companies which acquire control of other companies. Subsequent to that date the acquiring company was not permitted to take out, without paying tax, the surplus of the company of which control had been acquired existing at the end of the taxation year preceding control. They had to go through what may be called the 15 per cent method to clear this surplus for tax purposes. This sort of thing developed. Let us assume that A was the parent company and B a subsidiary. Let us also assume that in the year 1950 the subsidiary company earned profits of $100,000. As the law stands it could pay those profits to the parent corporation without incurring a tax; and this was the intent of the legislation when it was passed. It is just another illustration of the point I was making in answering the honourable senator from Rosetown (Hon. Mr. Aseltine), that what you think you have done does not always work out according to your intentions. Hence the necessity for these amendments. Here is what happened. A subsidiary controlled company—being a company more than 50 per cent of whose voting shares are held by another company—instead of taking advantage of the law permitting it to pass dividends without tax to its parent company, would pay 50 per cent to the parent company, as it

legally could, and would clear the other 50 per cent by paying the 15 per cent tax; and the parent company received, say, $50,000. That is, the subsidiary earns $100,000; the parent gets $50,000 and the subsidiary keeps $50,000 which it clears of tax by payment of 15 per cent. The parent company then pays half to its shareholders, and clears the remaining $25,000 by paying 15 per cent. The effect of this arangment tax-wise would enable the ultimate shareholder to get about 75 per cent of the current earnings of the year on a basis of 15 per cent tax. It was intended that they should follow a straight line, and that the subsidiary would pass its earnings to the parent company without tax, whereupon the law would apply and the 15 per cent basis be applicable at the level of the parent company. It has been suggested, if there were two subsidiaries, that instead of 75 per cent the proportion might get up as high as seven-eighths.

Therefore the purpose of withdrawing this privilege to a subsidiary controlled company is simply to force what I might call a straight-line practice. That is, if there are subsidiaries, the dividends will come in the usual way to the parent company without tax, and then this beneficial provision will take effect, and such a parent company may with respect to the year 1950 and subsequent thereto, declare 50 per cent of its current earnings by way of dividends and then clear the other 50 per cent as a tax-paid amount of undistributed income by paying 15 per cent. That, apart from simply extending the privilege to all companies rather than limiting it to private companies, is the purpose of section 30 of the bill, and its amendment of section 95(a).

The next budget resolution deals with what might be called related companies. You will remember the provision introduced last year under which the first $10,000 earned was subject only to a 10 per cent tax, and then when the rates were increased the tax was 15 per cent. The theory was that the government felt as a matter of policy that they should lighten the load a little bit on small businesses. Not wishing to be discriminatory, however, they provided that any company would have this benefit up to the first $10,000. They went on to provide for a category of companies called related companies. They provided that if there were related companies only one could take the benefit of the low tax rate on the first $10,000 of income. The definition is now being amended for this reason. As to the original section the government, after taking advice from the Justice Department, has reached the conclusion that this is a rather anomalous situation requiring attention and correction. Let me give this illustration. Suppose you have two brothers, or a brother and a father, one at the Atlantic Coast and the other on the Pacific Coast, each running an independent, corporate business. Under the wording of the original section dealing with this special benefit of a low tax rate on the first $10,000, these businesses might be held to be related companies because of the personality of the two people controlling them. As a result, only one would get the benefit of that $10,000 provision and the low rate of tax. To my way of thinking it is absurd that such a condition should exist.

Hon. Mr. Aseltine: Surely the department would not take advantage of a case of that kind?

Hon. Mr. Hayden: The best proof that the department is not seeking to take advantage of such a case is the fact that it is asking to have the section amended so as to clarify its meaning. Frankly I still think it goes a little too far, and I shall tell you why. Suppose you have a father carrying on a business on the Pacific Coast—and it might be an old-established business earning $100,000 a year—and a son owning one share in that company; then suppose the son himself has a business in Halifax in which he holds all the shares. Under the provisions of the amendment in this bill today these companies would be related companies because the proprietor of one of these companies holds at least one share in the other company. You will see the wording in section 11 (iii):

> Persons not dealing with each other at arm's length one of whom owned directly or indirectly one or more of the shares of the capital stock of each of the corporations.

In the illustration I have given only one company would get the benefit of the low corporate tax rate on the first $10,000.

Hon. Mr. Lacasse: Which company would be chosen, the one belonging to the father or the one belonging to the son?

Hon. Mr. Hayden: That was embodied in the general Act last year. In the first instance it is up to the two parties to reach an agreement, and if they fail to do so the minister decides.

The next budget resolution has to do with increasing the items in respect of which you may get deduction as medical expenses. It does not increase the amount of medical expenses or the formula by which you qualify for medical expense deduction. The additional items in the list are to be found in section 6 of the bill, and include insulin, cortisone—and again I shall only pronounce the abbreviated name—ACTH, liver extract injectible for pernicious anaemia or vitamin B12 for pernicious anaemia, purchased for

use by the taxpayer, his spouse or any such dependent as prescribed by such a medical practitioner.

I should like to refer now to section 40 of the bill which implements paragraphs 8 and 9 of the income tax resolution dealing with special deductions from income to taxpayers whose principal business is the production, refining or marketing of petroleum or petroleum products or the exploring or drilling for oil or natural gas, or mining or exploring for minerals. It extends the provisions to 1952 in one case and to 1954 in the other case. The 1952 extension relates to a tax credit which you may get in connection with deep well drilling. The 1954 extension relates to the search for and development of oil and minerals. You may therefore plan accordingly.

Section 25 of the bill has to do with mining companies. As honourable senators know, under the present Act mining companies are exempt from taxation during a run-in period of six months and a three-year period of production. That exemption is extended by this bill to any mining company which comes into production up to and including the year 1954.

I have now referred to the budget resolutions. There are a number of other items, but I need touch upon them only briefly, since the bill will be explained in detail when we go into committee. However, I must refer to one amendment, which has the effect of giving a little bit of consideration to the part-time farmer. In the past he has had to adopt many expedients in order to be allowed to charge any of his farm losses against other sources of income.

Hon. Mr. Beaubien: What do you mean by a part-time farmer?

Hon. Mr. Hayden: I mean a person who devotes part of every year to farming. Many of these people dislike being called gentlemen farmers, and that is why I am using the other term. Section 13 of the Act gives the minister power to designate the taxpayer's chief source of income or chief combined source of income; but, so far as I know, part-time farmers have never been able to persuade the minister to exercise his power under that section to enable them to deduct their farming losses from income received from other sources. This bill enables the part-time farmer to deduct from his income from other sources one-half of his cash farm loss, or $5,000, whichever is less. I emphasize the word "cash", because he is not permitted to charge for depreciation so as to create a loss on his farming operations, in order thereby to get the benefit of this section.

Hon. Mr. Quinn: Does anyone lose money in operating a farm today?

Hon. Mr. McDonald: I was wondering whether the term "part-time farmers" might include grain producers of Western Canada who farm in the summer and go to Florida or California in the winter.

Hon. Mr. Stambaugh: The honourable gentleman, who comes from the Maritimes, obviously does not know much about farming conditions in the West.

Hon. Mr. Hayden: These are interruptions of a kind that I welcome, for they do not require any answer from me.

Hon. Mr. Beaubien: If the owner of a farm does not operate it himself, but rents it out to another farmer, would you call him a part-time farmer?

Hon. Mr. Aseltine: No.

Hon. Mr. Hayden: No. He is just an ordinary taxpayer who happens to own a property on which farming operations are being conducted. I would not regard him as a farmer.

Hon. Mr. Beaubien: But if the rent he receives for the farm is less than his cost of carrying the farm, can he charge his loss against income from other sources?

Hon. Mr. Hayden: A person who has rental income from a property is entitled to set off against it certain expenses for maintenance, and so on.

I should point out that this concession to part-time farmers is applicable to 1949 and succeeding years. I certainly do not qualify as a part-time farmer, but I am glad that this amendment is being made.

I also wish to mention Section 7 of the bill, which deals with dividends received by a Canadian company from a company in another country. Let us take the case of a parent company in Canada which has a subsidiary company in the United States. Under the present law, dividends coming to the parent company from the subsidiary are deductible from the parent company's income, if the parent company owns more than 50 per cent of the shares of the non-resident subsidiary. A change is now being made so that if the Canadian company owns more than 25 per cent of the shares of the non-resident company, the dividends from the non-resident company may be deducted. This is in a partial way, I suppose, a recognition of the principle under which dividends may pass from a Canadian subsidiary company to a Canadian parent company free of tax.

Now I wish to refer to an amendment which has given a great deal of trouble, and with

respect to which the minister finally gave an undertaking that if a more satisfactory amendment could be worked out later on it would be applied retroactively so as to give it effect back to the present time. I refer to the new Subsection 1F of Section 27 of the Act, which is set out in Section 7 of the bill. I referred a moment ago to the principle in the general taxation law under which dividends from a subsidiary company to its parent company, both companies being in Canada, pass without liability for tax. Last year in dealing with a special situation we passed an amendment providing that if a company acquired control of another company after May 10, 1950, the surplus of the subsidiary company becomes locked in with that company, as it were, and cannot afterwards be passed over to the parent company without being subject to taxation. So far the most favourable rate which the Act allows on the transfer of a surplus in those circumstances is 15 per cent. It was necessary to define undistributed income and to provide a method to determine what were the current earnings in each year of the control period after the date mentioned. As I say, this raised a serious problem, which we attempted to meet last year by passing the present Subsection 1F of Section 27. That subsection which is set out in the explanatory notes opposite page 6 of the bill, did not prove very satisfactory, and is now being replaced. There was a great deal of objection to it, mainly because the yardstick used was the notion that the subsidiary corporation was being wound up, and that whatever would be paid to the parent company on the winding up of the subsidiary company was the amount that should be used in determining current earnings.

The new subsection continues the motion of the winding up of the subsidiary company. It is a legal fiction, like the legal fiction of a reasonable man. There is no winding up, but for purposes of the subsection you assume that there is. You also assume that the subscribed capital is all repaid; and what is left is what you deal with.

Now, there would be no difficulty in arriving at the current earnings on that basis if you were dealing with companies that had only the ordinary preferred and common shares; but when applied to companies which have special classes of shares, such as Class A shares as well as common stock shares, or if the rights of the two classes of shareholders as to dividends and as to their position on the winding up of the company are different, it is felt by many people that this subsection still leaves an element of doubt and confusion. The attempt to arrive at what is current earnings in this class of controlled company, is for the purpose of determining, when a company pays dividends, whether they are paid out of current earnings or not. If not, the company can only clear their claim by following certain procedure and paying a 15 per cent tax. The department is desirous of devising a formula by which it will be able to determine readily whether or not current earnings are being used for payment of dividends when the control was acquired, say, in 1951, 1952 or 1953. This formula has been put forward, and it is an improvement on the wording of the original (1) (f). It was felt that the formula did not go far enough, and in pursuance of the pressure put on the minister he gave an undertaking in the other place, which appears in *Hansard* of June 18, at page 4237. He said:

> I am told that this is a most complicated question. It relates, of course, to the blocked surplus.

The statute calls it "designated surplus"—that is, the surplus in the company at the time control was acquired. As honourable senators know, it was a common practice in the past to buy the shares of a company and put them into a holding company. This meant that one could quickly repay himself for the purchase price of those shares. If the company purchased had a large surplus, tax free dividends could be declared.

Hon. Mr. Lambert: That has been done in two or three cases.

Hon. Mr. Hayden: I assure my friend that it has been done in a great many cases. For many years it was the practice of financiers and aspiring financiers to get a "free ride" in that way. That door is being partially closed by the provisions of this bill, which says, in effect: "You can still take that ride, but it is going to cost you a minimum of 15 per cent," and at the same time, the department is going to be fussy about the element of current earnings on any dividends paid to make sure that there is no encroachment upon that designated surplus. It is felt that even now the provisions do not go far enough in drawing the line fairly as between the position of different classes of shareholders.

The minister goes on to say:

> In order to effect what may be necessary it will require two definitions, and they will have to integrate the blocked surplus with dividends. It has not been possible to work that out. I am informed that the Department of National Revenue are working on this problem and if, as was the case in connection with other amendments, a suitable solution is found we will make it applicable to the same taxation period.

We have the undertaking of the minister in that respect. Under the circumstances, I do not think we can object much, as long as the authorities are headed in the right

direction and have the good will to go further in order to accomplish their objective.

I turn next to section 9 of the bill, which creates the new section 33A and contains section 34 as amended. Under section 7 of the Income Tax Act provision is made whereby the minister may decide what portions of blended payments received are interest and principal. He may single out the interest element and assess the recipient for income tax in a year in which it was received. It may happen that such payments include an accumulation of interest, and not interest earned within that year. The rigid application of the provisions of section 7 of the Act might work a hardship in some cases.

Section 33A, which is a new and relieving section, has particular application to savings contracts which may run three, four or five years. Some contracts provide that members of the plan are only entitled to receive payments at the termination of the contract. In such cases the interest portion would not represent the interest earned in that year. By section 33A provision is made whereby the interest portion of such payments as may reasonably be regarded as payments of interest in respect of a period of not less than three years will be taxed over a three year period. In other words, for income tax purposes the taxpayer may have his interest return averaged over a period of three years, namely, the year in which he receives the money and the two preceding years. Undoubtedly, the taxpayer would benefit by such an arrangement.

Hon. Mr. Isnor: Did the senator say the two previous years, or the two following years?

Hon. Mr. Hayden: It is averaged over the year in which the payment is made and the two preceding years. However, the taxpayer may elect to accept his responsibility under section 7 of the Act. He is perfectly free to make his own choice in the matter.

Hon. Mr. Aseltine: May I ask a question at this point? Would this provision apply to the proceeds from an agreement for sale of land or a mortgage on which nothing has been paid for several years and upon which a large payment is then made, a proportion of which is interest? Such contracts usually stipulate the date at which interest payments are to be made, except in cases where the payments are made by the delivery of wheat. In such cases, called "bushel payment agreements for sale", no interest content is shown, but the department claims that part of the money is interest. Would this new section apply to such payments under a mortgage or agreement for sale as I have mentioned?

Hon. Mr. Hayden: This section would apply to any payment, a portion of which could be regarded as interest.

Hon. Mr. Hugessen: May I ask my honourable friend this question? In the case of the reorganization of a company in which interest had been in default for many years, and as to which the bondholders were getting something consisting partly of capital and partly arrears of interest, would this new section apply?

Hon. Mr. Hayden: I do not know whether it is that sort of case that the department had in mind when it proposed this relieving section, but section 7 of the Act is broad enough to permit of taxing the interest content of a payment if the circumstances are such as to show that there must be an interest content in it. In the case you cite, where there is an accumulation of interest arrears on bonds, for instance, and a settlement is arrived at under which a payment is made, if it can be concluded from all the circumstances that there is an element of interest as well as capital in the payment, then the provisions of this section would apply. Under section 7 of the Act the entire interest portion would be taxable in the year in which it was received.

Hon. Mr. Hugessen: As extra income?

Hon. Mr. Hayden: Taxed as interest.

Hon. Mr. Hugessen: But as extra income, in the top bracket.

Hon. Mr. Hayden: Yes, if the taxpayer happened to be in that position.

Section 34 is an interesting section.

Let us suppose, for instance, that a single payment is made pursuant to a superannuation or pension plan, or a plan of retirement from employment whereby the person can get a lump-sum payment. In this case the payment is not solely for the last year, in which it is paid; it represents recognition for all the years in which the employee has been with his company. Section 34 contains an amended provision which enables advantage to be taken of the average of the rate of tax on the recipient in the year in which the payment was received and the two previous taxation periods of full employment. The relevant clause will be found on page 8, paragraph (c), (i).

Hon. Mr. Aseltine: That would not help very much unless the rate of taxation was going up rapidly.

Hon. Mr. Hayden: Some person told me that as between last year and this year there has been a substantial increase in the rate of taxation!

Hon. Mr. Isnor: Before the honourable senator passes from section 34 (a) I wonder if he would give us an example of the taxation of a payment made to a valued employee who has been in service for, perhaps, fifteen or twenty years. In arriving at the tax would it only be the salaries of the last two years that would be taken into consideration?

Hon. Mr. Hayden: Let us assume that in 1951 the employee receives a lump-sum payment of $10,000. He has an option as to how he will calculate his tax on that payment. He can arrive at the amount of payment by relating the aggregate of the tax for the last year preceding the taxation year for which he has received income from the office, and that of the two immediately preceding years. It might be that the lump-sum payment was made between February and June of 1951. First of all, he takes the last complete taxation year in which he worked, and the two full years, immediately preceding, and arrives at the payment in relation to the aggregate of the taxes for those years. The average gives the rate that would apply on that lump sum. That, I take it, is the meaning of subsection (c), (i). It states:

> The aggregate of the taxes otherwise payable by the employee under this Part for the last year (preceding the taxation year) for which the employee had an income from the office or employment and the two years immediately preceding that year.

That is related to the aggregate of the employee's income for those years. If he had no other income the problem would be as simple as I have stated it. If he had other income he would arrive at the percentage relationship of his tax by relating the taxes on his income from his office or employment for that period of three years over the aggregate income for those three years, and in that way would arrive at the factor that would apply to the lump-sum payment.

The next section I will deal with is the one which creates a joint liability. It is section 17, and will be found on pages 11 and 12. A husband, for instance, may transfer property or securities to his wife, or she to him, or either of them to a minor. Under the law as it exists at present the income from that property, or anything in substitution for it, or from the securities, is the income of the transferor. Under the new section the liability to tax in these circumstances becomes a joint and several liability of the transferor and transferee. Let us say that a husband transfers all his property to his wife. Under the law as it stands the husband is the one who is liable for the tax; and of course if he has parted with everything, he has nothing with which to pay. So the deal has not been a bad one. But under the amendment proposed in this bill the liability to tax in relation to income from transferred property or securities is a joint liability of both the transferor and the transferee. If the husband has other income and transfers some property to the wife, the joint liability would be greater, because what he transferred to his wife would go to the top of his own income, and the liability to tax in respect of the transferred assets would be on the top part, not on the bottom, and it would be a joint liability. The principle is to follow the people instead of, as is often done in law, to follow the assets, thus making the liability to tax coextensive with the group within which the property and securities are held.

Hon. Mr. Reid: Would action be taken against both parties in the event of one of the parties not making payments?

Hon. Mr. Hayden: Oh, yes, they are liable jointly and severally, which means that either can be proceeded against for the full amount.

Hon. Mr. Aseltine: Is not that principle the same as applies in the case of the gift tax, where either the donor or the donee is liable if the other has not made payment?

Hon. Mr. Hayden: Yes. Another point of interest is that there have been a few additions in conection with charitable foundations and trusts. It will be remembered that exempting provisions in this connection were set up last year. The relevant section of this bill is No. 20, which will be found on pages 13 to 15. A distinction has now been drawn between corporations set up for charitable purposes prior to the 1st of January, 1940, and those set up after that date. A corporation constituted for charitable purposes prior to January 1, 1940, is not subject to the requirement that it expend at least 90 per cent of its yearly income in that year for such purposes. Organizations which have been constituted since January 1, 1940, are subject to that 90 per cent requirement if they desire to benefit by the exemption provision. I suppose the actuating reason for this change is that persons who set up corporations exclusively for charitable purposes prior to January, 1940 are assumed to have been motivated by truly charitable principles, because tax rates then were considerably lower than they are now, and there was, let us say, less incentive for the creation of such institutions. These amendments make it clear how to determine what is the 90 per cent that a corporation may pay out in a year for charitable purposes. If the corporation has received a gift and the donor who made the gift has made it out of capital, say, and

has not charged off, the gift as an expense under the charitable deduction provision, then it is not reckoned as part of the income in arriving at the 90 per cent which the corporation constituted after January, 1940, must pay out in order to earn its exemption.

There is another amendment which allows charitable corporations and trusts a reserve equal to one year's income. If you incorporate a corporation today for charitable purposes you would have no benefit of this provision in the first year, but then when you came to the second year you would be permitted to set up out of your earnings a reserve equal to one year's income.

There are one or two other items that I want to mention. Section 19 of the bill deals with refunds. Up to the present time there has been no limitation on the time in which a taxpayer might apply for a refund, but section 19 imposes a time limit. If the return of a taxpayer's income for a taxation year has made within two years from the end of the taxation year, the taxpayer is permitted a year of default before filing his return and the minister may acknowledge the refund without any application and send out a cheque with the notice of assessment. Under paragraph (b) of section 52 of the Act as amended here, the minister shall make such refund after mailing the notice of assessment where application therefor has been made in writing by the taxpayer within twelve months from the day the overpayment was made or on the day on which the notice of assessment was sent. That would appear to give him quite an ample period in which to gain some idea as to whether or not he was entitled to a refund. It is mainly in the interests of proper operation and economy in administration that the department is seeking to put some limit upon the time within which a taxpayer may apply for refund.

Hon. Mr. Isnor: Is that not so on every return?

Hon. Mr. Hayden: You mean the provision of calling attention?

Hon. Mr. Isnor: Yes. I think you show the tax due and the amount paid to date, and either a credit or a debit as the case may be. Would the department accept that as a notice?

Hon. Mr. Hayden: Not necessarily, because the assessment has to govern for the reason that a refund might develop as a result of the assessment. That is to say, the department might determine that you had made a return against yourself, and in that case the refund would be the result of the assessment.

I should call attention to the fact that the department is prepared to pay more interest on overpayment. You will remember that the limitation was 2 per cent on amounts up to $5,000, and half of one per cent over that. You now get 2 per cent on overpayments, so it may be that there will be a rush in the field of overpayment of taxes in order to earn interest from an assured source.

Hon. Mr. Isnor: What is charged for underpayments?

Hon. Mr. Haig: Six per cent.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hayden: There are quite a number of other sections in the Act which deal with corporation set-ups, and this hardy and difficult thing of undistributed income, the formula for which is contained in section 73(a), I think it is, of the Income Tax Act. There are amendments proposed in this bill for the purpose of clarifying the language that was used when the section was first brought in, and also to prevent, as the wording in some instances might permit, getting expense deductions twice.

Then there are sections which deal with procedure on appeal to the Exchequer Court, and so on. The new section will read as follows:

> An appeal to the Exchequer Court shall be instituted by serving upon the taxpayer or the Minister, as the case may be, a notice of appeal in duplicate in such form as may be determined by the rules, by filing a copy thereof with the Registrar of the Exchequer Court and, if the appeal is from the Income Tax Appeal Board, by filing a copy thereof with the Registrar of the Income Tax Appeal Board.

There are sections which give the power by regulation to compel an employer to furnish a T-4 return to his employee, and penalties are provided for any violation.

There are a number of sections dealing with administration, but I think we can develop them more readily in committee. I do not want you to think that these are all the different things contained in the Act, but I have in the course of my discussion extracted the major problems which gave rise to the amendments, and the problems which will develop as a result of the amendments. Knowing that this bill will be going to committee, there is nothing more I have to say at this time.

Some Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: I should like to congratulate the honourable senator from Toronto (Hon. Mr. Hayden) on his very clear explanation of this most intricate and difficult bill.

Some Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: I have read this bill very thoroughly and I have found the

language most difficult to understand. Can the honourable senator tell us why it is necessary for any draftsman to use the language which appears in this bill? Why not use ordinary language which people can understand?

Hon. Mr. Lambert: Are you voluntarily suggesting the taking away of business from members of your own profession by having the language made too simple?

Hon. Mr. Aseltine: Oh, no. I find it very difficult to understand the language that is used in this Income Tax Bill, and that is the reason why it takes a man of the ability of the honourable senator from Toronto to explain it.

Hon. Mr. Lambert: He has a good business in it.

Hon. John T. Haig: Honourable senators, I do not wish to delay the house at this time, but whenever I hear an Income Tax Bill explained I am reminded of the story told about the late President Coolidge of the United States. It seems that he went to Church one Sunday morning, and when he came home his wife said to him "Well, Calvin, what did the minister preach on?" The President replied "Sin". His wife then said "What did he say about it?", and the President replied "He was 'agin' it." Well, I am always "agin" income tax legislation. There are few redeeming features about it. As my honourable friend from Rosetown (Hon. Mr. Aseltine) pointed out, the language is so complicated that when the ordinary man on the street reads it he gets so mixed up that he says "I'll go and see my lawyer". So, as a result we lawyers get quite a bit of business from these people.

In the city of Winnipeg—I cannot speak for any other place—we have been blest during the years with three or four very able administrators who had a large fund of common-sense and tried to interpret the law by common-sense methods. I can remember three of them, of whom the present administrator is one. I could quote case after case in support of my statement, and in each case whether my client or the department won out, both sides were apparently satisfied.

I listened carefully to the able explanation of the bill by my honourable friend from Toronto (Hon. Mr. Hayden), and like him I cannot understand why a formula could not be worked out to show the 5 per cent on capital employed in a business. I have never been able to understand why an income tax statute could not set out certain fundamental principles. I was a member of the special committee of the Senate which investigated the income tax law and recommended that the minister's discretionary powers be limited in certain cases. The reason we recommended that was that the ordinary person is not able to understand much of the law, and whenever a dispute arose the final decision rested with the minister. Of course, the law has been much improved in this respect, and the appointment of the Income Tax Appeal Board has provided much relief to taxpayers. I do not mean only that taxpayers have been benefited financially, but they have received satisfaction from the board's decisions. The taxpayer now gets a fairer deal in this respect than ever before.

I think we have got to spend a good deal of time on this bill. The Senate has much responsibility in dealing with a measure of this kind. In my judgment it is most difficult for a house of members elected by the people to give all the time that should be given to a Statute like this. It is easy to understand why that is so. There is no political bias in this statement of mine, but as I said at the outset I am "agin" the bill. I hope the leader of the government will be able to arrange for a meeting of the Banking and Commerce Committee at 8 o'clock this evening to begin dealing with the bill, and we should be able to continue working on it Monday and in that way have a thorough investigation. Everyone of us here has had a great deal of experience with income tax questions—for we have to deal not only with our own problems but with those of people who consult us. And I am referring now not to lawyers alone, for all members of parliament are questioned about these matters by people who naturally think that as we pass the laws we ought to understand them.

I candidly say that I see some improvements in this bill. Naturally I am not keenly in favour of the 20 per cent increase in the tax, although I am rather inclined to agree that the Minister of Finance adopted the best possible course in increasing the tax by 20 per cent rather than by amending all the schedules. I think he acted wisely there. Of course if the war situation gets worse, or if for any other reason our expenditures increase greatly, it may be necessary to have a general revision of the law. I am hoping that this arrangement will be carried through, for it permits the least possible disturbance to business in its estimation of the tax. I say again that I hope the bill will be referred to committee for thorough discussion.

Hon. Thomas Reid: Honourable senators, I have one or two questions to ask, but before putting them I wish to commend the senator from Toronto (Hon. Mr. Hayden) for his able and lucid explanation of the bill. He made clear to me at least many sections which otherwise were not clear.

I am pleased that there is an amendment providing some concession for the so-called gentleman farmer. I notice the amendment is retroactive to 1949, so I myself may have some rebate coming. Three years ago I received from the taxation clerk a notice asking for a further explanation of my losses on the farm. I thought he was going too far in asking me to explain why I had had losses on the farm. I told him that the questions he asked me were none of his business; that he had better come out and give me some assistance, and then perhaps I could make a profit.

Referring to the section providing for deductions for medical expenses, I think that residents of British Columbia, who are now compelled by provincial law to pay a hospital tax, should be allowed to deduct this tax. When one enters a hospital in that province he shows the authorities his receipt for the tax, and no matter how long he stays in hospital he has to pay no bill. A man might very well pay the tax for ten, fifteen or twenty years without ever having to go to a hospital. Of course he would be fortunate, but I am dealing now with the taxation question only. The province has found it necessary to increase the tax year by year.

I also wish to mention paragraph (A) at the foot of page 1 of the bill, which provides that a taxpayer may deduct travelling expenses when away from the municipality where his employer's establishment is located or—this is in paragraph (B), at the top of page 2 of the bill—in the metropolitan area where the establishment is located. In British Columbia the words "city" and "municipality" are used frequently and we know what they mean, but there might be some doubt as to whether or not the term "metropolitan area" could be applied to any place within the province. At any rate, that term is not defined in our provincial statutes, and I would suggest that in this bill the words "municipality, city or metropolitan area" be used, so that no departmental officer may be able to say to a British Columbia taxpayer claiming deduction for travelling expenses "You may live in a city, but the Act requires that to be eligible for the exemption you must live in a municipality or metropolitan area."

By way of illustration, may I mention a situation that has arisen recently in British Columbia? The Trans-Canada Highway enters New Westminster by way of the Pattullo Bridge. Under an arrangement with the federal government, the provincial government is or should be entitled to 50 per cent of the cost of construction of the bridge. The provincial government has taken the stand that only half of that bridge is within a municipality, and the other half is within the city. They draw a very fine line in that case. We state that we should pay only 50 per cent, for the half of the bridge leading into the municipality of Surrey. It is that complication which prompts me to rise this afternoon and call the attention of the house to this matter. It seems to me that when the bill is in committee some consideration should be given to the insertion of the word "city".

I have two simple questions to ask. First, why does the bill, at page 1, specifically mention that an agent general of a province shall receive a special allowance? Second, is section 34, at page 23 of the bill, a new section? It would seem to me that it gives very wide powers to the minister, in that he can by registered mail require a person who has money coming to him from another person to hand over the money to the tax department. I know that such action is taken within departments.

I was interested in a recent case in which a destitute person had $250 coming to him from a retirement fund. He wrote to me requesting assistance. When I inquired about the delay in paying this man his much needed money, I was told that the Department of Finance, to which he owed $300, had placed a lien on his $250, and that he still owed the department $50. I am of opinion that the powers of the minister go too far, in that he can require a person making payments by registered mail to turn the money over directly to the government rather than to the man it is coming to.

Hon. Mr. Hayden: So far as garnisheeing is concerned, I am sure my honourable friend with his long experience in parliament knows about the law. There is in the statutes an Act called Debts Due to the Crown Act, under which proceedings can be taken to attach moneys owing by an employee of the government to some department of the government. The section to which my friend refers in the bill proposes to simplify the procedure of collection of debts due the Crown. If this section were deleted from the bill, there would still be statutory power to take such action as my friend mentions. This section creates a form of garnishment of money coming to a taxpayer who happens to be delinquent in his payments. In this field one can never apply the principle of one case to another because, in the matter of the securing of revenue by way of income tax, a person either owes it or he does not owe it. In taking action under this section of the bill providing for garnishment, the government is not taking on any greater right than an ordinary creditor would have to take proceedings in a province.

As to my friend's question about an agent general of a province qualifying for exemption when he has a per diem allowance to take care of his expenses while in Ottawa, that is only in addition to the existing law. Under section 5 of the general Act an agent general, officer or servant of a province is not required to include, as part of his income an allowance which he receives for living. As the provinces feel it necessary to have an agent in Ottawa, the federal government extends that concession to him while he must be on duty in Ottawa, in the same way as if he were absent from Canada. It is merely an extension of the principle.

In reply to my honourable friend's question as to the confusion between a city and a municipality, it had never occurred to me that such would ever come up. I am sure the senator from Toronto-Trinity (Hon. Mr. Roebuck) will agree that when we in Ontario talk about municipalities we refer, for instance, to the municipal corporation of the city of Ottawa or the municipal corporation of the city of Toronto. Municipalities are created under the Ontario Municipal Act. If there is a possibility of confusion, the terms should be clarified.

Hon. A. W. Roebuck: Honourable senators, I should like to compliment the senator from New Westminster (Hon. Mr. Reid) for raising a question on section 34, which deals with garnishment. This provision is in the Act, and I think it is an unconscionable one. It provides for the garnisheeing of debts already owing and for debts which may be owing in the future. No provincial law of garnishment goes nearly that far.

As I understand the Act—excluding the amendments for the moment—the minister may serve some sort of notice upon a creditor or a prospective creditor requiring him to pay to the tax collector such portion of the debt as the minister may specify. The minister may specify the entire amount. I know of actual cases in which employees who owed money for income tax have had notices served upon their employers garnisheeing their entire wages due and to fall due, leaving them without any income to live on. I have on occasion protested successfully against such action, and arrangements were quickly made to allow the employee to receive sufficient to live on. There should be some provision in this bill, as there is in provincial statutes all over the country, specifying how much can be garnisheed and how much must be left to the debtor. I believe that the officials who administer the Act are reasonable men; I have found them to be such, and perhaps they would not stretch their authority too far; but I think the bill itself should make some provision whereby a certain proportion of wages is left to the labourer.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

NOTICE OF COMMITTEE MEETING

Hon. Mr. Hugessen: Honourable senators have before them a notice of a meeting of the Standing Committee on Banking and Commerce to consider the Income Tax Bill when the Senate rises today. As it is now nearly 6 o'clock, I suggest that honourable members might take this as a notice to meet at 8 o'clock tonight, so that we may avoid the formality of meeting now, and adjourning until this evening.

My attention has been directed to the fact that in past years a stenographic report of the proceedings of the Standing Committee on Banking and Commerce with regard to income tax has been made. If it is the wish of the Senate to continue that practice I will make the necessary motion. I have not the wording here, but the effect of the motion would be that a stenographic report be kept of the proceedings of the Standing Committee on Banking and Commerce in its examination of the bill to amend the Income Tax Act. I so move.

The motion was agreed to.

The Senate adjourned until Monday, June 25, at 8 p.m.

APPENDIX

Thursday, June 21, 1951

The Standing Committee on Finance to whom was referred the estimates laid before parliament for the fiscal year ending March 31st, 1952, have in obedience to the order of reference of March 14, 1951, examined the said estimates and now beg leave to report as follows:—

The main estimates for government expenditures in the present fiscal year that began April 1st were given to the House of Commons on March 12th, and to the Senate a day or two later.

On March 14th the Senate adopted the following resolution:

Order of Reference

That the Standing Committee on Finance be authorized to examine the expenditures proposed by the estimates laid before parliament for the fiscal year ending March 31st, 1952, in advance of the bills based on the said estimates reaching the Senate: That it be empowered to send for records of revenues from taxation collected by the federal, provincial and municipal governments in Canada, and records of expenditures by such governments, showing sources of income and expenditures of same under appropriate headings, together with estimates of gross national production, net national income and movement of the cost-of-living index, and their relation to such total expenditures, for the year 1939 and for the latest year for which the information is available, and such other matters as may be pertinent to the examination of the Estimates, and to report upon the same.

That the said committee be empowered to send for persons, papers and records.

Prior to the Easter adjournment steps had been taken to secure from the appropriate government departments certain statistical data which was available to your committee when it resumed its work at the beginning of May. An examination of this statistical data was decided upon, to ascertain as far as possible what effect government spending at all levels of government had on the rising cost-of-living, or in other words on the inflationary pressures that produced these rising costs.

With this end in view the committee examined the totals of proposed federal government expenditures for the current year and noted the comparison of these expenditures with the fiscal year ending March 31st, 1939, which was taken as a base year. The expenditures in the fiscal years ending 1950 and 1951 were also compared with the expenditures proposed for the fiscal year ending 1952, shown in the estimates under consideration.

The data covering this is shown in Exhibit 1 appended to this report. This exhibit is a summary of annual estimates by standard objects of expenditures and special categories:

(a) The expenditures brought about through defence preparations are shown under the heading of "National Defence and Defence Production".

(b) For departments other than National Defence and Defence Production, which can be said to be the ordinary civilian expenses of government.

(c) A combination of these under the heading of "Totals for all Departments".

Explanatory notes of each of these items of expenditure are appended to Exhibit 1. The increases in practically all departments of our federal government, even measured in 1939 dollars, are very significant. They should be a matter for concern and should be clearly studied in relation to the problem of taxation and the increasing burden on our economy. An apparatus of government whose costs increase more rapidly than the increase in population and the production of new wealth, can lead to serious dangers to the state as a whole.

Exhibit 2 shows the combined revenues and expenditures for all governments in Canada, federal, provincial and municipal, for the years 1939, again taken as a base year, and for 1948 and 1949. There is included also a similar preliminary estimate for 1950. It is important to point out here that the statement of revenues does not include inter-governmental-transfers. For example, the federal government pays statutory subsidies to the provinces and substantial sums under the fiscal agreements with the provinces who rented their right to collect income and corporation taxes to the federal authority.

Your committee desires to draw special attention to this statement, Exhibit 2. It

indicates the sources from which revenues are secured by each of the levels of government and also the purposes for which the revenue thus secured is expended. For illustration, it indicates the cost of servicing the over-all public debt of Canada, which increased from approximately 264 million in 1939 to over 492 million in 1949, and is now more than 500 million. Almost all of this increase was due to the expenditures incurred in the second world war. It also indicates the great increase in social service expenditures over the same period in the country's progress to the ideal of the welfare state. Under this heading the increase, exclusive of soldiers pensions and care, was from approximately $208 million to over $800 million in 1949. This type of expenditure continues to increase.

Exhibit 3 is a statement of national income and gross national product in each year from 1939 to 1950, with a few explanatory notes. It is important here to draw a distinction between gross national product and net national income. Gross national product is the gross income of all the people of Canada from all sources, which can be compared to the gross income of a business corporation or a farmer or a labouring man. To arrive at the net national income certain deductions must be made from the gross product. In the course of a year machinery employed has to be depreciated in value because it may become out of date, or because ordinary wear and tear makes it less valuable at the end of the year than at the beginning of the year. The same thing is true of houses and automobiles. When all of these and similar charges are put together they are deducted from the gross product and the result may be described as the net national income. From this total of national income of all the people in Canada their total living expenses have to be deducted and since Canadians enjoy a high standard of living this amount is the major item. In the second place, from the national income of all the people in Canada there has to be deducted the amount they pay in taxes to their various governments. Broadly speaking, what is left is the volume of savings, from which expansion and further development takes place, which may be invested in life insurance policies or annuities or retained by individual Canadians as a provision against a rainy day. It is a matter for concern that in the past few years personal savings have shown a rather marked tendency to decline in volume. In his recent budget speech the Finance Minister drew attention to the importance of this matter of personal savings in the following words.

> It is to the interest of every Canadian to make the maximum effort to save, or to increase the level of his saving, as a direct contribution to the avoidance of inflation and the successful prosecution of the defence program. The money saved can be used to buy Canada savings bonds, or to pay off the mortgage on his house or farm more rapidly, or to speed up the repayment of other debts, or to increase his savings in any other form that suits his individual circumstances. The important thing is to achieve an increase in aggregate saving up to a level at least equal to the new capital investment which we shall have to make this year.

Your committee considered it of first importance that individual Canadians as far as possible get a clear understanding of what this means. If individual Canadians spend their substance foolishly or unwisely, if they are lazy and thriftless, without any doubt they create problems for themselves and for their governments. If governments, in response to public pressures, spend money foolishly or unnecessarily, they put heavier burdens on taxpayers and create political discontent and unrest. If political parties try to rival each other, in promises to the electorate, seeking in this way to gain political support, they are doing a real disservice to our country. The easy road is rarely a wise or prudent one to follow. Scarcely a week passes without some group of people, or some organization, pressing upon some government, somewhere in Canada, some project for spending more public money. The result of this is that we have reached a stage in practically all levels of government in Canada where those in authority are seeking some new tax, hidden or unhidden, through which they can meet the demands made upon them. This course, if persisted in, is fatal to our well being as a people.

As a result of much loose talking and superficial thinking, the notion has grown alarmingly in the minds of a great many people that governments get their money in some mysterious fashion; that part of the responsibility of governments is to solve the problems of communities and individuals which these communities and individuals should solve for themselves. In this way individual self-reliance and initiative is undermined. The wilderness which a few hundred years ago was the Canada we know today was not developed in this way.

In the judgment of your committee the steady growth that has been apparent now for quite a number of years, of dependence upon the state, can lead to only one of two results: Either in a steady increase in the power of the state over the rights of the citizens, or the breakdown of democratic

representative government as we have understood it and practised it in the past. The lessons of history in this respect are clear for all to read.

In Exhibit 4 is given a table of the number of civil service employees of the Government of Canada, again taking 1939 as a base year and giving the numbers for the years 1948-49-50-51. A cool examination of this table will convey an idea of the growth in government services. It was of course inevitable during the war years that there would be great expansion in the number of government servants, but one could have hoped that in the years following the war, and especially five years after the war was over, that the number would have diminished. Instead of this there has been a steady expansion. Your committee had not the data available of the trends in this respect at other levels of government of Canada, that is provincial and municipal, but it believes that these other levels of government would show quite substantial increases also.

Exhibit 5 shows the movement of the cost-of-living index. This index has shown an alarming increase since the end of World War II. It is the visual evidence of inflationary processes that are working in the Canadian economy. This condition is not alone the experience of Canada. It is a problem that is met with today in every democratic country in the world. The cause of this inflation can be stated briefly as too much spending against too few goods. There is no doubt that the methods necessary in financing World War II created tremendous inflationary pressures. This has been the experience of all wars of any magnitude; but because World War II was world wide in the incidence of the struggle, these pressures were generated on a scale never before experienced; and the reason is simple. War is a terribly destructive thing in its effect on any economy. It creates tremendous expansion of credit and money and democratic peoples have not yet learned the lessons of the great dangers inherent in this, and lack the self-discipline necessary to get back again on to solid ground. Moreover, it must be said that the financial policies followed by governments since the end of the war were not always wisely directed to bring this lurking menace under effective control.

During the war all economic activities rightly were directed to winning the war; but this process continued over four years created an immense void throughout the world for consumer goods of all kinds. There was superimposed upon this, greatly expanded social welfare expenditures. In other words, payments by governments out of their treasuries for social welfare budgets of one kind and another. Your committee is not discussing here the necessity or otherwise of these expenditures; but it ventures to say that their effect in producing additional inflationary pressures cannot be successfully challenged.

Another important point may be noted here. If labour costs rise, without an equivalent increase in production per unit of labour, these increased costs are almost always added to the cost of goods or services, and thus in effect are inflationary. As at end of May the cost of living had increased 82 per cent in the last twelve years. The general index for wages, according to a recent release from the Minister of Labour, stood at 225·5 for April 1951, compared with 100 in 1939. The Finance Minister in his recent budget speech stated "Statistics and charts in the white paper I have tabled indicate that there has been no measurable increase in per capita productivity during the past five years". It would thus appear that the increase in productivity that has taken place, has been due almost wholly to the increase in the labour force at work. If wages rise without a corresponding increase in productivity the effect of this is bound to be inflationary on prices. No solution can be found in prices chasing wages and wages chasing prices in a dizzy spiral that has already reached a dangerous height.

Business corporations large and small and business concerns of individuals seek to protect themselves against rising costs, whether from labour costs or government taxes of various kinds, by putting them into the price the consumer pays.

The extent of this inflation can be measured in another way. In 1950 our gross national production reached almost eighteen billion dollars. Measured in terms of 1939 dollars, it would have been slightly less than ten billions. This indicates how inflation can deceive us and distort the perspective of our economy. There can be no doubt that the inflation that has taken place in our economy in recent years is a very serious thing. A rising inflation in a country's economy is like a deadly unknown virus in the bloodstream of an individual. When inflationary pressures are at work it is of vital importance that Governments, at all levels, practice the most rigid economy and above all avoid going further into debt. There is little point in their urging individual citizens to economize if they do not themselves set a good example.

Your committee pays a compliment to the Minister of Finance for the warning he gave in his budget speech on the grave dangers that are lurking, unsuspected by the vast majority of Canadians, in these inflationary processes that are at work. The white paper given to parliament at the time the budget

speech was delivered gave a vast amount of very useful information to parliament. Any member of parliament, or any other citizen who studies it, can get a fair knowledge of the working of the Canadian economy. Difficult as it may be for the people in a democratic society to interest themselves in this matter, a clear understanding of it is vital to the maintenance of our so-called way of life.

In his budget Speech the Finance Minister indicated his expectation that our gross national product in the present fiscal year would be about twenty billion dollars. This should give a net national income of at least sixteen billion dollars. The information given your committee indicates that expenditures of all governments, federal, provincial and municipal this year will be over five billions. In other words, approximately one-third of the net national income of all Canadians will be paid to their governments in taxes. Here the big item of increase is of course the increased defence expenditures, which, in the state of the world today, cannot be avoided. As a result of this heavy load of taxation, combined with the high standard of living we are endeavouring to maintain as a people, the volume of savings out of which new development must take place, as already indicated, is shrinking in an alarming way. The stern necessity rests upon governments and upon individual Canadian citizens in these dangerous days through which we are passing to economize in their expenditures. The people must be encouraged to build up their savings. The proposed pension legislation that everyone appears to be clamouring for, will probably add four hundred million dollars to our total of expenditures, and the greater part of this, for many years to come, will have to be met out of current production. No one can accurately forecast the future, but we do know that the grim depression of the thirties was set in motion by the collapse of an inflationary boom present in the world for the previous eight or ten years. There is no question that the Canadian economy cannot avoid being profoundly affected by what happens in other countries and especially today in the United States. The uncertainty of what lies ahead is the strongest possible reason to guard against building an edifice of fixed expenditures which, if dark days should come upon us, our economy could not possibly carry.

It is important that the Canadian people realize that inflation, in the sense of its impact upon our daily living and the uncertainty and fear it generates as to what may happen in the future, can have a paralyzing effect not only on our economy, but as well upon the steadiness of thinking in the individual citizen, that is the mainspring of what we describe as our democratic way of life. We need a clear understanding that this danger if allowed to proceed unchecked will bring serious and grave hardships to hundreds of thousands of our people. It thus becomes the duty of every citizen to do, as far as he can, his part in combating it. To that end he must understand that an increase in our savings and an increase in production of goods and services is a vitally important matter.

Most human beings would like to maintain or increase their standard of living by working fewer hours per day, or week or month, and at the same time increase the returns they get for their contribution to our society. But if an individual works fewer hours per week and does not produce the same volume of product that he produced working longer hours per week, and if he gets a higher monthly return for this reduced volume of production, then without any question prices will tend to rise and thus the flames of inflation are fed and grow. And if any section of our community increases the share it gets out of the total productive effort then some other section of the community has of necessity to take less. It is a lamentable fact that the worthy citizens who tried to protect their future needs by saving, by life insurance or annuities, are today the people who are suffering most grievously, for the simple reason that inflation has produced a condition where the income derived from savings or life insurance or annuities buys little more than half of the things it would have bought twelve years ago. Year by year his position has been growing worse. Suggestions have been made that governments can control this by taking full and ample power to direct and supervise the day to day living of the ordinary citizens. Russia is probably the supreme example today of this kind of government control. Here criticism of the government is forbidden. The press can publish only what the government ordains. Freedom of speech, freedom of worship, indeed freedom in any of its aspects disappears. The state as represented in the few people who govern it, becomes the all-powerful agent. Initiative, self-reliance and all other virtues we associate with high character in the individual disappear and the human family in such a state sinks gradually and inexorably to lower and lower levels, spiritually and materially.

These may be regarded as strong words and not appropriate for a report of this kind, but your committee feels that they are facts that should be pondered and weighed by every citizen. Governments of course have

their special responsibilities. They are the ones to whom people look for leadership. The people also have their responsibilities and the most important is that they do not press their governments into unwise policies and unwise expenditures. Indeed, they have another responsibility, and that is through the agencies of the press and public opinion to check and admonish governments when they pursue unwise policies or unwise expenditures.

Your committee suggests that the government should keep to the lowest point possible all capital expenditures of every kind excepting those essential to defence, to provide the minimum of housing necessary and those expenditures that are normally directed to increasing the production of goods and services required by the Canadian people. Where expenditures are made on any of these items, including defence spending, efficiency and conomy consistent with attaining the end in view should be the watchwords guiding them.

Your committee would suggest further that the federal government, as the senior government, should seek the co-operation of the provincial and municipal governments to adopt this same policy. It is true that these governments are largely sovereign in their own spheres of government, but we venture to say that their assistance should be sought and, in as large a measure as possible, secured.

Your committee concludes its report with this observation. In its judgment no finer body of citizens exist in any country than is to be found in Canada. The proof lies in what they have achieved in the eighty years since the scattered colonies that then existed in what is now Canada were brought together in one confederation. In this eighty odd years half a continent has been developed. The necessary organs of government have been created. Educational opportunities through the development of schools and universities have marched forward with the needs of the people. Our standard of living is as high as in any country in the world, measured by the indices that measure a standard of living. No country in the world provides greater opportunities to the young and daring. The virtues of self-reliance and initiative and sympathy and forbearance, and a sense of justice and fair play have made the Canadian people what they are today. One of the supreme responsibilities of all governments is to exercise wisely their power and influence to maintain and further develop these virtues, for the character of a nation is but the sum total of the character of its citizens.

Your committee wishes to express its thanks to the witnesses who appeared before it for the assistance they gave the committee in carrying out its work.

All of which is respectfully submitted.

T. A. CRERAR,
Chairman.

EXHIBIT No. 1.

SUMMARY OF ANNUAL ESTIMATES BY STANDARD OBJECTS OF EXPENDITURE AND SPECIAL CATEGORIES

NATIONAL DEFENCE AND *DEFENCE PRODUCTION

	1938-39 (000's omitted)	1949-50 (000's omitted)	1950-51 (000's omitted)	1951-52 (000's omitted)
(1) Civil Salaries and Wages	$ 2,586	$ 41,611	$ 44,625	$ 61,035
(2) Civilian Allowances	2	316	487	1,191
(3) Pay and Allowances Defence Forces, and R.C.M. Police	11,395	112,526	138,346	209,184
(4) Professional and Special Services	198	3,897	4,822	8,771
(5) Travelling and Removal Expenses	1,101	10,964	13,985	22,363
(6) Freight, Express and Cartage	167	5,974	8,660	10,935
(7) Postage	6	253	255	483
(8) Telephones, Telegrams, and Other Communication Services	57	2,074	2,409	3,68
(9) Printing of Departmental Reports and Other Publications	.....	1,276	1,381	2,26
(10) Films, Displays, Broadcasting, Advertising, etc.	5	1,022	1,995	3,862
(11) Office Stationery, Supplies, Equipment and Furnishings	232	1,622	2,488	6,327
(12) Materials and Supplies	190	64,568	108,225	375,918
Buildings and Works, including Land—				
(13) Acquisition and Construction	4,261	52,384	57,750	362,767
(14) Repairs and Upkeep	1,046	15,448	20,537	30,334
(15) Rental	.....	840	974	1,086
Equipment—				
(16) Acquisition and Construction	12,265	73,988	127,142	737,444
(17) Repairs and Upkeep	588	45,604	62,074	131,333
(18) Rentals	.....	.....	.....	.....
(19) Municipal and Public Utility Services	.....	2,964	3,402	3,702
(20) Grants, Subsidies, etc., not included elsewhere	104	1,383	4,190	2,320
(21) Pensions, Superannuation and Other Benefits	2	14,365	16,163	22,214
(22) All Other Expenditures (other than Special Categories)	1,772	6,838	205,859	180,096
Total Standard Objects	$ 35,967	$ 459,957	$ 825,769	$2,177,323
(23)-(33) Special Categories	.....	.....	.....	.....
Total Standard Objects and Special Categories	$ 35,967	$ 459,957	$ 825,769	$2,177,323
(34) Less Estimated Savings and Recoverable Items	.....	68,823	55,186	513,111
Net Total Estimated Expenditures	$ 35,967	$ 391,134	$ 770,583	$1,664,212

* No provision for Defence Production during 1938-39. For 1949-50, only Canadian Arsenals, Limited, is included in the figures in this table.

DEPARTMENTS OTHER THAN NATIONAL DEFENCE AND DEFENCE PRODUCTION

	1938–39 (000's omitted)	1949–50 (000's omitted)	1950–51 (000's omitted)	1951–52 (000's omitted)
(1) Civil salaries and wages	$ 74,271	$ 276,741	$ 282,157	$ 301,856
(2) Civilian allowances	1,183	5,172	5,964	6,393
(3) Pay and allowances, R.C.M. Police	3,750	8,227	10,157	14,588
(4) Professional and special services	4,104	22,155	24,041	26,676
(5) Travelling and removal expenses	3,504	12,808	13,802	13,946
(6) Freight, express and cartage	479	2,097	2,159	2,379
(7) Postage	449	2,918	3,092	3,023
(8) Telephones, telegrams and other communication services	689	4,475	4,635	4,859
(9) Printing of departmental reports and other publications	.....	3,950	4,018	3,905
(10) Films, displays, broadcasting, advertising, etc	1,794	4,373	5,083	4,850
(11) Office stationery, supplies, equipment and furnishings	2,464	11,356	11,500	11,235
(12) Materials and supplies	5,957	32,920	37,601	39,438
Buildings and works, including land				
(13) Acquisition and construction	30,631	144,949	145,634	114,252
(14) Repairs and upkeep	2,958	15,103	18,944	15,643
(15) Rentals	1,763	7,194	8,031	8,034
Equipment				
(16) Acquisition and construction	2,013	16,482	19,200	15,695
(17) Repairs and upkeep	584	4,386	5,017	5,056
(18) Rentals	.....	597	886	774
(19) Municipal and public utility services	924	4,371	5,334	5,717
(20) Grants, subsidies, etc., not included elsewhere	50,629	116,023	105,591	60,163
(21) Pensions, superannuation and other benefits	5,446	9,168	11,132	12,406
(22) All other expenditure (other than special categories)	12,254	33,471	19,175	14,319
Total standard objects	$ 205,846	$ 738,936	$ 743,153	$ 685,207
Special categories				
(23) Interest on public debt and other debt charges	$132,368	$451,441	$433,046	$437,642
(24) Subsidies and special payments to the provinces	21,210	127,365	106,335	115,135
(25) Family Allowance payments	.....	284,880	307,000	320,000
(26) Old Age Pensions, including pensions to blind	30,541	74,646	104,697	111,350
(27) Veterans disability pensions and other payments under the Pension Act	40,920	101,589	99,739	97,105
(28) Other payments to veterans and dependents	9,445	92,929	63,575	54,156
(29) Government's contribution to the Unemployment Insurance Fund	.....	23,000	23,000	27,500
(30) General health grants	.....	33,200	25,000	25,000
(31) Trans-Canada Highway contributions	.....	.....	20,250	15,000
(32) Movement of mail by land, air and water (Post Office)	15,574	34,104	33,557	36,471
(33) Deficits—Government owned enterprises	57,185	49,407	3,238	2,604
Total special categories	$ 307,243	$1,272,561	$1,219,437	$1,241,963
Total standard objects and special categories	513,089	2,011,497	1,962,590	1,927,170
(34) Less estimated savings and recoverable Items	104	2,582	4,618	4,466
Net total estimated expenditures	$ 512,985	$2,008,915	$1,957,972	$1,922,704

TOTAL, ALL DEPARTMENTS

	1938–39 (000's omitted)	1949–50 (000's omitted)	1950–51 (000's omitted)	1951–52 (000's omitted)
(1) Civil Salaries and Wages	$ 76,857	$ 318,352	$ 326,782	$ 362,891
(2) Civilian Allowances	1,185	5,488	6,451	7,584
(3) Pay and Allowances, Defence Forces and R.C.M. Police	15,145	120,753	148,503	223,772
(4) Professional and Special Services	4,302	26,052	28,863	35,447
(5) Travelling and Removal Expenses	4,605	23,772	27,787	36,309
(6) Freight, Express and Cartage	646	8,071	10,819	13,314
(7) Postage	455	3,171	3,347	3,506
(8) Telephones, Telegrams and other Communication Services	746	6,549	7,044	8,548
(9) Printing of Departmental Reports and other publications	.....	5,226	5,399	6,174
(10) Films, Displays, Broadcasting, Advertising, etc.	1,799	5,395	7,078	8,712
(11) Office Stationery, Supplies, Equipment and Furnishings	2,696	13,018	13,988	17,562
(12) Materials and Supplies	6,147	97,488	145,826	415,356
Buildings and Works, including Land—				
(13) Acquisition and Construction	34,892	197,333	203,384	477,019
(14) Repairs and Upkeep	4,004	30,551	39,481	45,977
(15) Rentals	1,763	7,034	9,005	9,120
Equipment—				
(16) Acquisition and Construction	14,278	90,470	146,342	753,139
(17) Repairs and Upkeep	1,172	49,990	67,091	136,389
(18) Rentals	.....	597	886	774
(19) Municipal and Public Utility Services	924	8,335	8,736	9,419
(20) Grants, Subsidies, etc., Not included Elsewhere	50,733	117,406	109,781	62,483
(21) Pensions, Superannuation and Other Benefits	5,448	23,533	27,295	34,620
(22) All other Expenditures (Other than Special Categories)	14,016	40,309	225,034	194,415
Total Standard Objects	$ 241,813	$1,198,893	$1,568,922	$2,862,530
Special Categories—				
(23) Interest on Public Debt and other Debt Charges	$ 132,368	$ 451,441	$ 433,046	$ 437,642
(24) Subsidies and Special Payments to the Provinces	21,210	127,365	106,335	115,135
(25) Family Allowance Payments	.....	284,880	307,000	320,000
(26) Old Age Pensions, including Pensions to the Blind	30,541	74,646	104,697	111,350
(27) Veterans Disability Pensions and Other Payments under the Pension Act	40,920	101,589	99,739	97,105
(28) Other Payments to Veterans and Dependents	9,445	92,929	63,575	54,156
(29) Government's Contribution to the Unemployment Insurance Fund	.....	23,000	23,000	27,500
(30) General Health Grants	.....	33,200	25,000	25,000
(31) Trans-Canada Highway Contributions	.....	.....	20,250	15,000
(32) Movement of Mail by Land, Air and Water (Post Office)	15,574	34,104	33,557	36,471
(33) Deficits—Government Owned Enterprises	57,185	49,407	3,238	2,604
Total Special Categories	307,243	1,272,561	1,219,437	1,241,963
Total Standard Objects and Special Categories	549,056	2,471,454	2,788,359	4,104,493
(34) *Less* Estimated Savings and Recoverable Items	104	71,405	59,804	517,577
Net Total Estimated Expenditures	$ 548,952	$2,400,049	$2,728,555	$3,586,916

EXPLANATORY NOTES COVERING THE STANDARD OBJECTS OF EXPENDITURES AND SPECIAL CATEGORIES

Standard Objects

(Items 1 to 22)

1. Civil Salaries and Wages

Includes salaries and wages of all civilian full time, part time, seasonal and casual personnel normally considered as "Government Employees" (but does not include employees of Crown Companies and such Agencies), whether paid at hourly, daily, weekly, monthly or annual rates of pay and includes overtime or any other special pay. It also includes Judges' salaries, those of the Governor General and Lieutenant Governors and the indemnities to Members of both Houses of Parliament but does not include workers taken on for specific works projects where wages and all other costs would enter into the total cost of the project.

2. Civilian Allowances

Includes Living Allowances, Special Stenographic Allowances, Living and Representation Allowances Abroad, Special Service Allowances, Mileage Allowances to Railway Mail Service Staffs, Allowances for Assistants, Northern Allowances, Isolation Allowances, Board and Subsistence Allowances and other such allowances for civilian Government Employees. Also includes Ministers' Motor Car Allowances and the Expense Allowances to Senators and Members of the House of Commons.

3. Pay and Allowances—Defence Forces and R.C.M. Police

Includes Pay and all types of allowances (except travel allowances included in Item No. 5. below) payable to members of the Defence Forces and the Royal Canadian Mounted Police, including Subsistence Allowances and other perquisites common to such Services.

4. Professional Special-Services

Includes all expenditures in the nature of fees, commissions, etc., for professional and special services, such as Outside Medical, Dental and Legal Services; Architects, Consulting Engineers and Analysts' fees; Corps of Commissionaires Services, Accountants, Outside Reporting Services, Outside Doctors and Nurses for Veterans' Treatment and Examination of Pension Applicants and other Outside Technical, Professional and Other Expert Assistance, Outside Hospital Treatment and Care, Payments to Church Organizations for Indian Education, Annuities and Other Agents paid on a fee or commission basis, outside translations and writers' fees, and all other outside Services. It includes Operational and Maintenance Services performed under contract other than those more properly classified under other more specific Objects, such as the Marconi-operated Radio Stations of the Department of Transport which are included in Item No. 8, "Telephones, Telegrams and Other Communication Services".

5. Travelling and Removal Expenses

Includes Travelling, Transportation and Removal Expenses of Government Employees, Members of the Defence Forces and the Royal Canadian Mounted Police. It includes living and other expenses of such persons on travel status, Judges' travelling expenses and travelling expenses and allowances payable to Senators and Members of the House of Commons. Also includes transportation of persons by contract and chartered flights, automobile mileage, aeroplane fares local transportation, etc. Does not include Travelling and Transportation of other than Government Employees such as Deports, Applicants for Treatment or Pensions (Veterans), etc., which are classified under item No. 22, "All Other Expenditures".

6. Freight, Express and Cartage

Includes cost of transporting all types of supplies, materials and equipment, etc., from the movement of mails from city Post Offices to the various Government Departments to the movement of heavy equipment between camps and other establishments of the Defence Services. Movements of material and supplies for works projects would normally be included in the cost of the project. Movement of mails for the Post Office Department by Railway, Boat, Air and Rural Mail Delivery, is classed separately under Item No. 32 below.

7. Postage

Includes ordinary postage, air mail, registered mail, special delivery mail, Post Office Box rentals and any other forms of postal communication. Does not, of course, include provision for mail enjoying the "frank" privilege.

8. Telephones, Telegrams and Other Communication Services

Includes all costs of communication services by telephone, telegram, cable, teletype, radio and wireless communication, courier services, and includes tolls, rates, rentals and other communication costs such as Courier Service provided by Outside Agencies and Communi-

cation Services performed under contract such as the Marconi-operated Radio Stations of the Department of Transport.

9. Printing of Departmental Reports and Other Publications

Includes printing, binding, engraving, lithographing, etc., of all Departmental Reports and Other Publications, including Informational and Educational bulletins, pamphlets and other publications respecting matters of a National interest; publications on scientific and technical matters, natural resources, statistics and other material; Hansard and other Parliamentary Papers. The printing of forms and other stationery is included in Item No. 11.

10. Films, Displays, Advertising and Other Informational Publicity with the exception of Publications

Includes provision for Films, Display and other Visual Materials; Advertising for publicity and general purposes such as for bids, tenders, purchasing or sale of properties and publication of proclamations, announcements, notices, etc., and other forms of educational and informational publicity by Radio, Poster, Press and other means. Total provision for the National Film Board is coded to this Item.

11. Office Stationary, Supplies, Equipment and Furnishings

Includes stationery, envelopes, blotting paper and other office supplies such as pens, pencils, erasers, ink, etc.; drafting and artists supplies; printed forms and letterheads; ledger sheets; carbon paper, stencils and other paper supplies; the purchase, repairs and rentals of office appliances, typewriters, adding machines, calculators, recording machines, tabulating machines, machine records and all other office equipment; also includes desks, chairs, tables, filing cabinets and such office furnishings.

12. Materials and Supplies

Includes expenditures for Materials and Supplies required for normal operation and maintenance of Government Services, other than Stationery and Office Supplies and furnishings, such as fuel for ships, planes, transport, heating, etc.; feed for livestock; food and other supplies for ships and other establishments; livestock purchased for ultimate consumption; seed for farming operations; food, clothing and other supplies for sick and indigent Indians; uniforms and kits; coining and refining supplies for the Mint; laboratory and scientific supplies; supplies for surveys, investigations, etc.; chemicals; hospital, surgical and medical supplies; mail bags for transportation of the mails; char service supplies, lumber and other building materials required in the ordinary minor repair, maintenance and upkeep of public buildings and works (as distinct from more or less capital improvement and repair projects specifically provided for); coal, wood and electrical supplies, and all other materials and supplies other than those purchased for a particular construction or repair project which would ordinarily be charged to such project.

13. Acquisition or Construction of Buildings and Works, including Acquisition of Land

Includes provision for all expenditures on new construction of buildings, roads, irrigation works, canals, airports, wharfs, bridges or other such type of fixed asset. It includes major improvements involving changes of a structural nature and also the installed cost of fixed equipment which is essentially a part of the structure such as elevators, heating and ventilating equipment, etc. Also included is provision for the purchase of land.

14. Repairs and Upkeep of Buildings and Works

Includes materials and other costs entering directly into the cost of major or extraordinary repair and upkeep of the type of durable physical assets indicated under Item No. 13 above (as distinct from ordinary minor repair and upkeep works undertaken by a Department with its own staff in the normal course of its functions).

15. Rentals of Land, Buildings and Works

Includes provision for rentals of properties required for special purposes by the various Departments, and for accommodation of Government Offices and Services by the Department of Public Works.

16. Acquisition or Construction of Equipment

Includes all new items of machinery and equipment, other than office equipment, and includes motor vehicles, aeroplanes, tractors, road equipment, laboratory and other scientific equipment, vessels, icebreakers, and other aids to navigation and all other types of light and heavy equipment and includes various types of such equipment for National Defence, such as ships, aircraft, mechanical equipment, fighting vehicles, weapons, engines and spares, etc. Also included are livestock, horses and dogs purchased for employment as such rather than for ultimate consumption. (See Item No. 12 above).

17. Repairs and Upkeep of Equipment

Includes all materials, repair parts and other costs entering directly into the cost of repair and upkeep of the equipment indicated in Item No. 16 above.

18. Rentals of Equipment

Includes provision for hire and charter of vessels and aircraft for other than "Travelling"; Plan and Equipment; and all other equipment rentals other than office machines and equipment which are included under Item No. 11, "Office Stationery, Supplies, Equipment and Furnishings".

19. Municipal or Public Utility Services

Includes provision for all expeditures incurred for the supply of water, electricity, gas, etc., such as water rates, light, power and gas services; taxes and water rates on diplomatic properties, and charges of that nature. Also includes payments to Municipalities in lieu of Taxes.

20. Contributions, Grants, Subsidies, etc., Not included Elsewhere

Includes provision for Canadian participation in International and Commonwealth Organizations; contributions of Canada's proportionate share of the cost of International Organizations; payments of grants to organizations such as the Boy Scouts Association, the Girl Guides, Agricultural Organizations, Health and Welfare Organizations and other payments of that nature; Subsidies such as Assistance to encourage the improvement of cheese and cheese factories; Contributions under Agreements with the Provinces for Vocational Training, payments made under the Maritime Freight Rates Act, membership, scholarships, etc. Does not include Grants to Municipalities in lieu of taxes (Item No. 19), Subsidies and Special Payments to Provinces (Item No. 24), Government's Contribution to the Unemployment Insurance Fund (Item No. 29), General Health Grants (Item No. 30), Trans-Canada Highway Contributions (Item No. 31), Deficits —Government-Owned Enterprises (Item No. 33).

21. Pensions, Superannuation and Other Benefits in respect of Personal Services

Includes pensions, superannuation and other benefits to former civilian employees, and members of the Royal Canadian Mounted Police, or their dependents. It includes also payment of compensation under the Government Employees Compensation Act; Government's contribution to the Superannuation Fund; Judges Pensions; Gratuities to families of deceased employees; and payments under the Militia Pension Act and the Government's contribution as an employer to the Unemployment Insurance Fund. It does not, however, include the Government's contribution to the Unemployment Insurance Fund which represents one-fifth of the net amount contributed by employers and employees combined (Item No. 29); Disability Pensions in respect of World Wars 1 and 2 (Item No. 27) nor Other Payments to Veterans and Dependents (Item No. 28).

22. All Other Expenditures (Other than Special Categories)

Includes minor residue items shown as "Sundries" in practically all votes. These include such costs as towel service; laundry; subscriptions to newspapers and periodicals; soap; and other small miscellaneous articles and services. Also included is provision for many items and services detailed throughout the Estimates and which do not lend themselves to distribution under the specific headings detailed in this Summary.

SPECIAL CATEGORIES
(Items 23 to 33)

23. Interest on Public Debt and other Debt Charges

Includes interest on the Funded Debt of Canada (including Treasury Bills) and on other liabilities such as Trust and Other Special Funds. It also includes cost of issuing new loans, Annual Amortization of Bond Discount, Premiums and Commissions, and other costs of servicing the Public Debt.

24. Subsidies and Special Payments to the Provinces

Includes Provincial Subsidies payable under the British North America Act and subsequent arrangements; Special Compensation to the Provinces in lieu of certain taxes as provided in the Dominion-Provincial Tax Rental Agreements. It also includes certain payments to Newfoundland under the Terms of Union. In general, it does not include payments made to Provinces for expenditure for specific purposes, some of which are included in Items Nos. 20, 26, 30 and 31.

25. Family Allowance Payments

Payments of monthly allowances authorized by the Family Allowances Act—Chap. 40, Statutes of 1944-45 (as amended).

26. Old Age Pensions, including Pensions to the Blind

Includes payment of the Dominion's 75 percent share of pensions payable under authority of the Old Age Pension Act—R.S.C. Chap. 156 (as amended) and payments in the nature of Pensions to aged Indians.

27. Veterans Disability Pensions and Other Payments under the Pension Act

Includes pensions and other payments authorized under the Pension Act, the Civilian War Pensions and Allowances Act and the Civilian Government Employees (War) Compensation Order. This covers both Wars 1 and 2 and includes a small amount in respect of the Northwest Rebellion of 1885.

28. Other Payments to Veterans and Dependents

Includes provision for War Veterans Allowances, including the Assistance Fund, Veterans Hospital and Other Allowances, Unemployment Assistance for Veterans, Post Discharge Rehabilitation Benefits, War Service Gratuities, Re-establishment Credits, and other Sundry Items.

29. Government's Contribution to the Unemployment Insurance Fund

Provides for the Government's Contribution to the Unemployment Insurance Fund and represents one-fifth of the net amount contributed by employers and employees combined.

30. General Health Grants

Provides for general health grants to the Provinces under terms and conditions approved by the Governor in Council to assist in health surveys, hospital construction, strengthening general public health services, eradication of tuberculosis, prevention of mental illness, control of venereal diseases, prevention and correction of crippling conditions in children, training of public health and hospital personnel, public health research and programs for cancer control.

31. Trans-Canada Highway Contributions

Covers payments to those Provinces which have entered into agreements with the Federal Government under the Trans-Canada Highway Act, Chap 40, Statutes of 1949, in respect of the construction of the Trans-Canada Highway.

32. Movement of Mail by Land, Air and Water (Post Office)

Includes provision under the Post Office Department for Mail Service by Railway, by Steamboat, by Air and by Ordinary Land Conveyance, including Rural Mail Delivery.

33. Deficits—Government Owned Enterprises

Includes provision for the Deficits incurred in the operation of the Hudson Bay Railway, the Northwest Communications System, the Prince Edward Island Car Ferry and Terminals, the Canadian National (West Indies) Steamships, Limited, Churchill Harbour, and the Canadian Broadcasting Corporation.

34. Less Estimated Savings and Recoverable Items

In certain special instances it is necessary for commitment and control purposes to detail total requirements of services but, in order that the actual amount of cash requirement only may be voted, deductions are made of estimated savings or recoverable amounts. Since the Standard Objects are made up of the gross requirements, the total of these Objects must be reduced by these deductions in order to arrive at the net total amount provided in the Estimates.

EXHIBIT No. 2

COMBINED REVENUES—ALL GOVERNMENTS IN CANADA FOR 1939, 1948 AND 1949

SUMMARY BY SOURCES

Fiscal Years Ended Nearest December 31

(Thousands of Dollars)

Item No.	——	Total			Dominion			Provincial			Municipal			Item No.
		1939	1948	1949[1]	1939	1948	1949	1939	1948	1949[1]	1939	1948	1949[1]	
	Taxes:													
	Income and Corporation Taxes—													
1	Personal Income Tax	60,678	762,749	622,012	45,407	762,563	621,982	12,113	186	30	3,158	.....	.....	1
2	Corporate Income Taxes	89,452	623,029	702,876	77,920	536,782	601,415	11,082	86,247	101,461	450	.....	.....	2
3	Other Corporation Taxes	23,153	23,267	24,661	1,875[2]	3,505[2]	3,900[2]	21,278	17,762	20,761	.....	.....	.....	3
4	Withholding Tax	11,122	43,445	47,475	11,122[3]	43,445[3]	47,457[3]	.....	.....	.....	.....	.....	.....	4
5	Sub-Total (Items 1 to 4)	184,405	1,452,490	1,397,024	136,324	1,346,295	1,274,772	44,473	106,195	122,252	3,608	.....	.....	5
6	Succession Duties	27,850	54,672	58,391	.....	25,550	29,920	27,850	29,122	28,471	.....	.....	.....	6
7	Real and Personal Property	248,922	341,265	375,501	.....	.....	.....	5,504	4,709	4,779	243,418	336,556	370,722	7
8	Customs Duties and Other Import Taxes	106,819	223,786	226,403	106,819	223,786	226,403	.....	.....	.....	.....	.....	.....	8
	Excise Duties and Sales Taxes—													
9	Gasoline Tax	53,069	124,305	136,601	.....	.....	.....	53,069	124,305	136,601	.....	.....	.....	9
10	Liquor including Liquor Control	54,423	229,712	237,876	21,014	100,875	107,077	33,409	128,837	130,799	.....	.....	.....	10
11	Tobacco	42,447	199,398	216,791	42,447	190,501	207,234	.....	8,897	9,557	.....	.....	.....	11
12	General Sales Tax	144,861	440,502	478,718	137,446	377,303	403,437	2,717	48,351	59,274	4,698	14,848	16,007	12
13	Amusement Tax	2,615	19,735	17,571	.....	2,588	.....	2,615	17,147	17,571	.....	.....	.....	13
14	Other Commodities and Services	24,175	169,244	74,274	24,175[4]	169,244[4]	74,274	.....	.....	.....	.....	.....	.....	14
15	Other Taxes	25,547	48,471	54,553	.....	.....	.....	2,624	7,324	7,785	22,923	41,147	46,768	15
16	Total Taxes (Items 5 to 15)	915,133	3,303,580	3,273,703	468,225	2,436,142	2,323,117	172,261	474,887	517,089	274,647	392,551	433,497	16
	Licences, Permits and Fees—													
17	Motor Vehicle	28,092	51,471	55,939	.....	.....	.....	28,092	51,471	55,939	.....	.....	.....	17
18	Other	18,498	30,793	32,656	2,542	2,977	3,430	8,975	16,118	16,356	6,981	11,698	12,870	18
19	Sub-Total (Items 17 and 18)	46,590	82,264	88,595	2,542	2,977	3,430	37,067	67,589	72,295	6,981	11,698	12,870	19
20	Public Domain	24,745	74,228	89,751	736	2,315	1,790	24,018	71,913	87,781	.....	.....	.....	20
21	C.N.R. Income Surplus[8]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	21
22	Municipal Public Utility Contributions	10,181	20,415	24,378	.....	.....	.....	.....	.....	.....	10,181	20,415	24,378	22
23	Other Revenue	36,556	193,701	148,562	8,524	134,080[5]	82,881[5]	2,877	21,308	25,815	25,155	38,313	39,866	23
24	Total Revenue	1,033,214	3,674,188	3,624,809	480,027	2,575,514	2,411,218	236,223	635,697	702,980	316,964	462,977	510,611	24

	INTER-GOVERNMENT TRANSFERS NOT INCLUDED IN ABOVE SUMMARY													
25	Dominion Subsidies to Provinces	19,184	17,034	18,673	.....	.....	.....	19,184	17,034	18,673	.....	.....	.....	25
26	Provincial Subsidies to Municipalities	4,507	8,192	10,075	.....	.....	.....	.....	.....	.....	4,507	8,192	10,075	26
27	Tax Suspension Agreements	.....	84,279	102,913	.....	.....	.....	.....	84,279	102,913 [6]	.....	.....	.....	27
28	Interest on Common School Fund and School Lands Fund Debentures	1,585	1,466	1,466	.....	.....	.....	1,585	1,466	1,466	.....	.....	.....	28
29	Gasoline Tax Guarantee	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	29
30	Nova Scotia Highway Tax	452	342	251	.....	.....	.....	452	342	251	.....	.....	.....	30
31	Manitoba Municipal Commissioner	828	1,303	400	.....	.....	.....	828	1,303	400	.....	.....	.....	31
32	TOTAL [7]	26,556	112,616	133,778	.....	.....	.....	22,049	104,424	123,703	4,507	8,192	10,075	32

FOOTNOTES

[1] Preliminary; also includes Newfoundland for first time.
[2] Consists of Chartered Banks' Note Circulation Tax, and Insurance Companies Tax on Net Premiums.
[3] Chiefly on non-residents.
[4] The 3% tax on imports is excluded here and included in item 8.
[5] Includes 86,142 (1948) and 31,596 (1949) being excess of refunds over expenditure re: Expansion of Industry.
[6] Includes transitional grant to Newfoundland 6,500.
[7] Discrepancies between the amounts shown on this table and on the expenditure table as Inter-Governmental Transfers are due to variations in the fiscal year ends and accounting practices of governments.
[8] Deficits were incurred in the years shown and are included in item 10 of the expenditure table.

COMBINED EXPENDITURES—ALL GOVERNMENTS IN CANADA FOR 1939, 1948 AND 1949

CURRENT AND CAPITAL ACCOUNTS—SUMMARY BY SERVICES

Fiscal Years Ended Nearest December 31

(Thousands of Dollars)

Item No.	——	Total			Dominion			Provincial			Municipal			Item No.
		1939	1948	1949[1]	1939	1948	1949	1939	1948	1949[1]	1939	1948	1949[1]	
1	Debt Charges, Net, Excluding Debt Retirement	264,300	475,136	492,265	151,653	395,242	408,232	60,719	51,491	53,323	51,928	28,403	30,710	1
	Public Welfare—													
2	Health and Hospital Care	47,145	137,738	183,363	1,153	11,091	19,451	30,432	93,425	127,564	15,560	33,222	36,348	2
3	Labour and Unemployment Insurance	3,272	45,466	52,404	1,282	41,905	48,310	1,990	3,561	4,094	.....	.....	.....	3
4	Relief	82,629	10,992	16,558	23,620	.....	.....	42,811	6,927	11,050	16,198	4,065	5,508	4
5	Old Age Pensions	39,587	93,938	127,868	29,121	64,296	89,725	10,279	29,308	38,143	187	334	.....	5
6	Family Allowances	.....	272,608	299,347	.....	272,608	299,347	.....	.....	.....	.....	.....	.....	6
7	Other	35,613	98,705	121,994	4,433	16,131	20,482	12,371	29,536	36,180	18,809	53,038	75,332	7
8	Sub-Total (Items 2 to 7)	208,246	659,447	801,534	59,609	406,031	477,315	97,883	162,757	217,031	50,754	90,659	107,188	8
9	Education	128,682	364,405	406,434	3,543	37,040	28,691	38,004	139,054	156,232	87,135	188,311	221,511	9
10	Transportation, Highways, Bridges, Airways, Railways, Waterways, etc.	163,159	467,703	514,825	46,041[2]	119,810[2]	157,612[2]	89,103	257,738	254,294	28,015	90,155	102,919	10
11	Agriculture	60,498	89,971	106,544	53,151	67,879	82,339	7,347	22,092	24,205	.....	.....	.....	11
12	Public Domain	37,648	91,304	102,558	14,577	38,416	53,574	23,071	52,888	48,984	.....	.....	.....	12
13	National Defence	126,915	256,092	372,596	126,915	256,092	372,596	.....	.....	.....	.....	.....	.....	13
14	Veterans' Pensions and Aftercare	55,267	235,578	202,466	55,267	235,578	202,466	.....	.....	.....	.....	.....	.....	14
15	Mutual Aid	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	15
16	Expansion of Industry	247	.....	.....	247	[3]	[3]	.....	.....	.....	.....	.....	.....	16
17	Price Control and Rationing	55	30,721	2,748	55	30,721	2,748	.....	.....	.....	.....	.....	.....	17
18	Other Expenditures	185,644	450,257	494,596	60,140	212,595[4]	225,214[4]	38,756	89,794	110,629	86,748	147,868	158,753	18
19	Total Expenditure	1,230,661	3,120,614	3,496,566	571,198	1,799,404	2,010,787	354,883	775,814	864,698	304,580	545,396	621,081	19
	INTER-GOVERNMENT TRANSFERS NOT INCLUDED IN THE ABOVE SUMMARY													
20	Dominion Subsidies to Provinces	19,244	17,095	19,170	19,244	17,095	19,170	.....	.....	.....	.....	.....	.....	20
21	Provincial Subsidies to Municipalities	4,511	10,930	11,846	.....	.....	.....	4,511	10,930	11,846	.....	.....	.....	21
22	Tax Suspension Agreements	.....	84,387	84,756	.....	84,387	84,756[5]	.....	.....	.....	.....	.....	.....	22
23	Gasoline Tax Guarantee	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23
24	Interest on Common School Fund and School Lands Fund Debentures	1,585	1,466	1,466	1,585	1,466	1,466	.....	.....	.....	.....	.....	.....	24
25	Nova Scotia Highway Tax	455	321	246	.....	.....	.....	.....	.....	.....	455	321	246	25
26	Manitoba Municipal Commissioner	763	1,314	473	.....	.....	.....	.....	.....	.....	763	1,314	473	26
27	Total[6]	26,558	115,513	117,957	20,829	102,948	105,392	4,511	10,930	11,846	1,218	1,635	719	27

FOOTNOTES

[1] Preliminary; also includes Newfoundland for first time.

[2] Includes deficits (net after deducting profits) of miscellaneous government-owned transportation enterprises—Prince Edward Island Car Ferry, Hudson Bay Railway, Canadian National Railways, Trans-Canada Airlines, Quebec and Churchill Harbours, and Canadian National (West Indies) Steamships Limited.

[3] Refund of expenditures re: Expansion of Industry exceeded expenditures. See Footnote 5—Revenue.

[4] Includes 345 (1948) and 1,132 (1949) post U.N.R.R.A. relief.

[5] Includes transitional grant to Newfoundland 6,500.

[6] Discrepancies between the amounts shown on this table and on the revenue table as Inter-Governmental Transfers are due to variations in the fiscal years ends and accounting practices of governments.

ESTIMATES OF REVENUES AND EXPENDITURES FOR ALL GOVERNMENTS, WITHOUT DETAIL FOR, 1950

REVENUES [1]

	(Millions of dollars)
Total	$ 4,112
Federal	2,864
Provincial	708 [2]
Municipal	540 [2]

EXPENDITURES [1]

Total	$ 4,105
Federal	2,518
Provincial	936 [2]
Municipal	651 [2]

Footnotes

[1]—Exclusive of Inter-governmental Transfers.

[2]—Includes Newfoundland.

NOTE:—The foregoing figures should be viewed as approximations only as they are subject to revision and adjustment when final accounts for the fiscal periods concerned may be available.

EXHIBIT No. 3

NET NATIONAL INCOME 1939-50

(Millions of Dollars)

	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949[1]	Prel. 1950[1]
Salaries, Wages and Supplementary Labour Income	2,583	2,944	3,586	4,251	4,746	4,908	4,915	5,322	6,212	7,139	7,800	8,300
Military Pay and Allowances	32	193	386	641	910	1,068	1,117	340	83	82	115	137
Investment Income[2]	783	1,127	1,487	1,721	1,766	1,770	1,905	1,987	2,299	2,379	2,367	2,996
Net Income of Agriculture and Other Unincorporated Business—												
Farm Operators from Farm Production	461	508	548	1,089	969	1,213	959	1,430	1,104	1,567	1,513	1,424
Other Unincorporated Business	430	483	587	671	711	782	892	1,040	1,218	1,307	1,374	1,451
NET NATIONAL INCOME AT FACTOR COST	4,289	5,255	6,594	8,373	9,102	9,741	9,788	9,819	10,916	12,474	13,169	14,308
Indirect Taxes Less Subsidies	737	837	1,056	1,085	1,117	1,111	1,003	1,269	1,601	1,768	1,831	2,001
Depreciation Allowances and Similar Business Costs	582	655	751	883	912	863	785	846	1,036	1,126	1,321	1,471
Residual Error of Estimate	−10	25	33	114	152	204	234	74	104	135	61	11
GROSS NATIONAL PRODUCT AT MARKET PRICES	5,598	6,772	8,434	10,455	11,283	11,919	11,810	12,008	13,657	15,503	16,382	17,791

[1] Includes Newfoundland which is estimated to increase Gross National Product by slightly more than one per cent.
[2] In addition to corporation profits, and interest and net rents received by persons, this item includes profits of government enterprises, undistributed Wheat Board Trading profits, and an inventory revaluation adjustment for grain in commercial channels.

GROSS NATIONAL PRODUCTION, 1939-50

(Millions of Dollars)

	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949[1]	Prel. 1950[1]
Personal Expenditure on Consumer Goods and Services	3,861	4,379	5,014	5,531	5,880	6,382	7,050	8,018	9,225	10,151	11,086	11,810
Government Expenditure on Goods and Services	724	1,156	1,750	3,729	4,230	5,025	3,708	1,832	1,562	1,797	2,106	2,333
Gross Home Investment—												
Housing	145	153	163	128	131	157	210	338	492	647	741	782
Plant and Equipment	409	560	832	803	697	599	672	1,024	1,565	2,016	2,229	2,381
Changes in Inventories	327	371	217	330	−47	−67	−283	538	901	609	108	805
Exports of Goods and Services[2]	1,451	1,805	2,458	2,354	3,462	3,596	3,597	3,210	3,638	4,054	4,011	4,173
Imports of Goods and Services[2]	−1,328	−1,626	−1,967	−2,307	−2,917	−3,569	−2,910	−2,878	−3,621	−3,636	−3,837	−4,482
Residual Error of Estimate	9	−26	−33	−113	−153	−204	−234	−74	−105	−135	−62	−11
GROSS NATIONAL PRODUCTION AT MARKET PRICES	5,598	6,772	8,434	10,455	11,283	11,919	11,810	12,008	13,657	15,503	16,382	17,791

[1] Includes Newfoundland.

[2] Minor adjustments have been made to the figures of current receipts and payments shown in "The Canadian Balance of International Payments, 1949", Dominion Bureau of Statistics, to achieve consistency with the other component series.

EXHIBIT No. 4

REPORTED NUMBERS OF EMPLOYEES OF THE GOVERNMENT OF CANADA

(Excluding Members of the Armed Forces and R.C.M.P.) as at March 31, 1939, 1948, 1949, 1950 and 1951

	Numbers Reported By Dominion Bureau of Statistics[1]					Numbers Reported By Departments To Department of Finance For the Purpose of This Report	
	1939	1948	1949	1950	1951	1950	1951
Agriculture	3,122	5,381	5,914	6,667	7,078	6,495	6,863
Auditor General	231	173	173	169	163	169	163
Chief Electoral Officer	15	10	19	13	14	[2] 14	[2] 14
Citizenship and Immigration	Staff reported under preceding Departments			2,657	2,917	2,799	3,411
Civil Service Commission	235	532	572	580	536	[3] 583	[3] 534
External Affairs	193	1,054	1,234	1,301	1,341	1,302	1,368
Finance	213	677	698	645	602	636	[4] 607
Comptroller of the Treasury	1,073	4,653	4,524	4,300	4,034	4,344	4,031
Royal Canadian Mint	126	288	402	222	222	222	222
Tariff Board	20	11	11	17	17	17	17
Wartime Prices and Trade Board	.....	1,145	1,029	690	260	687	260
Fisheries	235	533	569	925	962	[5] 1,178	[5] 1,450
Governor General's Secretary	14	12	10	10	10	10	[6] 10
House of Commons	516	541	636	656	662	[7] 656	[7] 661
Insurance	53	59	63	72	82	72	81
International Joint Commission	6	4	4	10	11	10	11
Justice	106	152	179	192	204	}	204
Commissioner of Penitentiaries	985	1,174	1,255	1,364	1,590	} 1,557	1,509
Labour	244	620	620	645	635	726	674
Unemployment Insurance Commission	.....	7,140	6,957	7,148	7,051	8,347	7,724
Library of Parliament	27	31	34	31	36	31	36
Mines and Technical Surveys	Staff reported under preceding Departments			1,661	1,720	1,778	1,816
National Defence: Administration	.....	.....	.....	.....	2,398	.....	2,676
Army Services	1,142	8,741	10,045	9,118	7,119	13,217	13,757
Naval Services	178	2,984	3,451	4,022	4,119	6,731	7,527
Air Services	104	3,314	3,408	3,707	4,121	4,628	5,795
National Film Board	.....	598	547	596	561	603	572
National Health and Welfare—							
Departmental Administration	.....	223	236	268	257	264	251
Health	.....	725	497	847	880	841	864
Welfare	.....	752	743	755	733	779	765
Indian Health Services	.....	646	812	931	1,084	1,031	,,196
National Research Council	226	1,543	1,524	1,694	1,891	[8] 2,991	[8] 3,172
Atomic Energy Control Board	.....	7	7	7	7	7	7
National Revenue—							
Customs and Excise	4,415	5,552	5,776	6,086	6,211	6,086	6,194
Income Tax	1,291	10,478	11,704	10,629	7,011	10,629	7,011
Post Office	12,518	17,105	18,049	18,899	18,938	[9] 33,029	[9] 32,962
Prime Minister's Office [11]	.....	.....	.....	34	37	34	35

Privy Council	19	68	72	53	48	(10) 63		48
Public Archives	67	54	55	61	65	61		66
Public Printing and Stationery	652	786	856	991	1,041	991		1,041
Public Works	4,124	6,574	6,547	6,954	7,103	(12) 7,628	(12)	6,809
Resources and Development	Staff reported under preceding Departments			1,570	1,689	2,277		2,397
Royal Canadian Mounted Police	86	463	490	568	622	668		910
Secretary of State (13)	346	528	557	608	588	608		575
Senate	145	148	152	156	159	(7) 156		159
Trade and Commerce (Including D.B.S.)	1,024	2,562	2,470	2,801	2,775	2,798	(16)	2,772
Board of Grain Commissioners	642	781	791	813	779	806		774
Canadian Government Elevators	128	157	140	137	169	137		169
Transport	5,163	7,828	(14) 8,535	(14) 9,479	10,028	(14) 11,979	(14)	11,698
Air Transport Board	.....	36	42	48	54	48		53
Board of Transport Commissioners	97	136	144	155	158	155		158
Veterans Affairs	.....	(15) 15,173	(15) 14,011	(15) 13,748	12,931	(15) 13,748	(15)	12,917
Soldiers Settlement and Veterans Land Act	.....	1,678	1,468	1,334	1,224	1,334		1,224
Mines and Resources—								
Departmental Administration	70	108	127					
Immigration	595	1,079	1,281					
Indian Affairs	1,038	771	877	See new post-war Departments for 1950 and 1951 figures				
Lands and Development	558	683	789					
Mines, Forest and Scientific Services	437	1,562	2,107					
Special Projects	449	8	6					
Pensions and National Health	2,638							
Reconstruction and Supply	.....	329	408					
Totals	46,106	118,370	123,924	127,044	124,866	155,960		156,22
Crown Corporations, and Corporate Agencies, other than C.N.R. and its subsidiaries (17)	.....	.....	.....	.....	.....	13,189		15,194

(1) The Dominion Bureau of Statistics publishes annually summary statistics of the Civil Service of Canada, and the figures for 1939, 1948, 1949 and 1950 were obtained from these publications. The figures for 1951 have not yet been published, and were obtained directly from Dominion Bureau of Statistics for the purposes of this report.
(2) Includes the Chief Electoral Officer.
(3) Includes 3 Commissioners (1951) figures include 4 employees on Retirement Leave; (1 on Educational Leave; 1 on Military Leave; and 4 on loan).
(4) Includes Farmer's Creditors Arrangement Act (6 employees).
(5) Includes Fisheries Research Board (276 employees for 1950; 328 employees for 1951) and the International Pacific Salmon and International Fisheries (Halibut) Commissions.
(6) Does not include 2 Aide-de-Camps to the Governor General.
(7) Includes sessional employees.
(8) Includes employees of the Atomic Energy Project, Chalk River, Ontario. Also includes 57 Post Doctorate Fellows.
(9) Includes 14,065 (1950) and 14,024 (1951) employees of revenue post offices who are paid through the Finance Branch of the Post Office Department.
(10) Includes 10 employees on the staff of the Royal Commission on Arts, Letters and Sciences.
(11) Prior to 1950, the staff of the Prime Minister's Office was carried on other establishments.
(12) Does not include 240 (1950) and 276 (1951) revenue postmasters who are also employed part-time by the Department of Public Works.
(13) Includes staff of the Custodian of Enemy Property.
(14) Includes staff of the Canadian Maritime Commission and the Royal Commission on Transportation.
(15) Includes staff of the Canadian Pension Commission, War Veterans Allowance Board, and 56 Medical Research Staff on Special Projects in Departmental Hospitals.
(16) Includes appointments made under the Essential Materials (Defence) and Defence Supplies Acts prior to the Defence Production Act.
(17) The following crown corporations and corporate agencies are included:
Bank of Canada Canadian Arsenals Ltd.; Canadian Broadcasting Corporation; Canadian Commercial Corporation Canadian Farm Loan Board; Canadian Wheat Board; Central Mortgage and Housing Corporation Commodity Prices Stabilization Corporation; Dominion Coal Board; Eldorado Mining and Refining (1944) Ltd.; Export Credit Insurance Corporation; Federal District Commission; Industrial Development Bank National Battlefields Commission; National Harbours Board; Northwest Territories Power Commission; Northern Transportation Company Ltd.; Park Steamship Company Ltd.; Polymer Corporation Ltd.; Crown Assets Disposal Corporation.

EXHIBIT No. 5

DOMINION BUREAU OF STATISTICS—PRICES SECTION

DOMINION COST-OF-LIVING INDEX
(1935-39 = 100)

Year		Index
1945		119.5
1946		123.6
1947		135.5
1948		155.0
1949		160.8
1950		166.5
1950	January 3	161.0
	February 1	161.6
	March 1	163.7
	April 1	164.0
	May 1	164.0
	June 1	165.4
	July 3	167.5
	August 1	168.5
	September 1	169.8
	October 2	170.7
	November 1	170.7
	December 1	171.1
1951	January 2	172.5
	February 1	175.2
	March 1	179.7
	April 2	181.8
	May	182.0

THE SENATE

Monday, June 25, 1951

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

Prayers and routine proceedings.

PRIVATE BILL

COMMONS AMENDMENT CONCURRED IN

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill C-10, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Saskatchewan, and to acquaint the Senate that they have passed the bill with an amendment, to which they desire the concurrence of the Senate.

The amendment was read by the Clerk Assistant as follows:

Page 1, line 21: After the word "place" insert the following words: "in the said province".

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

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

The motion was agreed to.

VETERANS' BUSINESS AND PROFESSIONAL LOANS BILL

FIRST READING

A message was received from the House of Commons with Bill 286, an Act to amend the Veterans' Business and Professional Loans Act.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

VETERANS BENEFIT BILL

FIRST READING

A message was received from the House of Commons with Bill 287, an Act respecting benefits for members of the Canadian Forces.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

PENSION BILL

FIRST READING

A message was received from the House of Commons with Bill 288, an Act to amend the Pension Act and to change the title thereof.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

VETERANS INSURANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 352, an Act to amend the Veterans Insurance Act.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

PRAIRIE FARM REHABILITATION BILL

FIRST READING

A message was received from the House of Commons with Bill 375, an Act to amend the Prairie Farm Rehabilitation Act.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

RETURNED SOLDIERS' INSURANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 389, an Act to amend the Returned Soldiers' Insurance Act.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

OLD AGE ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 395, an Act to provide for Old Age Assistance.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

BLIND PERSONS BILL

FIRST READING

A message was received from the House of Commons with Bill 396, an Act to provide for allowances for blind persons.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

FEDERAL DISTRICT COMMISSION BILL

FIRST READING

A message was received from the House of Commons with Bill 397, an Act to amend the Federal District Commission Act, 1927.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

INCOME TAX BILL

REPORT OF COMMITTEE—
PRINTING OF PROCEEDINGS

Hon. Mr. Beaubien, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented and moved concurrence in the report of the committee on Bill 296, an Act to amend The Income Tax Act.

Hon. Mr. Haig: On a point of order Mr. Speaker: the bill was not passed. It was held up until Tuesday.

Hon. Mr. Beaubien: This is not a motion for second reading; it is a motion to print the evidence given before the committee.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill 296, an Act to amend The Income Tax Act, beg leave to report, as follows:

Your Committee recommend that it be authorized to print 600 copies in English and 200 copies in French of its proceedings on the said bill, and that rule 100 be suspended in relation to the said printing.

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

The motion was agreed to.

DIVORCE STATISTICS 1951

FINAL REPORT OF COMMITTEE

Hon. W. M. Aseltine: Honourable senators, I am pleased to be able to advise you that the Standing Committee on Divorce has completed its business for this session and, I hope, for this year. As is usual at this time, I will present a written report and later ask leave to lay it on the Table. This report gives in some detail information as to the work accomplished by your committee, and includes certain divorce statistics. With leave of the house, I will read the report now.

The Standing Committee on Divorce beg leave to make their 307th report as follows:

For the present session 339 petitions for bills of divorce were presented to the Senate and dealt with by the Standing Committee on Divorce, as follows:

Petitions heard and recommended	295
Petitions heard and rejected	3
Petitions withdrawn	5
Petitions not proceeded with	36
Total	339

Under existing divorce rules a period of 60 days must elapse following the service of the petition before the petitioner can be heard. The 36 petitions which have not been dealt with are in this category, the 60 days period not having elapsed, and the petitions therefore not being ready for a hearing. They will likely be proceeded with at the next session of parliament.

Of the petitions recommended during the present session of parliament, 74 were by husbands and 221 were by wives.

Of the petitions recommended, 4 were from petitioners domiciled in the province of Newfoundland and 291 were from petitioners domiciled in the province of Quebec.

The committee held 44 meetings. On 19 days the committee functioned in two sections.

In 32 cases the committee recommended that part of the parliamentary fees be remitted.

The fees paid to parliament for bills of divorce heard and recommended during the session of 1951 amounted to $58,690, being approximately $11,500 more than in 1950.

Assuming that all bills of divorce recommended by the committee, now in various stages before parliament, receive Royal Assent, the comparison of dissolutions of marriage granted by parliament in the last ten sessions is as follows:

1943	92
1944	111
1945	179
1946	290
1947	348
1947-48	292
1949, 1st session	184
2nd session	166
1950	240
1951	295

Statistics covering the number of divorces granted in the whole of Canada during the years 1946-1950, both inclusive, are as follows:

	1946	1947	1948	1949	1950
Canada	7,683	8,199	6,881	5,934	5,208
Prince Edward Island	4	18	49	20	13
Newfoundland	..	..	..	..	5
Nova Scotia	260	207	78	181	199
New Brunswick	382	236	211	202	194
Quebec	290	348	292	350	234
Ontario	2,639	3,509	3,107	2,396	2,063
Manitoba	636	665	477	411	309
Saskatchewan	505	509	333	289	280
Alberta	962	881	651	594	534
British Columbia	2,005	1,826	1,683	1,491	1,377

The following statement shows a comparison between the number of divorces granted to husbands and wives, respectively, in the years mentioned:

	Husbands	Wives
1946	3,616	4,067
1947	3,539	4,660
1948	2,643	4,238
1949	2,259	3,675
1950	2,023	3,185

Your committee makes the same recommendation that it made in the 1950 report. It regrets that parliament has not seen fit to solve the problem of parliamentary divorce by setting up suitable courts or tribunals before which the numerous cases from Quebec and Newfoundland can be heard. It is to be hoped that something will be done in that regard in the near future.

That is the committee's report, honourable members, and before tabling it I wish to make a few more or less general remarks. In my hand I have an article which appeared in one of the local papers on June 12, headed "Divorces cost government $30,000 a year." The heading is misleading, as newspaper headings sometimes are. The article mentions that $30,000 is the cost of printing the divorce reports, but I wish to call attention to the fact that actually these divorce proceedings do not cost the federal treasury anything, for as is shown by the report just tabled there is a revenue of almost $60,000. In view of the statement made in another place to the effect that practically no one reads these divorce reports—and I presume they are not read by the honourable members of the Senate—I have been wondering whether something could not be done to reduce the cost of printing. Perhaps a smaller number of copies should be printed —just enough for those members of both houses who may ask for them. Whether any money would be saved by doing that, I do not know, but it may be that some recommendation to that effect could be made at a later date. My point at the moment is to correct the newspaper heading, so that people may be informed that although the cost of printing these divorce reports is considerable, there is a net revenue accruing to the federal treasury from the present system.

The question of divorce is a burning one, not only in parliament but all across the country. The more or less melodramatic performances of certain members of another place with respect to Senate divorce bills during the present session prompt me to make some general observations. I hope I may be pardoned for taking up a little time, in spite of the fact that there is a good deal of business on the order paper for this evening.

Honourable members know that the British North America Act saddles all divorce jurisdiction on the federal parliament. That is, parliament was given jurisdiction to make laws with regard to divorce throughout the whole country. Consequently, it is the duty of parliament to hear any petitions for divorce that are presented to it. We have not been able to shirk that responsibility, and I do not see how we can get rid of hearing divorce cases unless some suggestions that I may make a little later on should happen to be adopted. Any person in the country, whether he lives in Quebec or Newfoundland or any other province, may petition parliament for a bill of divorce, nothwithstanding the fact that the courts of provinces other than Quebec and Newfoundland have divorce jurisdiction. Of course, the presenting of petitions from persons in provinces where the courts have divorce jurisdiction is strongly discouraged; but if any petitions from residents of such provinces were presented here, I do not see how our committee could refuse to hear them.

Hon. Mr. King: I am glad to hear you say that.

Hon. Mr. Aseltine: To show the kind of thing that can happen under our present system I will refer to one case that we had before us this session. A man domiciled in the province of Quebec deserted his wife and went to Nova Scotia to live. That is no reflection on Nova Scotia.

Hon. Mr. Robertson: I am glad to hear that.

Hon. Mr. Aseltine: He took a job down there and worked at it for several years. In due course his wife went down to Nova Scotia and took action for divorce against him in the courts of that province. She was able to prove her allegation of adultery without any difficulty, but the judge said he could not find that the husband had changed his domicile of origin and become domiciled in Nova Scotia, and as a result the case was thrown out. In those circumstances the wife had to launch a petition to parliament, and she came before our committee, bringing all her witnesses from the Province of Nova Scotia, at a cost to her of many hundreds—perhaps thousands—of dollars, in order to secure a divorce.

From time to time we have quite a number of these border line cases. As I mentioned before, the committee has never encouraged the hearing of cases from provinces whose courts have divorce jurisdiction, but we do entertain border line cases where it is not possible to decide definitely in what province the husband's domicile is. Of course, as honourable members know, it is the husband's domicile that governs. The wife must sue in the husband's domicile, unless the husband has deserted her for two years or more, in which case she may sue in the original domicile—that is the domicile the couple had when they were married.

Since Confederation parliament has been hearing divorce petitions, which have always been launched in the Senate. During that whole time only a few cases have been thrown out in another place, indeed such a small number of cases that one can hardly recall them. That indicates, it seems to me, what great care must have been taken by the Senate committee in its work. It has been my privilege to practise in the courts of the province of Saskatchewan, and I have appeared in a number of divorce actions there. We proceed a little differently, by way of writ of summons and statement of claim, and so on, but in general the procedure is similar to that which is followed by the Senate committee. We follow the same rules of evidence as are followed in the provincial courts. By way of a check-up on our procedure, one of my enthusiastic colleagues on the committee, the senator from Huron-Perth (Hon. Mr. Golding), inquired when divorce cases would be heard in Ottawa before a judge of the Supreme Court of Ontario, and he attended the court. Perhaps he was a little prejudiced, but on his return he told me that he thought we did a better job than the court.

I mention some of these matters, honourable senators, because of the discussion that has recently taken place in another part of this building. I should like the house to know that the Divorce Committee is very conscientious in its duties. It goes into the facts thoroughly, and there is seldom disagreement among the members as to the disposition of a case.

I would remind honourable senators that the Divorce Committee commenced its hearings at the end of the first week of the present session. When that week's work was completed, the bills were reported, and with the evidence were sent to the other house. The same procedure was repeated during the weeks following, until the Easter recess, by which time we had disposed of nearly 200 cases. But what did they do with the bills in the other place? They piled them up in a corner, and did not consider them until there was an accumulation of two or three hundred, and then they began to ask questions about them. That is when the trouble arose.

If this work must continue to be done by parliament, I would suggest that some arrangement should be made whereby these bills, when they are received by the other place, will be dealt with promptly. In that way the spectacle of two or three hundred divorce bills being passed at the end of the session would be avoided.

Some Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: An allegation that has frequently been made is that the children of divorced parents are neglected. I should like honourable senators to know that in 75 per cent of the cases heard by us there are no children. For instance, I recall one morning when in eight out of ten petitions the parties had no children. The fact they were childless is in my opinion one of the main reasons why they were before the committee. In other cases the children have grown up and left home, and the parents are anxious to rehabilitate themselves. In still other cases, where there are young children, we find that 99 times out of 100 they are better off after the divorce is granted than they were before. We inquire into the maintenance and education of children and, as I say, we usually find that they are better off after their parents have been divorced. But even if there is a problem arising from the fact that there are children, we can do nothing about it; for custody of children, alimony and costs are provincial matters, over which the Parliament of Canada has no jurisdiction. When one of the parties to a parliamentary divorce wishes to secure custody of the children, he or she is obliged to take action in the courts of the province.

For the information of the house I shall enumerate the items that go to make up the cost to a resident of Quebec of having an uncontested bill of divorce passed by parliament. First, a solicitor has to be employed in Quebec to prepare the petition; then there is a fee of $210 for filing the petition. The petition is served by a process server, and an Ottawa agent who has to be paid is usually employed. The evidence has to be gathered, at a cost of perhaps $100 or $200 and the petition has to be advertised in an English and a French newspaper at a cost of, in some cases, $125.

Hon. Mr. Haig: And there is advertising in the Gazette.

Hon. Mr. Hugessen: The Canada Gazette?

Hon. Mr. Aseltine: Yes; in an English and a French newspaper, and in the Gazette. When these preliminaries have taken place, a lawyer, usually from Montreal or Quebec City, has to come to Ottawa with the witnesses, and the petitioner has to pay their conduct money and expenses. When the case is concluded—even an undefended case—the cost will run as high as $700 or $800.

If parliament desires to do anything to help the cause of those seeking divorce in Quebec, I think it should do so. From time to time I have made suggestions. Houourable senators will recall that some years ago I made the suggestion that the whole matter

of divorce should be taken out of the hands of parliament and passed over to the Exchequer Court of Canada. The arguments against it were that the Exchequer Court, being a federal court, had no jurisdiction over alimony or the custody of children. Such a transfer would have brought about at least a partial solution of the problem, and would have resulted in an improvement of the situation we have now. But nothing came of my suggestion.

A further suggestion that I made was that an official, in the nature of a King's Proctor, should be appointed, who would occupy the position of a judge. The petition would be filed in the usual way, and the preliminary steps would be taken; then this official would hear the evidence and decide whether or not a bill should be recommended. He would report to the Divorce Committee of the Senate, which would act in the capacity of a court of appeal, with power to adopt or to reject a report. If the reports were adopted, bills would go through their several readings and be passed by this house, and then go to the other place. However, I have been told that this arrangement would not be feasible. So, in so far as arriving at any real solution of the problem, I am at a loss to suggest anything short of the setting up of a divorce court in the Province of Quebec, an arrangement that seems to be contrary to the wishes of the majority of the people in that province, and which I for one do not wish to force upon them.

Honourable senators will recall the Divorce and Matrimonial Causes Bill, known as the McMeans Bill, which was introduced in this chamber in 1938. I seconded the motion for its adoption, and spoke in support of it. After a long debate the bill was passed in this house by a majority of some twenty-five or twenty-seven, and went to the other place; but in that house it received only first reading, and therefore was killed. The bill, in my opinion, was an admirable one. The framers sought to remodel our law to conform with the laws of Britain by adding certain grounds for divorce other than adultery. Among these were long-continued desertion, incurable insanity and habitual drunkenness.

It also has been suggested that a royal commission be appointed to investigate the problem: but nothing has been done. A prominent Canadian authority on divorce, Mr. Kent Power, of Calgary, has recently written a very valuable book on the subject. If ever a royal commission should be appointed to investigate the matter, I believe he would be an excellent person to appoint to that body.

I have now covered, I believe, all the points I wish to mention. But perhaps I may be allowed a few moments to explain my personal position. It may be remembered that about this time last year I stated quite emphatically that I would not be able to continue as chairman of the committee. I intended to remain firm in that decision, but about November or December last letters began to come in from members of the committee urging me to reconsider my decision. I did not answer any of these communications; but when I returned to Ottawa I found that during the recess our honourable leader (Hon. Mr. Robertson) had not followed my suggestion, and that no one had been nominated to take my place. Under pressure, therefore, I decided to continue as chairman until the Easter recess. By that time some two hundred cases had been disposed of. But another hundred were ready for hearing—the necessary advertising had been done, the petitioners had paid their fees—and it was felt that they should not be penalized because of my wish to resign, so after the recess we continued to sit on Mondays and Fridays until practically all the outstanding cases had been dealt with.

I want to thank the members of the committee, and specifically the legal members, Senators Fogo, Campbell, Farris and Roebuck, for their assistance and co-operation in this work. In no chamber the world over, I am sure, could a more faithful committee be found. Their work has been exemplary, and most of the time they have agreed with my decisions, so of course my opinion of them could hardly be higher! I want to thank them one and all for their support.

Let me also express thanks to the Chief Clerk of Committees and his assistants. No one in this chamber has any idea of the amount of work that devolves upon them in connection with these cases. All petitions must be examined, affidavits of service prepared, and notices sent out; and they must see to it that every petition is in proper form before it can be dealt with. They work long hours, and they work very faithfully. I wish to thank them also for their co-operation.

Perhaps I have already said too much, but I want to voice the hope that a movement—some call it a filibuster—which was started in the other place, and various representations on this matter which have been made in both houses, will have some tangible results; that something will shortly be done. It may not be practicable to effect a change this year; probably the Divorce Committee will be required to function again in 1952;

but perhaps by the end of next year this disagreeable work will have been taken out of the hands of parliament.

Some Hon. Senators: Hear, hear.

Hon. Thomas Reid: May I be permitted to say a word or two about the report which has just been presented? First, however, as one of the newer members, may I compliment very highly the honourable senator from Rosetown (Hon. Mr. Aseltine) and the members of his committee. Particularly I would congratulate the honourable senator from Rosetown upon his splendid report. I believe some honourable senators share my opinion that in the matter of divorce the work of the Senate Committee is as good as, if not better than, that of the judges who in various provinces deal with such questions. I believe it has come to be generally recognized how well the committee conducts its business. The evidence is considered by a group of able men, assisted by capable lawyers, and the cases are handled with great ability. Last week, in reading the proceedings on one of these petitions, I was agreeably surprised to note that when the lawyers in attendance were asked whether in all their experience they had known of the same woman appearing in more than one case as a witness, both lawyers said, no.

Hon. Mr. Golding: They were detectives.

Hon. Mr. Reid: I mention that because in some countries—Great Britain is one—witnesses can be hired to provide evidence in an action for divorce. I think we can take a great deal of pride in the way our Divorce Committee conducts its business, and I think some publicity should be given to the statement made by the detectives that they knew of no woman appearing as co-respondent in more than one investigation.

As has been stated, no action has been taken to relieve the Senate of its obligations in this matter. I believe I can put my finger on the reason. I speak from long years of experience in the House of Commons. I doubt whether any veteran commoner would expect for one minute that a bill to establish a divorce court for Quebec would pass the other house. I think this situation is similar to the one that arose when we endeavoured to find a district national flag for Canada. Everyone knows that this was a great desire of the late Prime Minister, the Right Honourable Mackenzie King. As one who sat on the committee dealing with that question, I know something of the difficulties that were encountered in trying to make a choice of a flag. Finally the Prime Minister realized that if he were to put the proposal to the Commons it would never pass.

We might as well face the facts and carry on. We know that a bill to set up a divorce court for Quebec would never pass the House of Commons. Those who are against divorce would not vote for such a measure, and those with their ears to the ground for votes, would receive so many letters from people opposed to the idea that they would hesitate about geting up in their places and voting for it. I challenge anyone to successfully contradict what I have just said.

I want to compliment the members of the Divorce Committee on the capable manner in which they have carried out their duties. The honourable senator for Rosetown (Hon. Mr. Aseltine) has suggested that perhaps we could reduce expenses by cutting down on the bills.

Hon. Mr. Aseltine: No, I had reference to the printing of evidence.

Hon. Mr. Reid: I would correct myself then. I took it that you were referring to the bills.

Hon. Mr. Aseltine: No. I am advised that the printing of these reports costs about $30,000 a year, and it seems to me that this is a waste of money.

Hon. Mr. Reid: I agree with you in that.

As a result of certain correspondence I have received, I want to ask the honourable gentleman from Rosetown if he can tell us the religious affiliations of those who have been granted divorces by parliament this year? As honourable senators are probably aware, a filibuster took place in the other house over certain bills which were presented in the short time set aside for private bills. This filibuster spread to the divorce bills, and the newspapers across the country gave the matter undue publicity. As a result many citizens across the country are asking questions about parliamentary divorce proceedings. I wonder if the honourable senator from Rosetown could answer my inquiry?

Hon. Mr. Aseltine: What was the question?

Hon. Mr. Reid: What are the religious affiliations of those receiving parliamentary divorces?

Hon. Mr. Aseltine: I cannot give you an accurate figure; but I have made a day-to-day check, and I would say that about 25 per cent are Roman Catholics, and of the remainder two-thirds are Protestant and one-third Jewish.

Hon. John T. Haig: On behalf of those honourable senators who do not serve on the Divorce Committee, I want to congratulate the members of that committee for the splendid manner in which they have carried out their duties. I want to pay special tribute

to my deskmate (Hon. Mr. Aseltine), who has been performing these duties now for many years.

Hon. Mr. Aseltine: Eighteen.

Hon. Mr. Haig: I doubt whether he likes the work. I have been urging him to be more active in other committees but he is like the man aboard ship, who when a fire is blazing has to help put it out. I am hoping that some of the other lawyer members will get to be as good at the work of the committee as he has been. Members of this house need not be the slightest bit afraid of any criticism that the Senate Divorce Committee is not doing a capable job. Except for the present chairman, I am the only member of the house who was ever Chairman of the Divorce Committee. At one time when I was a member of the committee the chairman of that day died. There was a case that had to be heard, and as I was the only lawyer-member on the committee who was present, there was no other possible choice, and I was chairman for one day. I heard one case, and the next day I resigned. But I know how a chairman should act and, speaking as a lawyer, I maintain that the manner in which the Senate Committee handles divorces will stand up in comparison with that of any court in Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: In the courts there is only one judge, but on the Senate committee there are at least three. While perhaps only one member is a lawyer, the others possess a lot of ardinary common sense, and in a contested case have a good idea who is lying. When members of the other house criticize the way in which divorces are handled by the Senate Divorce Committee they should be invited to attend our hearings. I venture to say that if they did attend, not one of them would ever raise his voice again in criticism.

Some Hon. Senators: Hear, hear.

Hon. Wishart McL. Robertson: Honourable senators, in the past when the final report of the Senate Divorce Committee has been presented I have expressed my very great appreciation of the services rendered by the chairman and the other committee members in the discharge of their duties. Once again I repeat that I appreciate more than I can say the willingness with which the chairman undertook his onerous responsibilities. As honourable senators are aware, I have nothing to do with nominating the chairmen of the various Senate committees. If I have ever exercised any influence, it has been to see that the name of the honourable senator from Rosetown (Hon. Mr. Aseltine) was included on the list of members of the Divorce Committee, because I always knew that in its organization meeting the committee would deal with him, the gentleman from Rosetown, as they saw fit.

Some Hon. Senators: Oh, oh.

Hon. Mr. Robertson: I am not in a position to say whether some other procedure will be adopted for the handling of parliamentary divorce cases. The matter has been discussed a great deal from year to year, but, as was said by the senator from New Westminster (Hon. Mr. Reid) great difficulties apparently stand in the way of any change from the present system. As long as that system is maintained, it will be our duty to discharge as best we can the responsibilities placed on our shoulders. What the future has to offer, no one knows, but I am sure that as long as our Divorce Committee is headed by my honourable friend from Rosetown (Hon. Mr. Aseltine) and composed of members as able as its present personnel, the committee's work will be well and creditably done.

Hon. William H. Golding: Honourable senators, I would not want this opportunity to pass without expressing my appreciation of and my thanks to the honourable senator from Rosetown (Hon. Mr. Aseltine) for having taken on again this session the duties and responsibilities of Chairman of the Divorce Committee. In his remarks he mentioned that last fall he received letters from some members of the committee, urging him to reconsider his announced decision to continue no longer as Chairman. I may say frankly that I was one of those who wrote to him at that time. I think I can say for all members of the committee that we feel quite comfortable and at ease when our honourable friend is presiding at our meetings, for he has had long experience and is well acquainted with all the rules and regulations relating to divorce questions. He is firm in his attitude towards lawyers and others, and as a result we get our work done well and very efficiently. I am hoping he will be our Chairman again next session, and I suggest that if those who have the responsibility of nominating members of committees leave his name on the list of members of the Divorce Committee, there will be no question as to who will be chosen as Chairman. I did want to take this opportunity of expressing my thanks and appreciation to my honourable friend.

Hon. Mr. Aseltine: Honourable senators, I wish to thank honourable members for the very kind remarks they have made about me and the other members of the committee. I wish to be relieved from serving on the committee, and I hope that when next year rolls

around someone else will have been found to take my place. As we know, no man is so important that he cannot be replaced by a better man.

The report was tabled.

PRIVATE BILL

FIRST READING

Hon. Mr. Aseltine (for Hon. Mr. Roebuck) presented Bill Z-12, an Act to incorporate Ogdensburg Bridge Authority.

The bill was read the first time.

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

Hon. Mr. Aseltine: Wednesday next.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Aseltine moved:

That the parliamentary fees paid upon Bill C-10, an Act to incorporate the Ukrainian Catholic Episcopal Corporation of Saskatchewan, be refunded to Messrs. Ewart, Scott & Co., solicitors for petitioners, less printing and translation costs.

The motion was agreed to.

ALBERTA NATURAL RESOURCES TRANSFER BILL

THIRD READING

Hon. T. A. Crerar moved the third reading of Bill 386, an Act to vary the Alberta Natural Resources Agreement.

He said: Honourable senators, the other day when second reading was given to this bill and the bill to vary the natural resources agreements with two other Western provinces, it was suggested that if possible I, who moved second readings and explained the bills, should obtain from the Department of Finance information as to how the provincial governments had invested the school land funds. Immediately afterwards I saw the Honourable Mr. Abbott, Minister of Finance, about the matter. He expressed reluctance to ask the provincial governments for this information, but he said he would take it under consideration and telephone me today. He overlooked doing this, and I forgot all about it until I came into the chamber this evening, I suggest that this bill could be given third reading now, or could be allowed to stand, as honourable members desire.

Hon. Mr. Haig: So far as I am concerned, the bill may be read the third time now.

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

SASKATCHEWAN NATURAL RESOURCES TRANSFER BILL

THIRD READING

Hon. Mr. Crerar moved the third reading of Bill 387, an Act to vary the Saskatchewan Natural Resources Agreement.

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

CANADIAN NATIONAL RAILWAY COMPANY (SHERRIDON TO LYNN LAKE) BILL

SECOND READING

Hon. John C. Davis moved the second reading of Bill 376, an Act respecting the construction of a line of railway by Canadian National Railway Company from Sherridon to Lynn Lake, in the province of Manitoba.

He said: Honourable senators, it may seem somewhat peculiar that at this time we should be considering the construction of any addition to the lines of the Canadian National Railways. As the title indicates, the purpose of this bill is to authorize the construction of a railway by the Canadian National Railway Company from Sherridon to Lynn Lake, Manitoba, a distance of one hundred and fifty-five miles. This line is necessary to give access to a fair-sized body of strategic metal—nickel.

Nickel, like molybdenum and chromium, is useful as a metal itself but is principally useful as an alloy with other metals to give strength, resistance to corrosion, chemical action and high heat effect. It has an increasing usefulness in the manufacture of the engines of destruction which, through no fault of ours, we now have to use in our endeavour to survive. These alloy metals not only enter into the engines of destruction themselves, but into the materials of their manufacture and operation.

Within the past eight or nine years Sherritt Gordon Mines Limited have spent more than $6 million on prospecting and development, and have located a body of nickel-bearing ore about 120 air miles north of the position of the old Sherritt Gordon Mine. This body of ore contains about 14 million tons above the 1,700-foot level, and the ore bodies are still open at both ends.

Up to the present time about 90 per cent of world nickel requirements have been obtained from one site in the Dominion of Canada, namely at Sudbury. It has been judged desirous that other sites be opened up.

The only means of access to the body of nickel in question is by construction of this

branch line of the Canadian National Railways from Sherridon. The bill does not set out the facts of the development of this ore body; it is simply a measure to authorize the Canadian National Railways to borrow $10 million for the construction of the line.

Honourable senators will note that the estimated cost of construction is $14,725,000. An arrangement has been made with the Department of Defence Production to supply the remaining $4,725,000. Further, a contract has been entered into between the Canadian National Railways and the Sherritt Gordon Mines Limited for the operation and development of the mine. The Sherritt Gordon Company undertakes to build a mill at the site, which is 155 miles from the present railhead; to develop the mine; hoist 2,000 tons a day; employ only Canadian National Railways for inbound and outbound freight traffic; build a refinery at Edmonton; and in general conduct an operation to make available this metal, which is vitally needed for defence purposes, not only to Canada but to other countries of the North Atlantic Treaty Organization.

In addition to the $5 million or $6 million already spent by the Sherritt Gordon Company, there will be an expenditure by Sherritt of about $33 million. Arrangements have been completed for the financing of this amount, and the company is ready to undertake the operation immediately. Time is of the essence. The surface buildings, the shaft and the hoist apparatus are to be completed in order to commence operations by November 1, 1953.

Many of the buildings and much of the equipment will be moved by tractor-train from Sherridon to Lynn Lake, and the railway will definitely be needed by November 1, 1953.

The contract between the Canadian National Railways and the Sherritt Gordon Company calls upon the company to pay the railway the sum of $350,000 per year for a period of twenty years. On the assumption of a daily tonnage of 2,000 tons for a period of twenty years, the Canadian National Railways, using a 3¼ per cent amortization and depreciation figure, have arrived at the sum of $244 thousand as gain—not profit—over each of those years. Therefore, with the mining company's contribution of $350,000, the estimated gain for twenty years is $594,000 annually.

I point out that this sum is not really profit, because it is only applied to the amortization and depreciation of this one branch line. There is no distribution of the general overhead of the railway, for if there were, a further charge of $1 million per year should be entered, with an ostensible annual loss of about $400,000 per year

At the end of the twenty-year period the Sherritt Gordon Company will have paid to the Canadian National Railways a total of $7 million. Further, after the transportation of 1,880,000 tons of outbound freight by the Canadian National Railways, under the contract there would be a reversal of position, and the railway would pay to the Sherritt Gordon Mines $2.65 per ton of freight until the sum of $5 million is reached. I place those two figures before honourable senators: $7 million, which would be paid by the company over a period of twenty years, or until 1,880,000 tons of outward freight have passed over the railway, when the position would be reversed, as I have stated.

The amount of ore above the 1,700-foot level is conservatively estimated at 14 million tons, the capture of which will mean a considerable gain to the gross national product of Canada. Mining engineers have computed that the gross return from the sale of this base metal on a 2,000-ton per day hoist will be $14 million per annum, which over twenty years would be $280 million. Add to that the factor of gross national product of two and a half times this figure, which economics indicate, and you have a possible gain in gross national product of $700 million.

On marketing: the Sherritt-Gordon Mines Limited have a contract of five years whereby the United States Government and other users of nickel will take its entire product on the basis of 2,000 tons a day hoisted at the mine-head.

This railway will cross the Churchill river, and the obtaining of the steel for the entire branch line presented a nice question at this time, when steel is as strategic a commodity as any; but it has been decided that the need of nickel is such that the project should proceed without delay.

Hon. Mr. Reid: I do not rise to take any objection to the bill, but to ask a question. I was rather interested in the details of the cost of the 155 miles to be constructed. I have been wondering how the sponsor of the bill can show that the $350,000 represents a gain to the Canadian National Railways. This sum is to be paid annually over a period of twenty years. How much money is the Sherritt-Gordon mine to put up; and if they are to return to the Canadian National Railways the sum they are borrowing from them, how can it be a gain to the C.N.R.?

Hon. Mr. Davis: The Sherritt-Gordon will pay the railways over the first twenty-year

period $7,000,000. It is estimated that there will be a net gain for the Canadian National Railways of $244,000 per annum on the basis of 2,000 tons of ore hoisted to the mine-head, the concentrates being taken partly to Flin Flon, Manitoba, and partly to the refinery which is to be located at Edmonton, because of the supply of natural gas. If these two sources of revenue are added together, they will represent an improved position, though not necessarily all profit, of approximately $600,000 per year.

Hon. Mr. Reid: Does the mine get a loan of $5 million? If so, by whom is it made?

Hon. Mr. Davis: Not from the railway. My authority is clippings from financial papers, but I understand that for the launching of this project new money will be available in the amount of $33 million. At the present time the guaranteed sale for their product is limited to five years. The return to the railway will be the $7,000,000, plus the freight charges. That is definite. Amortization of the line and equipment is figured on a 3¼ per cent compound basis. I have a statement here to the effect that $10 million will be contributed towards the construction of the railway by the C.N.R.; the balance required for construction, namely $4,725,000, will be provided by the Department of Defence Production. This bill is for the sole purpose of authorizing only the raising of $10 million by the Canadian National Railways. We are not dealing with the additional $4,725,000 which will be provided by the Department of Defence Production.

Hon. Mr. Reid: My reason for having asked the question is that when the bill was explained in the other place it was distinctly stated that the mine would receive a loan of $5 million, to be paid back over a period of twenty years, and I could not get it through my head how, if the mine were getting a loan of $5 million from the C.N.R. and was paying it back, it could be deemed a gain to the Canadian National Railways. The C.N.R. were lending the mine the money on behalf of the government.

Hon. Mr. Davis: My information shows no loan by the C.N.R. to the Sherritt Gordon mine. The financing will be done otherwise, mainly in New York.

Hon. T. A. Crerar: This proposal is one which the house can accept, I think, without much reservation. As it happens, this particular railroad for which partial provision is made in the measure before us is in the constituency that I represented in parliament for a period of ten years. It is a pretty rough country, abounding in lakes, rocks and streams. Its great asset is its mineral resources. Somewhat over twenty-five years ago a body of ore was discovered in northern Manitoba about ninety miles north and a little west of the Pas. After a great deal of preliminary work a railroad was constructed from the Pas to the location of the property, and as a result we have the mine which is known in Manitoba as the Flin Flon. This mine has been operating for over twenty years, and its known ore reserves are sufficient to carry it along for, as I am informed, at least another twenty years. The town built at that location has a population of about 12,000 people.

As the honourable senator from St. Boniface (Hon. Mr. Davis) has stated, the mine which is to be opened up as a result of the building of the railway under consideration is some 125 miles north of what is known as Cold Lake. The location of the Sherritt Gordon mine is shown on the railway map as "Sherridon." It is quite evident from a general knowledge of the mining industry that this development will mean the building of a town of some four or five thousand people in this new location. I am quite willing to hold up both hands at any time for an expenditure of this kind, because it leads to the production of wealth and the employment of labour. It is the kind of expenditure to which this country should give primary consideration. Speaking of the Flin Flon mine, I know that many carloads of freight move in and out of that place daily. The mine, which gives employment to well over 2,000 people, has a big payroll, and the proof of the value lies in the fact that practically the entire town's population derives its living from the mining operations. I think the new development at Lynn Lake, which will be the terminus of the proposed line, will be a repetition in a smaller way of what has happened at Flin Flon.

One of the remarkable things in our country has been the development of our mining industry. It is a matter of interest that fifty years ago the great pre-Cambrian shield, extending from Labrador well down into Ontario and up through northwestern Manitoba to Bear Lake in the Arctic Circle, was supposed to be barren of minerals. It was unusual to find minerals in that kind of rock formation; but some of the greatest mines in the world have been developed in the so-called pre-Cambrian shield. No one can set a limit to the possibilities of the mine which is in prospect at Lynn Lake, and which will be served by this railway. As everyone in this house knows, Canada is the world's greatest producer of nickel,

and the extent to which all of North America and some European countries are dependent upon Canada for nickel is surprising.

Honourable senators for these reasons I warmly support the motion of the honourable senator from Winnipeg (Hon. Mr. Davis).

Hon. John T. Haig: Honourable senators, I should just like to give a little history at this time. I had the honour, as a member of the Manitoba Legislature, of being present when the Hudson Bay Mining and Smelting Company was developed. I remember the details very well.

The premier of Manitoba at that time was the Honourable John Bracken, and his constituency included the part of the province in question. The promoters of the mine came to Mr. Bracken and said that the Canadian National Railway before building a line from The Pas to what is now the town of Flin Flon, insisted that the province of Manitoba guarantee for the first ten years the $250,000 annual loss on the operation of the line. Mr. Bracken said, and I think wisely, that he would not consent to any such obligation as that being undertaken by the government, but that he would submit the question to a caucus of the house. It was the first large Manitoba undertaking. All members of the house had visited that district in the year 1920, when Mr. Norris was Premier, and all came to the conclusion that it was just like a pile of old iron. The man who discovered the ore interested certain mining people in New York City in it. They took some of the ore from the ground and tried to smelt it, but they could not find any formula to separate it from the copper, lead, zinc, gold and silver.

When the promoters came to the legislature, we said: "Well, if the members will not guarantee $250,000 for ten years in the interests of this mine, there is not much hope in the future for mining in Manitoba". There was no recorded vote, but I think the members unanimously agreed to promise the promoters that if they could get a formula for smelting the ore, and if they could get the money to put in the machinery and develop the property, such a guarantee would be signed.

Work was started, and a million dollars was spent in finding the formula to separate the ore. Without that, of course, the mine was not worth anything. Then the mine promoters came back to the legislature—and this is the part I may be criticized about. They said, "How about you boys in the legislature putting some of your own money into the mine?" Well, that was kind of touchy, and it made us think quite a little. But again we said to ourselves, "If we are not willing to put up some money in the interests of this mine, how can we expect other people to do it?" I want to say quite candidly, however, that I thought it was an unadulterated gamble. I am going back some twenty-five years. At that time it looked as though our money would just be wasted. But Manitoba was very prosperous then, and we were all buying stocks at $100 one day and selling them for $110 the next. We were each of us also induced to buy, I think, $750 in bonds. That was a lot of money in those days for some of us, but we got a bonus of 100 shares of stock with the purchase. The stock was not worth anything unless the mine paid, but it paid all right, and we never had to spend a cent on that guarantee.

Hon. Mr. Beaubien: Have you still got the stock?

Hon. Mr. Haig: Yes, I still have it. It does not pay very much. At $50 a share it pays 8 per cent a year. I think it has been doing so for about twenty years.

Honourable senators, I think there are similar prospects in store for this new mine. As a senator from Manitoba I will hold up both hands for this development. The prospectors have been telling us for quite a long time that there is ore in the district; it will be found not far from the Churchill river, where the power comes from to operate the mine at Flin Flon.

The necessary money has already been negotiated for, and as Canadians we take no risk in guaranteeing the railway, other than the risk of whether the line will pay or not after the mine is developed. The promoters are going to put up a large sum—

Hon. Mr. Davis: $3 million.

Hon. Mr. Haig: The only thing I could possibly criticize is the intention to place the smelter in Alberta. I think it should have been in Manitoba, but it will be located in Alberta, because of the oil supply there.

Hon. Mr. Horner: And cheaper gas.

Hon. Mr. Haig: Yes.

I am not trying to make a booster speech. I have no doubt that the people who are putting up the bulk of the money for this development—largely Americans—have solid evidence that the minerals are there to pay a good return on their money, and I think it is good common sense for Canadians to assist in developing the project. There is no doubt that the people in New York who put up most of the money for the Hudson Bay Mining and Smelting Company made a tremendous profit; but in the early days even they did not think there was in the district

such a large ore body as has since been discovered. I congratulate the government upon undertaking to have this line of railway built. I agree entirely with the senator from Churchill (Hon. Mr. Crerar), that this expenditure is of a kind that will encourage people to come to Canada to make their homes in this country.

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

THIRD READING

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

Hon. Mr. Davis: With leave of the Senate, I move third reading now.

Hon. Mr. Reid: This is the time to get bills through!

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

MUNICIPAL GRANTS BILL

MOTION FOR SECOND READING POSTPONED

On the Order:

Second reading of Bill 390, an Act respecting grants to municipalities—Hon. Mr. Hugessen.

Hon. Mr. Haig: I wonder if the deputy leader (Hon. Mr. Hugessen) would allow this order to stand until tomorrow. I wish to speak upon it and I am not ready.

Hon. Mr. Hugessen: The bill will be explained by the senator from Ottawa (Hon. Mr. Lambert).

Hon. Mr. Lambert: Would my honourable friend be agreeable to my speaking this evening? He could adjourn the debate after I had finished.

Hon. Mr. Haig: I would rather follow you directly. That would be more interesting.

The Hon. the Speaker: Shall the order stand?

Hon. Mr. Haig: Stand.

The Hon. the Speaker: The Order stands.

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

SECOND READING

Hon. G. P. Burchill moved the second reading of Bill 392, an Act respecting Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations.

He said: Honourable senators, this is a bill to provide for refunding of Canadian National Railways securities which mature or are callable during the years from 1951 to 1955. As I understand it, the bill would authorize the government either to make temporary loans or to issue new securities. I think the practice is to make temporary loans and to issue securities from time to time in amounts which the market can then absorb. The total principal amount of the refunding authorized by this bill is $200 million.

Honourable senators may be interested to know that of the refundable issues that fall due or become callable in the next four years approximately $147 million are payable in Canada, $1 million in London, $995,000 in the United States and $66 million in Canada, London and the United States. The rate of interest on these securities varies all the way from 2½ to 5 per cent.

I might also add that the government loans to the Canadian National Railways outstanding at the present time amount to approximately $757 million.

Hon. Mr. Reid: Quite a sum.

Hon. Mr. Burchill: And the total of the Canadian National Railways funded debt and loans from the government of Canada as at December 31, 1950, amounted to $1,398 million, on which the total interest charges in 1950 amounted to $46,725,698.

Hon. Mr. Isnor: Is that going to be written off?

Hon. Mr. Burchill: Honourable senators may also be interested to know that the system's total funded debt and loans from the Dominion Government in 1937 amounted to $1,284 million. In other words, in the intervening thirteen years the increase has been only $114 million. This certainly does not seem a large increase when one considers the great expansion and development of this country which the Canadian National Railways serve.

Honourable senators, I think perhaps I need only add that similar legislation was passed in 1935, 1938, 1944 and 1947. The securities which it is proposed to refund will be maturing in the years mentioned, and they will have to be paid.

If there are any questions and I have the desired information here, I shall be only too pleased to answer them.

Hon. Mr. Haig: Could my honourable friend tell us approximately what are the rates of interest on the different issues?

Hon. Mr. Burchill: Yes. That information is given in the following table:

CANADIAN NATIONAL RAILWAY COMPANY
MATURING OR CALLABLE BOND ISSUES 1951-1955

Maturity Date	Issue	Interest Rate	Where Payable	Amount Outstanding
		%		$ cts.
Various 1951-55.....	Instalments payable under Equipment Trust Issues and Hire-Purchase Agreements...	Various	Canada.....	62,735,088 90
Various 1951-55.....	Newfoundland Railway instalment notes..	2½	United States.....	711,030 00
June 1, 1951.....	G.T.W. Equipment Trust.....	2½	United States.....	284,000 00
Sept. 1, 1951.....	Canadian National.....	4½	Can., London, U.S.....	48,022,000 00
July 10, 1953.....	Canadian Northern.....	3	London.....	1,162,768 33
Jan. 15, 1959..... (Callable Jan. 15, 1954)	Canadian National.....	3	Canada.....	35,000,000 00
Feb. 1, 1954.....	Canadian National.....	5	Canada.....	50,000,000 00
Jan. 1, 1955.....	Canada Atlantic.....	4	Can., London, U.S.....	9,947,934 00
April 1, 1955.....	Grand Truck Pacific.....	4	Can., London, U.S.....	8,871,444 00
				216,734,265 23

As I say, the range is from 2½ per cent to 5 per cent.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Burchill: If my friend from New Westminster (Hon. Mr. Reid) has no objection, I would suggest that the bill be now read a third time.

Hon. Mr. Hugessen: Perhaps at this point I should offer a word of explanation. A meeting of the Standing Committee on Transport and Communications has been called for tomorrow morning at 10.30, on the assumption that the bills having to do with railways would receive second reading this evening, and be referred to that committee. I gave an undertaking to my honourable friend from New Westminster that an opportunity would be given to honourable senators to attend the meeting and to ask questions of the management of the Canadian National Railways as to these bills and the general financial position of the railway.

Hon. Mr. Haig: That is a good idea.

Hon. Mr. Hugessen: In accordance with my undertaking given some weeks ago, I suggest that this bill be referred to that committee.

Hon. Mr. Reid: I remember the suggestion, but I am not saying anything about it.

Hon. Mr. Burchill: Honourable senators, I move that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

SECOND READING

Hon. G. P. Burchill moved the second reading of Bill 393, an Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways System during the calendar year 1951, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: Honourable senators, this bill, like the previous one, would provide funds for the Canadian National Railways, to be used as follows:

Additions and betterments	$37,000,000
New equipment (1951 budget)	56,000,000
Acquisition of Securities and retirement of capital obligations	3,712,000
Additional working capital	20,000,000

From a total of approximately $117 million there is to be deducted an amount of $16 million available from reserve for depreciation, leaving a net of $101,215,000, which is the amount provided by the bill.

I do not know how much information the house is desirous of hearing at this late hour.

It may be the wish of the house that this bill be referred to the Standing Committee on Transport and Communications.

Hon. Mr. McDonald: I would suggest to the honourable senator that the information be given when the bill is considered in committee tomorrow.

Hon. Mr. Reid: The house has been sitting only two hours. This is not late.

Hon. Mr. Burchill: I shall be pleased to comply with the wishes of the house in the matter.

Details of the item "additions and betterments" to be completed in 1951 are as follows:

Atlantic Region	$4,500,000
Central Region	18,500,000
Western Region	11,000,000
Grand Trunk Western Railroad	5,700,000
Central Vermont Railway	300,000
Subsidiary Companies	285,000
Express, Telegraphs and Other Departments	12,900,000
Additions and Betterments to Equipment (Canada)	6,000,000

Hon. Mr. Reid: How much is to be spent in British Columbia?

Hon. Mr. Burchill: I presume British Columbia would be included in "Western Region".

Hon. Mr. Reid: British Columbia is away beyond the West.

Hon. Mr. Burchill: Honourable senators may be interested to hear a list of the new equipment which is to be provided, at a cost of approximately $56 million including sales tax and inspection charges. The breakdown is as follows:

28 Standard baggage cars
5000 box cars
500 Refrigerators
500 Box cars (GTW)
40 Box cars (Nfld.)
100 Flat cars (Nfld.)
20 3000-3200 H.P. road diesel locomotives
6 Road diesel locomotives (Nfld.)
4 Russel snow plows
1 Wrecking crane
30 Air dump cars
75 Hopper cars for ballast service
1 Scale test car (GTW)
2 Diesel electric cranes
1 16-cylinder engine for diesel units (GTW)
1 Magnet generator flat car
1 50-ton locomotive crane (Nfld.)
20 16-cubic yd. air dump cars (Nfld.)
17 Water transports
5 Units work equipment (D.W. & P.).

I have before me some other information which, frankly, I think could be better given in committee tomorrow.

Hon. Mr. Reid: You are doing very well.

Hon. Mr. Burchill: I should like to add that the large amount of $20 million for additional working capital is necessitated by the expansion of the services of the railway. As every businessman knows, a larger inventory requires a larger amount of working capital.

With this brief explanation, I trust that honourable senators may see fit to give second reading to the bill, and to allow it to be referred to a committee.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Burchill: Honourable senators, I move that the bill be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Haig: May I be permitted to say a few words?

When the bill is considered in committee I should like the representatives of the Canadian National Railways to be there to give some general figures about the expenditures over the past ten years. I have no doubt that the purchases of equipment are quite in order, but I am interested in the financial side of the picture. I am asking for this information because of certain feelings which the three Prairie provinces have about railway freight rates. The railway in that part of the country has no competition by water or highway, and we are anxious to get a true picture of its finances.

Hon. Mr. Burchill: I presume that the honourable acting leader has arranged that representatives who can give that information will be present at the committee meeting tomorrow.

Hon. Mr. Hugessen: I understand that they will be present.

Hon. Mr. Burchill: And they will have the information which the honourable leader opposite has requested.

The motion was agreed to, and the bill was referred to committee.

POST OFFICE BILL

COMMITTEE AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill 322, an Act respecting the Canada Post Office.

Hon. Mr. Robertson moved concurrence in the amendments.

Hon. Mr. Haig: I want to thank the Postmaster General for the very fine way in which he accepted these amendments in committee. They are mine.

Hon. Mr. Hugessen: One of them was yours, but one of them was mine!

Hon. Mr. Haig: But the one about the committee making the report is the important one, because the minister is the person who has the right to require the committee to be appointed, and it would report to him. That is as far as the bill went. The committee is now required to make recommendations, and in view of what has happened, I have no doubt that those recommendations will be carried out. The minister has an overriding power, but I doubt very much whether he will exercise it.

Hon. Mr. Hugessen: May I concur in what the leader on the other side (Hon. Mr. Haig) has said in congratulating the Postmaster General on the cordial way in which he accepted the amendments. There were two: the one to which my honourable friend has referred, and which he suggested; another, which I think was equally important, that I suggested and the Postmaster General accepted. My recommendation was that the board of review to be set up under this legislation should include a member of the legal profession, because the board will have the important function of determining whether an offence has been committed and, therefore, of deciding as to the sufficiency of the evidence. As I have said, I believe my amendment is just as important as that of my honourable friend. However, I join with him in congratulating the Postmaster General.

Hon. Mr. Haig: As regards the amendment referred to by the honourable senator from Inkerman (Hon. Mr. Hugessen), I think the honourable member from Rosetown (Hon. Mr. Aseltine) was the first to mention it.

The motion was agreed to, and the amendments were concurred in.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

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

INTERNAL ECONOMY COMMITTEE

NINTH, TENTH, ELEVENTH, TWELFTH AND THIRTEENTH REPORTS CONCURRED IN

The Senate proceeded to the consideration of the ninth, tenth, eleventh, twelfth and thirteenth reports of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. Beaubien moved concurrence in the reports.

He said: These reports were all unanimously adopted by the committee, and they have been before the house since last week.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, June 26, 1951

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

Prayers and routine proceedings.

CANADA DAIRY PRODUCTS BILL

FIRST READING

A message was received from the House of Commons with Bill 403, an Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products.

The bill was read the first time.

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

Hon. Mr. Hugessen: Next sitting.

INCOME TAX BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 296, an Act to amend The Income Tax Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 296, an Act to amend The Income Tax Act, have in obedience to the order of reference of June 21, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Hugessen: I move the third reading now.

Hon. G. P. Burchill: Honourable senators, I am sorry to detain the house on third reading of this bill, but there is one matter to which I want to refer, and some things which I should like to put on record about the bill this afternoon, as I have not had the opportunity of saying them before. I allude to the plight in which privately-owned public utility companies find themselves through being obliged to pay the surtax of 20 per cent imposed by this legislation. This tax is levied on all public utility companies whose rates are regulated by public utilities commissions or by the Board of Transport Commissioners. As honourable senators know, in the provinces of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Quebec and British Columbia, the telephone services are operated by private enterprise; in the other provinces they are carried on by departments of the provincial governments. In the former case, the companies pay huge sums to the federal treasury; in the latter, the federal treasury does not receive one dollar of return. All these corporations are engaged in the same field of service. They are expected to do the same kind of work, and are required to expand their operations and give efficient service of the types to which the public are accustomed. Yet, as I have said, a great burden of taxation is imposed upon privately-owned companies, whereas services run as public enterprises are free of any taxation whatever.

I want to bring home to honourable senators that this is a matter of very great importance. Private companies must get their capital from the investing public. Capital is the very life-blood of these organizations, and in order to attract it they must be able to provide, after taxation, a fair rate of return. That point has been brought home time and time again in judgments of the judiciary not only in Canada but in the United States and other countries, and on it I want to quote from a decision by Mr. Justice Douglas, of the Supreme Court of the United States, a passage which I think is very interesting:

> From the investor or the company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include services on the debt and dividends on the stock. By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks.

In our rural province of New Brunswick this little free enterprise company of long standing paid last year into the federal treasury $703,932 by way of taxes.

Hon. Mr. Stambaugh: Is that a telephone company?

Hon. Mr. Burchill: Yes. This represented a tax of $9.89 on every telephone in our province. The leader of the opposition (Hon. Mr. Haig), who shares my view in this matter, comes from a province where the telephone users escape this tax, and he can go home feeling that the users of telephones in New Brunswick are contributing to the prosperity of Manitoba.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Burchill: I want to point out that these companies are as old as Canada itself, and have played a very important part in every phase of Canadian development. In fact, they are part of the fabric of Canada. They represent the modern development of an amazing invention by Alexander Graham

Bell, a Canadian, which plays an important and vital part in business, political and social activities throughout the world.

Our modern telephone system was built under the stimulus of private enterprise. Let us never forget that. Telephone companies as well as other public utility companies have been the targets for taxation by every federal, provincial and municipal taxing body. Do our governments today realize what these companies have accomplished and how vital they are to our country, and that this burden of taxation may destroy part of our great Canadian enterprise? When the honourable the Minister of Finance introduced this legislation he recognized the point I am making. He said in the course of his remarks that he hoped to be able, before the legislation was passed in the other house, to announce that ways had been found of lightening this onerous burden of taxation on public utility companies. However, when the legislation was finally passed there, the minister had to inform the house that the talent of the legal officers in his department was insufficient to enable them to find language which would interpret the words "capital employed" and thus bring about the desired purpose. Honourable senators, that is the first time I ever heard of the legal fraternity being stuck for an interpretation of any words in the English language. It occurred to me that if members of the legal fraternity or others were able to find language to bring India—which is a republic and which desires to remain such—within the orbit of the crown of Great Britain, surely among the legal fraternity of Canada there are brains enough to find language to describe such a relatively simple matter as "capital employed" within the meaning of section 12 of this bill. And I wish to say to my honourable friend the Minister of Finance that if the necessary legal talent is not available in the Department of Finance I am quite sure that in this honourable body we have plenty of talent capable of providing that interpretation.

Government officials in the United States were able to find a formula. I have in my hand a copy of *Public Utility Survey,* a special section of the *Investment Dealers' Digest,* from which I quote the following:

> Representatives of the gas and electrical utility industry presented their case and requested that for the purpose of the excess profits tax computation a credit of not less than 6 per cent should be allowed on the utility's invested capital—

There is the point that I am coming to, the invested capital.

> viz., bonds, long-term debt, stock and surplus—

That is just exactly what I have reference to.

> according to the company's books of account kept in accordance with the uniform System of Accounts adopted by the Federal Power Commission or other regulatory authority. This principle was adopted by Congress and written into the Excess Profits Tax Act. Similar credits were given railroads and other utilities with an allowance of 7 per cent to telephone companies and common carriers by air.

I am putting this on the record, honourable senators, just to prove to this house that legal talent in the United States was evidently able to accomplish something that appears to be beyond the ability of the legal officers of the Department of Finance of Canada.

Hon. John T. Haig: Honourable senators, I do not wish to join in the debate, and although I entirely agree with the honourable senator from Northumberland (Hon. Mr. Burchill), I must say something in defence of the Minister of Finance. I think it is only fair, especially in this house, to put the government's case—not that it needs to be done by me, for the government has many supporters here, and probably most of them are better able to do this than I am. But I do wish to place myself on record in this matter. The Minister of Finance recognized the very principle which my honourable friend has proposed, and with which I agree, but he said that he had run into difficulty in trying to work out a formula which would put that principle into effect. The Minister's own bill does recognize the underlying principle that no company should be so heavily taxed as to reduce its earnings below 5 per cent. The senator from Toronto (Hon. Mr. Hayden), who explained the bill to us the other day, admitted frankly that he was having difficulty over the same problem, and we had difficulty with it in committee. I must say for the Minister of Finance that I think he was quite disturbed because of his inability to find a satisfactory formula for dealing with this question. The issue has been persistently raised in this house, while the bill was under consideration here and also in our Banking and Commerce Committee, and after listening to the explanation made by the Minister at this morning's meeting of that committee, I came to the conclusion that within the next year changes applying to telephone and hydro electric operations will be made. The Winnipeg Electric Company last year paid to the dominion government by way of tax about $800,000. Legislation is now being considered whereby the power operators will be taken over by the Province of Manitoba, and in that way payment of the federal tax will be avoided.

It seems most unfair that public utilities which are operated by private enterprise, and whose rates are controlled by a board, should be obliged to pay the tax. I say to my friend from Northumberland (Hon. Mr. Burchill)

that if by a year from now the Minister of Finance has not brought in a bill to make the legislation more equitable to private enterprise and to provide a formula such as my friend suggests, I will join with him in criticizing the budget of that day. The government should work out a formula under the present legislation or bring in new legislation by which public utility bodies will be protected to the extent of 4 per cent, 5 per cent, or whatever rate is allowed general corporations.

Hon. A. K. Hugessen: Honourable senators, I am very glad that my friend from Northumberland (Hon. Mr. Burchill) raised this question in the Senate this afternoon, following upon its having been raised in the Standing Committee on Banking and Commerce.

I gathered the same impression as did the honourable leader opposite, that the Minister of Finance is fully aware of the difficulties which may face the public utility companies in the light of the substantial increase in the tax on profits, under the legislation which we are now considering. I feel that some measure of relief is almost certain to be introduced next year. I do, however, think that there is a great deal of justification for the statement which the minister made, that in the short time since the introduction of his budget he has been unable to evolve a satisfactory formula by which that relief could be measured.

My honourable friend from Northumberland gave a most interesting quotation from certain legislation introduced in the United States for that purpose. It was to this effect: That the amount of capital on which these public utility bodies were to get this relief was determined on the basis of a uniform method of accounting used by national public bodies in the United States. Our trouble is that we have no uniform method of accounting for public utility companies throughout the country. Such uniformity of accounting would make it more easy to evolve a formula. Honourable senators can appreciate how difficult it is to determine accurately the real amount of capital employed fairly in the case, for instance, of a public utility of many years standing. I have in mind a case in the city of Montreal, that of the Montreal Light, Heat and Power Consolidated. If one were simply to accept the capital structure as reflected in the books of that company, it would show an enormous amount of inflation in the purchases of constituent companies and the like. In a number of cases it would be extraordinarily difficult to reach a fair statement of the capital actually employed in public utilities.

I can only say that I hope and believe that during the next few months—at least by the time the next session comes around—the minister will have evolved a formula which will give to these public utility companies whose rates are fixed by regulatory bodies the relief which we agree is justified.

Hon. W. D. Euler: Honourable senators I agree with what has been said by the previous speakers on this subject, and I rise only to comment on a statement made by the leader opposite. If I should misquote him, I hope he will correct me. He said, I think, that it was recognized that profits of at least 5 per cent or 6 per cent should be allowed before taxation.

Hon. Mr. Haig: My statement was that the taxes should not reduce the earnings below 5 per cent.

Hon. Mr. Hayden: The surtax?

Hon. Mr. Haig: The surtax.

Hon. Mr. Euler: Where is that principle enunciated?

Hon. Mr. Haig: It is in the Act.

Hon. Mr. Euler: If that is the case it does not apply universally in the matter of taxation. Honourable members will recall a bill that came to this house a few years ago—

Hon. Mr. Haig: May I interrupt my friend a moment? The application of this principle is that the surtax will not reduce the interest on money.

Hon. Mr. Euler: I do not care what kind of tax it is, whether surtax or ordinary tax. I just want to correct the impression, if it has been given, that there is any recognition whatsoever that private enterprise or any other company can make 4 per cent or 6 per cent before taxation is applied.

Honourable senators will recall a bill which was presented a few years ago to tax the profits on insurance companies, which I consider was perfectly proper. The profits of all companies should be taxed on the same basis. In the case of insurance companies—particularly fire, guarantee, automobile, and companies of that type—there was in years gone by a tax of 3 per cent on premiums collected, but there was no tax on the profits of the company. The then acting Minister of Finance—now the minister—brought in a bill by which the premium tax was reduced from 3 per cent to 2 per cent—a very nice concession—but at the same time the companies were obliged to pay corporation tax. I argued at that time that there was no reason why there should be a premium tax in addition to the corporation tax. The point is that some insurance companies have very large premium incomes and correspondingly large

premium taxes to pay; but they may not have any profits and may even show a loss. I have known of such a case.

In my humble way I proposed an amendment to the bill to which I refer when it was considered in the Banking and Commerce Committee. That amendment would have wiped out the tax on premiums, leaving the companies liable for the corporation tax, as they should be. The amendment was twice passed in the committee, but when the bill was reported to this house it was defeated by a majority of about four. It was argued that the tax on premium income was of the nature of a sales tax. That is not so at all. A sales tax in ordinary business is always transferred to the price of the goods. In the case of the insurance business the tax is not transferred to the cost of the service.

In conclusion, I draw the attention of the house again to the fact that there is certainly no uniformity of application of any principle that there should be a fixed return on capital before taxation.

Hon. Mr. Haig: Question!

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

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill 392, an Act respecting Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications to whom was referred the Bill 392, an Act respecting Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations, have in obedience to the order of reference of June 25, 1951, examined the said Bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Hugessen: I move the third reading now.

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

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented and moved concurrence in the report of the committee on Bill 393, an Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways System during the calendar year 1951, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications to whom was referred Bill 393, an Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways System during the calendar year 1951, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company, have in obedience to the order of reference of June 25, 1951, examined the said Bill, and now beg leave to report the same with the following amendments:

1. Page 1, line 9: After "three" add "and capital indebtedness incurred for the purposes set forth therein".

2. Page 1, line 19: After "expenditures" insert "or incur capital indebtedness".

The motion was agreed to.

THIRD READING

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

Hon. Mr. Hugessen: Now.

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

CRIMINAL CODE BILL

FIRST READING

A message was received from the House of Commons with Bill 391, an Act to amend The Criminal Code.

The bill was read the first time.

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

Hon. Mr. Hugessen: Next sitting.

FRASER RIVER BASIN

RETURN TO ORDER

Hon. Mr. Hugessen: I beg to lay on the Table a return to an Order of the Senate of May 3rd.

MUNICIPAL GRANTS BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill 390, an Act respecting Grants to municipalities.

He said: Honourable senators, the legislation proposed in this bill recalls to my mind that on several occasions prior to the year 1944 I had the privilege of presenting to this house, after passage by the House of Commons, the so-called Ottawa bills, which provided for an appropriation or grant of $100,000 in consideration of various services rendered by the municipality to institutions located in Ottawa and connected with the federal establishment. I mention this circumstance at the outset because Bill 390 represents in many ways an evolution of the principle in the Ottawa bills and a broadening of the ground of municipal taxation throughout the country. I would like to say also at the beginning of my remarks—which will not be prolonged—that in discussing this bill it would be better to consider the subject-matter apart from the special interest of Ottawa, because of its unique place as the capital city, and its relations to the proposed capital city plan and to the Federal District Commission, each of which has its own financial arrangements. I believe that an understanding of the principles underlying this bill, which are applicable to municipalities throughout the country, will be furthered if the subject is treated from a broad national point of view and as constituting a precedent in Canadian administration, rather than as particularly related to the affairs of the capital city.

In 1944, upon recommendation of a joint committee of the Senate and the House of Commons, the grant to Ottawa was increased from $100,000 to $300,000. The grant was made for a five-year period, and in 1949, at the end of that period, the government took steps to deal with grants to all municipalities throughout Canada where federal government properties were located. For a considerable time previously the government had had under review this whole question of municipalities outside of Ottawa. As a matter of fact, delegations from the Canadian Federation of Mayors, the Mayors and Reeves Association of Ontario, and many individual municipalities, had made representations to the government asking for an adjustment of burdens which they felt they should not bear alone.

On February 17, 1950, Order in Council P.C. 741 was passed, authorizing the payment of grants to these municipalities in lieu of taxes on federal properties, and imposing certain limitations. Bill 390, which I have in my hand, puts that order in council into statutory form. In preparation for this legislation the government, very wisely, I think, inquired into assessments and rates of taxation in all the municipalities in Canada in which federal properties are located.

One might pause here to comment that this legislation really marks an important innovation in the relations of the federal government with the local governments of the country, and very definitely illustrates the growing trend of co-operation between the dominion and the provinces in the matter of administration. Further, it shows that there are provisions in the British North America Act which no longer apply, and which such bills as this endeavour to steer clear of in an effort to bring about a more equitable distribution of the burden of taxation in Canada.

In addition, the government has reviewed the experience in the tax fields of the United Kingdom, the United States, New Zealand, Australia and the Scandinavian countries, and it is interesting to note that in only two of these countries, the United Kingdom and the Republic of Ireland, are full tax rates paid by the central government on all of its properties. Both of these countries are unitary states where local governments are integrated with and subordinate to the central government. It should be remembered that in these countries the central government maintains the right to assess its own properties, and thereby determines the total amount of municipal taxes to be paid.

In this proposed legislation three principles underline all the clauses. In the first place the constitutional exemption of federal property from municipal taxation, as provided for in section 125 of the British North America Act, is observed. Therefore grants to municipalities as proposed in this bill will be made as a matter of grace. The second outstanding principle is that the presence of federal property in any municipality brings certain definite benefits to that municipality. This is reflected in the business revenues of the municipality and in the stability of income that results from the presence of government employees.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Lambert: I am sure that examples of this readily come to the minds of honourable members when they recall the eagerness with which representatives of different parts of the country seek the establishment of branches of government in their respective districts. Naturally, owing to circumstances which are taken into consideration in this bill, federal institutions have erected their facilities to a greater extent in some districts than in others. That leads to the third principle underlying this bill. In certain municipalities the larger concentration of

federal property adds to the expense of municipal administration, and this is not equalized by the benefits accruing from the presence of federal property in those municipalities. Therefore they must receive special consideration. Accordingly, this bill recognizes an average of 4 per cent as representing the proportion of assessment on government property to the total assessment of all real property in all municipalities across Canada where such properties are located. This 4 per cent is described as a national average, and only those municipalities having government properties in excess of 4 per cent of the total local assessment are qualified to receive grants under this bill.

The basis on which grants are calculated in relation to municipalities where the concentration of federal property exceeds the national average, is 75 per cent of the municipal tax level on the excess portion of the assessment charged against federal property. This provision is set forth in section 5 of the bill. It is estimated that some 100 municipalities in Canada qualify for grants on the basis of having federal properties in excess of 4 per cent of their total assessment.

Hon. Mr. Euler: Who makes the assessment on the properties?

Hon. Mr. Lambert: I shall explain that. In preparation for this legislation the government set up in the Treasury Board a unit manned by experienced tax assessors. This unit made a complete review of all municipalities where federal property is located and reached its conclusions on the basis of what, at the beginning of this bill, is termed "accepted value". There are two terms in the interpretation clause, "assessed value" and "accepted value". Assessed value is the term applied to the value that is assessed by a municipality on real property. The accepted value is the amount that is established as the fair value of federal properties by the government and the municipality, in agreement; and, as my honourable friends will readily recognize, there is room for a great deal of adjustment on that question between the parties. One need only refer to the city of Ottawa, where the intermingling of control over streets, parks and various other properties necessitates a very definite line of demarcation. In explaining the bill in the other house the minister made it very clear that this is just a starting point, and that as time goes on adjustments will have to be made in the light of experience and of expansion of federal interests in the different municipalities.

Hon. Mr. Euler: If there is no agreement between the municipality and the federal government, how is it settled what the assessment should be?

Mr. Lambert: That possibility is not provided for in this bill. I have no doubt that, as far as Ottawa is concerned, adjustments on these matters are made through negotiations between the Federal District Commission and the municipality, and I think that in the event of any dispute an appeal would be made to the Governor in Council.

Hon. Mr. Hayden: There is no right to any grant.

Hon. Mr. Lambert: No. I think I made it clear that under the British North America Act all federal properties are exempt from municipal taxation.

I may as well deal now with the question of why, after the deduction of 4 per cent—the national average—is made, only 75 per cent of the balance is considered instead of 100 per cent. The minister explained that clearly in the other house. He pointed out that in all the municipalities concerned there are many other properties exempt from taxation besides those occupied by federal authorities. For instance, there are such properties as those owned by the provincial governments. In Ontario, that would include Hydro-Electric properties.

Hon. Mr. Euler: There are religious institutions.

Hon. Mr. Lambert: Yes.

Hon. Mr. Hugessen: And educational institutions.

Hon. Mr. Lambert: This assumption by the federal government of responsibility to pay municipal taxes in the same way as other property owners do may in time lead to assumption of similar responsibility by federal and provincial governments on equal terms. As I have said, that is the practice in England. As yet, though, it does not seem that the time is ripe for extending this responsibility to any point beyond that provided for in clause 5 of the bill.

I have already mentioned that some one hundred municipalities in Canada qualify for grants on the basis of having within their bounds federal government properties of a total value in excess of 4 per cent of the total municipal assessment.

Hon. Mr. Haig: May I ask my honourable friend a question? Are Toronto, Montreal, Vancouver and Winnipeg included among those municipalities?

Hon. Mr. Lambert: They certainly are, for they all have within their boundaries federal properties whose combined value is more than 4 per cent of the respective municipal assessments.

Hon. Mr. Haig: I doubt it.

Hon. Mr. Lambert: I am pretty sure about that. In Montreal, for instance, the Ford Hotel has recently been taken over by the C.B.C. That acquisition raises the point of certain qualifications for exemption from municipal taxation, and affects the percentage which the value of federal properties bears to the total value of all assessed properties in Montreal.

Hon. Mr. Haig: May I ask another question? In Montreal, Toronto, Winnipeg and Vancouver, let us say, are other exempted properties included in the computation of the total assessment?

Hon. Mr. Lambert: I cannot speak positively as to that, but I think the regular municipal assessed value is applied to the real property held in those areas by the federal government and which is ordinarily exempt from municipal taxation. Whether other exempted properties are included in making the computation—such as, for instance, provincial government properties—I do not know, but we could easily get that information if we took the time to go into committee and inquire of Mr. Taylor, of the Department of Finance, the officer in charge of the inquiry conducted preparatory to the bringing in of this measure.

Hon. Mr. Reid: I know that in the cities of British Columbia all provincial buildings, churches, and so on, are included in the complete assessment.

Hon. Mr. Lambert: That may be so in Toronto and the other cities mentioned, but the provincial governments have not yet undertaken to make any grant or equalizing contribution such as is provided for here.

It is estimated that the annual cost to the federal government of discharging its obligation under this bill to the different municipalities will be roughly $5 million. That is the approximate figure which was given by the Minister of Finance.

Other grants are provided in the bill to cover future developments, such as the acquisition by the federal government of new properties in a municipality. There is also a clause covering the unpaid portion of local improvement taxes on properties acquired since December 1942. This applies to a city like Ottawa, where the many new properties acquired in that year to meet increasing administrative demands during the war, would add to the contribution provided for under the general provisions of the bill.

I think that is all I need to say on the background of the bill. Section 2, the interpretation section, defines various terms, such as "accepted value", "assessed value" and "federal property". Certain exemptions from the definition of "federal property" are set out in paragraphs (i), (ii), (iii), (iv) and (v) of clause (c) of section 2.

They are as follows:

(i) real property forming part of an undertaking in respect of the conservation, irrigation, reclamation, rehabilitation or reforestation of land,

(ii) a park, historical site, monument, museum, public library or art gallery,

(iii) an improvement to land or structure that is not a building designed for the shelter of people, plant or movable property.

(iv) real property under the control, management or administration of the National Railways as defined in The Canadian National-Canadian Pacific Act, 1933, or a corporation, company, commission, board or agency established to perform a function or duty on behalf of the Government of Canada, or

(v) real property leased by His Majesty to a tenant from whom, by reason of such tenant's interest in that real property, a municipal taxing authority may collect real estate tax.

As has already been observed, Crown companies, including the Central Mortgage and Housing Corporation, have already engaged in separate negotiations with municipalities wherever the municipalities have so desired. For that reason they are not included in this bill.

The main purpose of the bill is to make a sincere attempt to place the whole question of the distribution of the burden of municipal taxation on a more equitable basis.

Hon. Mr. Isnor: Would the honourable senator indicate the section which sets out the amount of $5 million?

Hon. Mr. Lambert: I said that the minister's estimated cost of grants across Canada in relation to this bill was $5 million.

Hon. Mr. Isnor: That is not covered by the bill?

Hon. Mr. Lambert: It is not in the bill.

Hon. Mr. Pratt: May I ask the honourable senator whether defence projects and installations are included in the properties subject to assessment and taxation? I have in mind such defence establishments as naval dockyards, within city limits.

Hon. Mr. Lambert: No; they are exempt. Somewhere in the bill there is a clause which refers to a shelter for people, and projected activities in relation to national defence such as have been mentioned by my honourable friend. For instance, I may refer to the harbour commission property in Halifax,

which will now be subject to assessment; but the rate of tax that will apply is to be decided between the federal and municipal authorities. There is a strong difference of opinion on the subject. I find that the views of some of my friends from Halifax differ from my own. Personally, I think that the properties represent value contributed entirely by the federal authorities. I have used the harbour commission property in Halifax as an example, but the principle could be applied to other establishments such as the Gander Airport, and military establishments in the far north where villages have been set up and equipment and personnel have been supplied. All relevant factors will be taken into consideration in arriving at a reasonable assessment and a fair tax value.

Hon. Mr. Euler: I should like to ask the senator from Ottawa if I am right in assuming from what he says that the amount of assessment and the rates are still entirely in the hands of the federal authorities?

Hon. Mr. Lambert: I would assume that as they relate to properties that become subject to the new arrangement, the final decision will be made by the federal authorities, but only after taking all factors into consideration.

I did not intend on this bill, to refer to the City of Ottawa but by way of illustration I may be permitted to mention it. In pursuance of an assessment of federal properties in the City of Ottawa a claim was made against the federal government for the current year in the amount of $3,338,900. Of this amount the city will get $962,392. How that figure was arrived at can perhaps be ascertained when the bill is considered in committee, but I have no doubt that the full claim was based on the assessment rate as applied to all real property, driveways and everything else, that comes within the purview of the federal government. There are, however, certain expenses taken care of by the government, such as the paving of Wellington Street, the removal of snow and the care of parks. After proper deductions were made the amount agreed upon in connection with the City of Ottawa was $962,392.

Certain undertakings on the part of the federal government in connection with the National Capital Plan should also be taken into consideration. These undertakings come within the jurisdiction of the Federal District Commission, as I shall explain later this afternoon with reference to another bill seeking power to build a railway in the area, and to do other things. All pertinent factors were, as I have said, taken into consideration in the case of this municipality, and similar factors will be considered as they apply to other municipalities where federal properties are located. It may take years to work out a satisfactory adjustment—or it may never be done—as between the federal and municipal authorities on this question of taxation. However, this measure is a great improvement on existing arrangements, and is most acceptable in view of the increasing responsibilities of municipalities.

Hon. Mr. King: Do I understand that the $300,000 grant to Ottawa will now disappear?

Hon. Mr. Lambert: Yes; the grant of $300,000 a year, made to the City of Ottawa in 1940, was for a period of five years. That arrangement came to an end in 1949, when the present legislation was in preparation, and for one year the city was granted an intermediate amount by order in council.

Hon. Mr. King: But now that disappears?

Hon. Mr. Lambert: It disappears, or it is incorporated here bodily.

Hon. John T. Haig: I do not intend to delay the house at any great length. I entirely agree with the opinion that the main matter of the present bill and the grant to the City of Ottawa should have been the subject of two separate statutes, because the backgrounds are entirely different. Ottawa is a capital city, and there may be differences of opinion about the amount of money which should be expended on its improvement. But there is general recognition that the capital city should reflect the best ideals and aspirations of the nation, and that visitors, whether Canadians or friends from abroad, should be able to get here a fitting impression of Canada. But such considerations have nothing to do with the bill.

My criticism of the government is that it has combined dissimilar objects in one bill. The result will be, I think, that Ottawa will not get the sort of consideration which it would have received had its needs been dealt with separately. I for one might be quite willing to allow votes for the capital city in amounts which I would not be willing to grant to municipalities all over the dominion. At the same time, if all these proposed grants are lumped together, the onus is on those who support the bill to prove, in the light of fundamental principles, that Ottawa should get a bigger proportion of the national tax money than any other city. Such factors as enter into the local question of planning for the beautification of Ottawa are not applicable in the case of other municipalities, and I think that this difference should have been recognized by combining the provision for Ottawa with the subject-matter of another bill which is coming a little later on. In this way we would have had a clear idea of what we were called upon to deal with.

Candidly, although we talk glibly about the Capital Plan, I find the plan very hard to visualize. But there is one aspect of it that I can visualize very well. When I first came to Ottawa it was possible to walk from the Chateau Laurier to Sparks street without two or three times running the risk of violent death. I know that when my wife visits the city and leaves the hotel to walk to Sparks street, I always feel nervous about whether she will get back in one piece or not. We can thank the beautification plan for that sort of hazard. My honourable friend from Blaine Lake (Hon. Mr. Horner), whenever I speak of Confederation Square, says it should be called Confusion Square. Automobiles seem to bear down on one from every direction; and now things there have got so bad that the city, I notice, has put a policeman on duty and installed him in a box. They do not dare to let him out by himself, lest he be killed by the rush of traffic, so they put him in a cage. By good fortune you may rush across the road in twenty-four seconds, but you have to run very fast and be a real sprinter if you hope to reach the other side alive. If that is a consequence of the so-called Capital Plan I am not for it.

I see that in another place somebody has been talking about the moving of the Union Station. I think it would be a crime to change its location.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Haig: Why should people who wish to visit the city have to detrain about four miles away and try to get into town by taxi or truck or whatever means of transportation they can find. The site of the Union Station was fixed at its present location when the plan for the Chateau Laurier was adopted by the then government. I think Sir Wilfrid Laurier and his Cabinet used good judgment in placing the passenger station where it is.

In any event, as I have said, the entire plan affecting Ottawa should have been put in one separate bill. Had that been done, members in this house and the other place would have been more willing to vote the necessary money—not necessarily an extravagant sum—to make Ottawa a really beautiful city. It has a beautiful location. That is one reason why the capital was placed on the banks overlooking the Ottawa River, and, happily, at the boundary between two great provinces of which we are so proud. It is an ideal situation for a capital city. I am not here to talk politics on behalf of my party, and some of my friends in this group may not agree with me, but I repeat that Ottawa should be made a beautiful capital city. At the present time we are not in a position to devote money to this purpose, but probably within five years either we shall be at war with Russia or there will be an evident prospect of world peace.

Hon. Mr. Lambert: As a matter of information, I think it is only fair to state that in each of the past three years two and a half million dollars has been voted to the Federal District Commission for the National Capital Plan, and a similar sum will be allocated this year. So $10 million will be available for developmental purposes. That, however, is apart from the subject-matter of this bill.

Hon. Mr. Haig: I am pretty sleepy, but for the last three years I have been alive to this annual vote of two and a half million dollars —and I expect to see the same amount in the estimates this year. But I do not think the money should be spent just now. While I heartily favour the beautification of Ottawa, my criticism is that the entire plan for the capital, including taxation relief, road relief and the rest, should have been contained in one bill so that it could have been discussed by itself.

I pass now to another ground of criticism. My city of Winnipeg objects strenuously to the proposed basis or method of taxation. In Manitoba, after a good deal of agitation, the provincial government has been induced to pay each year the estimated tax on all its commercial undertakings located within the city. In these modern days any government should pay the ordinary municipal taxes on buildings it uses within the municipality, and for which fire and police protection and other services are provided. It may be said that the government as a taxpayer reaps no benefit from the educational expenditures, but this is not a sound argument. Thousands of married couples have no children; neither, of course, have business properties; but no one would think of suggesting that childless couples, or Eaton's or the Hudson Bay stores should be relieved of that part of their municipal tax which is expended on education, because there can be no stable democracy which is not founded on education.

I do not like this 4 per cent limitation. I am doubtful if the value of all the Dominion Government property in Winnipeg equals 4 per cent of the total assessed value of taxable property. I would not say that of a small municipality. My colleague from Rosetown (Hon. Mr. Aseltine) draws my attention to the fact that the post office at Rosetown is assessed at $170,000. I should think that that would be more than 4 per cent of the total assessment of Rosetown.

Hon. Mr. Lambert: If my honourable friend is correct, Winnipeg would not receive any grant at all.

Hon. Mr. Haig: No.

Hon. Mr. Lambert: I am not in a position to argue that point with him.

Hon. Mr. Haig: The City of Winnipeg has claimed that this has been the case right along.

Hon. Mr. Lambert: You have a big federal building in Winnipeg. What about the hospital?

Hon. Mr. Haig: There is no Dominion Government hospital in the area except Deer Lodge, and that is actually outside the city of Winnipeg.

Hon. Mr. Lambert: The veterans' hospital is at Deer Lodge?

Hon. Mr. Haig: Yes, and that is located in a small municipality outside of Winnipeg. I am talking about larger cities where such buildings do not come within the city limits. As far as I know, the only federally-owned building in Winnipeg is the Federal Building.

Hon. Mr. Beaubien: And the post office.

Hon. Mr. Haig: Yes.

Hon. Mr. King: What about the drill hall?

Hon. Mr. Haig: No, the armouries are in Tuxedo.

Hon. Mr. Lambert: According to the argument of my honourable friend, Winnipeg comes within the 4 per cent average. If the Dominion Government were to establish a scientific research plant in Winnipeg similar to the one which functioned there during the last war, then the city would rise above the 4 per cent average and become eligible for the grant.

Hon. Mr. Haig: That sort of thing seldom happens. That is why I asked about exempted property. There might be a difference in Montreal, where there is a good deal of exempted property; but that is not the case in my city. It is true that churches are exempted in Winnipeg, but there is not much value in them.

Hon. Mr. Beaubien: Does the Province of Manitoba pay any taxes to municipalities?

Hon. Mr. Haig: The province owns all the liquor stores and pays an annual tax to the city.

Hon. Mr. Isnor: Is that just a business tax?

Hon. Mr. Haig: Yes, and a realty tax as well. Our business tax is not heavy, but our realty tax is.

Hon. Mr. Lambert: Does the Hydro Electric Company pay taxes in Manitoba?

Hon. Mr. Haig: It has only one building in Winnipeg. The province pays taxes on all commercial undertakings, but not in connection with the Parliament Buildings, the Court House or the Land Titles Offices. It is my understanding that the Hydro pays an amount which it has agreed upon with the city. I think it is equal to what it would pay on a commercial undertaking.

Hon. Mr. Beaubien: Is the assessment equal to assessments on private undertakings?

Hon. Mr. Haig: Yes. The Canadian National Railways pay taxes on the Union Station and on their shops. I am subject to correction but I think the amount which has been agreed upon is $300,000 a year. The Canadian Pacific Railway Company are having a lawsuit about the payment of taxes on their hotel, which does not come within this exemption.

What I want to get at is this. I think that in this day and age, when municipalities face heavy expenditures to provide police, fire and other kinds of protection for their citizens, the Dominion Government should be ready to pay ordinary taxes on their properties—except for parliament buildings—in the various municipalities. In my own province the load on municipal governments has become so terrific that I do not know what is going to happen. I am sure this grave problem exists all over Canada.

Another criticism of this bill is that it places all the power in the hands of the federal government. In Manitoba a board has been appointed to revise assessments in the municipalities. For instance, farm lands are assessed on the same low rate, so that taxation on these lands within a municipality is fair. In turn, each municipality is brought to the same taxation level. I think this board I speak of assesses the Federal Building in Winnipeg at about $3 million. Then it assesses the Eaton's store, which cost about $3 million, on the same basis. I think this is the plan upon which the Dominion Government ought to have proceeded. My honourable friend from Northumberland (Hon. Mr. Burchill) has already suggested today that there is a growing tendency for semi-government institutions to go into business. Under this exemption they pay no taxes.

Hon. Mr. Euler: Would not the answer be to remove all exemptions, even if it were ncessary to amend the British North America Act? We have that power now?

Hon. Mr. Haig: That is what I am advocating.

Hon. Mr. Euler: I did not understand you to go that far.

Hon. Mr. Haig: I do. The only exemption I would make would be in the case of the Parliament Buildings. Incidentally, I think

all of this talk about the large volume of business the provincial government buildings bring to a city is greatly exaggerated. The only good thing about the Manitoba Parliament Buildings is that if you happen to be member of the legislature for Winnipeg it is quite convenient for you to conduct your own business in the daytime and attend to the affairs of the province at night. There was quite a struggle in Saskatchewan before it was decided to make Regina the capital of that province and Saskatoon the seat of the Provincial University. Well, I think Saskatoon got the better of the deal. Students move in there each year and spend a lot of money on supplies and room and board.

I think this bill should go to committee where Mr. Taylor, perhaps, could explain to us the basis of the assessment. Although this bill is a step in the right direction, it goes only a little way. I am sure that I speak for many municipalities when I say that they are anxious that the federal government pay a more equitable portion of the assessment on federal buildings located in municipalities.

Hon. Gordon B. Isnor: Honourable senators, we in Halifax have been particularly interested in this matter. I recall that this was a live issue when I was a member of the city council back in 1914 and later, when as a member of the provincial government I came here as one of a delegation to present the case for Halifax. And in 1949 I joined with the mayor and other members of the city council in presenting on behalf of Halifax a case for a grant in lieu of taxes.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Isnor: I am very happy to know that the government now proposes to take the step represented by this bill. I do not know that I altogether follow the argument of the leader of the opposition (Hon. Mr. Haig). With his legal mind he may be able to see what I cannot see, but I am inclined to favour the inclusion of Ottawa within the provisions of this bill.

The senator from Ottawa who explained the bill (Hon. Mr. Lambert) said that his city was in a unique position in so far as federal properties are concerned. I do not think that Ottawa's position in this respect is as bad as that of Halifax, and I will give my reason for saying that. Our total assessment in Halifax is $76,771,295, and the value of federal property there which is exempted from municipal taxation—the value to which the provisions of this bill should apply—is $32,536,697. In my hand I hold a map of Halifax coloured in yellow, green, red and blue, the portion coloured in blue representing federal property. That represents 40 per cent of our total assessed property. So you will appreciate what it means to us in Halifax to have a bill of this nature coming into effect. Certainly we agree that the bill does not go far enough, but it is a step in the right direction. The value of the federal properties in Halifax was determined by a Montreal real estate appraiser who went over the assessment roll and reduced the values stated there. As a result, the government gave the city of Halifax last year a grant of $197,394.

Hon. Mr. Euler: Was that on the basis of your municipal taxation rate?

Hon. Mr. Isnor: As nearly as possible they used the yardstick which is proposed in this bill.

Hon. Mr. Euler: That is not an answer to my question.

Hon. Mr. Isnor: I am sorry, but perhaps I did not hear the question clearly.

Hon. Mr. Euler: After they arrived at the accepted value as determined by the appraiser from Montreal, did they apply to that the fixed municipal taxation rate?

Hon. Mr. Isnor: That is what we are hoping will be done. Negotiations are still being carried on.

Hon. Mr. Euler: I understood you to say that a grant had been made.

Hon. Mr. Isnor: The government just allowed us, as I say, a grant of $197,394.

Hon. Mr. Horner: That would not take your valuation into account?

Hon. Mr. Isnor: No, that would not take account of our valuation, for that has not been accepted as yet.

I would also correct, if I may, a statement made by one senator with regard to the dockyard. I hope that all naval dockyard properties will be included under this bill. I feel sure that they are not among the properties excluded by section 2 (c). The senator from Inkerman (Hon. Mr. Hugessen) shakes his head.

Hon. Mr. Hugessen: I should have thought that a dockyard fell within the description in section 2 (c) (iii):

> An improvement to land or structure that is not a building designed for the shelter of people, plant or movable property.

It would seem to me that under those words a dockyard would be excluded: but if there was in the dockyard a warehouse building for the storage of goods it would, I think, be included.

Hon. Mr. Isnor: You have to visualize the dockyard in Halifax, apart from the shipyards. The dockyard is used to repair only

naval ships owned by the federal government, and therefore I feel that it should be included within the provisions of the bill.

Hon. Mr. Hugessen: If the dockyard can be considered as a shelter for ships while they are being repaired, then perhaps it may be defined as a "shelter of movable property" and so perhaps be included.

Hon. Mr. Isnor: I bow to the superior wisdom of the deputy leader (Hon. Mr. Hugessen).

Hon. Mr. Hugessen: I am just expressing an opinion.

Hon. Mr. Isnor: I rose to say that I appreciate this step which is being taken, and I hope that the government will go further and give us a greater benefit, for in Halifax, with 41 per cent of our assessed property owned by the federal government, we certainly have been carrying on under a handicap. Of course, we have had a certain benefit from the fact that the government is using the property and employing people there, but that is taken into consideration in the bill by the calculation based on 75 per cent, as set out in clause 5 of the bill.

Hon. Mr. Lambert: I take it that the problem in Halifax is fundamentally one of distribution of assessment.

Hon. Mr. Isnor: That is right. The matter is under negotiation at the present time. In addition to the ordinary federal properties we have of course a good deal of property owned by the Canadian National Railways, for Halifax is more or less the eastern terminus of that railway, and besides we have properties owned by the National Harbours Board and other bodies. We are not getting any grant from the National Harbours Board in lieu of taxes on its properties, but negotiations are being carried on and we hope to have them brought within the terms of this bill.

My chief purpose in rising was to express appreciation for the step that is being taken in this bill and to express the hope that a further step in the same direction will be taken soon.

Hon. Mr. Horner: Does the city of Halifax collect no taxes on the Nova Scotian Hotel?

Hon. Mr. Isnor: Yes, the city does collect an amount, which is agreed upon.

Hon. Thomas Reid: Honourable senators, I am glad that this bill is to be referred to committee, but as I may not be a member of that committee I wish to make one or two remarks now. To my mind the bill is slightly ambiguous in some respects—I do not say that offensively at all—but I am particularly pleased that the government is giving statutory expression to the principle underlying the bill. While it is probably true that this matter came to a head through efforts of the city of Ottawa in particular, it is also true that, as was pointed out by the senator who explained the bill (Hon. Mr. Lambert), various municipalities throughout Canada wherein federal properties are located have long been asking for some assistance in lieu of taxes.

For many years I had the honour to represent a municipality where 75 per cent of the total value of the assessed property was Crown property, and the remaining 25 per cent carried the entire financial burden. Year after year at municipal conventions the Province of British Columbia put forward resolutions in an attempt to get relief from the heavy burden upon the municipality, and to draw the attention of the country to the fact that the time might very well come when the government would own 100 per cent of the property.

The senator who introduced the bill (Hon. Mr. Lambert) stated, and rightly so, that towns and cities do benefit by having government properties located within their limits; but he also pointed out that a point may be reached when federal property is a detriment to a municipality. We have evidence of the desire of one city, Hull, to obtain government property by the transfer of the Printing Bureau from Ottawa to that city, where a $10 million building is being constructed. In my opinion, it would take more than a $10 million building to improve the City of Hull. Indeed, the beautification of the city would require that half of its buildings be torn down and rebuilt. However, the new federal building in Hull will create employment and result in the building of homes. I do not suppose that city is particularly worried about whether or not it gets a cent of tax from the federal government.

The City of New Westminster, on the other hand, has been well treated by the federal government. The authorities who look after federal property there have agreed entirely with the assessment made by the City Assessor. True, there has been an agitation to require the government to pay taxes on the total assessed value, and the fight has been going on for a long time. However, I want to commend the government for its move to place on the statutes a provision which would assist municipalities.

Should I not be able to attend the committee which will consider this bill, I should like to point out an ambiguity which may

hurt the municipalities. In paragraph (f) of section 2 "taxable property" is defined as,

. . . real property in respect of which a person may be required by a municipal taxing authority to pay a real estate tax.

That definition is not clear to me. Section 5 of the bill refers to taxable property, but that is not the same as property that pays taxes. Anyone who has handled the affairs of a municipality and who knows anything about council work is familiar with the distinction. An assessor is in duty bound to assess all property, regardless of exempted properties such as those owned by the federal and provincial governments, and churches. Therefore, if "taxable property" is as defined in section 2(f) of the bill, a municipality, in order to compute its true revenue, should strike from its assessment rolls such exempted properties as churches and government buildings.

This is an important bill, and I feel that it should be considered in committee, where a great deal of useful information can be obtained.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

VETERANS' BUSINESS AND PROFESSIONAL LOANS BILL

SECOND READING

Hon. Thomas Reid moved the second reading of Bill 286, an Act to amend the Veterans' Business and Professional Loans Act.

He said: Honourable senators, the Act which this bill is to amend is not one under which loans are made, but through it the government guarantees loans to veterans. The purpose of the bill before us is to extend to 1955 the provisions of the Act, and to include in the definition of "veterans" persons who are not now eligible to receive benefits under the Act.

The first clause of the bill before us makes provision for veterans who have elected to take benefits under the Veterans' Land Act but who, for certain reasons, have changed their minds or for certain reasons have failed to carry out the arrangement. Under the amendment such veterans may qualify for a business loan upon repayment of any benefits received under the Veterans' Land Act.

By section 3 of the bill, which is similar to the provision under the Farm Improvement Loans Act the making of false statements becomes an offence.

I would call the attention of honourable senators to the fact that from the inception of the Act on January 15, 1947, to December 31, 1950, veterans have received, 5,151 loans, of a total amount of $9,424,378.96, an average of approximately $1,830 per loan. Of the total amount loaned, $6,285,048.78 or roughly two-thirds of the total has been repaid. The banks have made some 102 claims, totalling $109,127, or roughly $1,000 per claim. The percentage of loss has not been high.

As the bill is going to committee, perhaps this short explanation will suffice.

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

REFERRED TO COMMITTEE

Honourable senators, I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

VETERANS BENEFIT BILL

SECOND READING

Hon. Thomas Reid moved the second reading of Bill 287, an Act respecting benefits for members of the Canadian forces.

He said: This bill, honourable senators, is intended to put into statutory form provisions for making certain benefits available to veterans who have served and are serving in the Canadian forces during the present period of unsettled world affairs.

It will be recalled that about a year ago the Government of Canada under its commitments as a member of the United Nations, decided to augment its armed forces by the enlistment of a special force for service in Korea. At that time it was stated that men who served in such a force would be assured of benefits comparable to those given to veterans of World War II, and appropriate to present-day conditions. It may also be recalled that section 7 of the Canadian Forces Act, passed in 1950, authorized the Governor in Council to establish such a force and to extend to its members such benefits of veterans' legislation as might be found suitable.

Pursuant to that authority an order in council was passed in the latter part of 1950, under which persons serving in such forces were guaranteed the benefits of the Pension Act, the Reinstatement in Civil Employment Act, the Civil Service Superannuation Act and the Unemployment Insurance Act, 1940. As the authority for such orders in council will expire with the end of the present

session, it is necessary to give statutory effect to the provision of these benefits. This bill not only does that, but provides for additional benefits to be given to these veterans, and to veterans who were similarly engaged, as and when the conditions of their service can be determined by events.

The exact nature of the benefits now being furnished or authorized will become apparent upon a study of the various clauses of the bill itself. Briefly stated, the bill authorizes the Governor in Council to establish for the purposes of the Act the conditions of service which may be considered comparable to overseas service in the last war; and benefits are provided to the qualified veteran in relation to the kind of service he had. For example, the advantages of the Reinstatement in Civil Employment Act are open to all persons who served on the strength of the special force, regardless of the place or places in which they served. These aids are also available to veterans who served with the regular forces for a period not greater than three years. Further, the full benefits of the Pension Act are given to persons in the special force, regardless of where they have served, and to officers and men of the regular forces or reserve forces who, while on the strength of the special force, received injuries in a theatre of operations. The Unemployment Insurance Act is made applicable to veterans of the special force, and, on certain prescribed conditions, to veterans who served in the reserve forces or the regular forces on the strength of the special force. The Civil Service Superannuation Act is made applicable to persons who enrolled for the purpose of service in the special force, and to officers and men of the reserve forces serving on the strength of the special force, as though such service were equivalent to service during World War II.

As I have mentioned, the bill provides for additional benefits to those already covered by this legislation, and it also empowers the Governor in Council to extend such benefits of existing veterans' legislation as may be considered appropriate to all members of the regular forces who have had service in a theatre of operations.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

PENSION BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Thomas Reid moved the second reading of Bill 288, an Act to amend the Pension Act and change the title thereof.

He said: The Department of Veterans Affairs has received representations from time to time from veterans' organizations suggesting amendment of the Pension Act to make it more equitable in the light of changing conditions. Study having been given to these representations, the Department of Veterans Affairs is recommending amendments to the Pension Act, and these will be found in the bill now before the house. I may add that they were considered in committee of the other house.

Briefly, the bill provides more adequately for the children of pensioned widows. At the present time the pension for a child of a deceased pensioner cannot be continued beyond the age of sixteen years in the case of a boy, and of seventeen years in the case of a girl. Under this bill it will be possible to prolong the payments to the age of twenty-one years if the child concerned is making satisfactory educational progress, but could not for financial reasons otherwise remain at school.

I may point out that under the present Act 128,050 children are now being assisted, at an annual cost of approximately $500,000. A widow receives $75 per month, and grants payable for children up to the age of nineteen are: for the first child $19, for the second, $15, for the third, $12. In future the rates will be: $38 for the eldest child, $30 for the second, $24 for the third. In other words, the allowances for children are being doubled. By the year 1959 the cost of these benefits will have risen to $750,000.

The bill deals also with pensioned former members of the forces who, because of some legal impediment to marriage, have been living with common-law wives. The existing Act provides that only if such a union existed on or prior to the 1st of May 1933 may additional pension for the wife be paid from and after the subsequent marriage. In this bill it is proposed to advance the date before which such alliance must have commenced to bring pension entitlement respecting the wife. The new date is May 1, 1951.

The bill also contains an amendment in which the deadline for marriages of pensioned former members of the forces in World War I is advanced from 1st of May, 1948 to the 1st of May, 1950, for the purpose of making

widows of these pensioners eligible for pensions. It is provided, however, that if any widow's marriage to her late husband took place between the first day of May 1948 and the first day of May 1951, no retroactive payment or pension can be paid for any period prior to the 1st of May, 1951.

Clause 17 of the bill clarifies the present law respecting the use of departmental files by veterans and responsible veteran organizations in connection with pension matters. May I take just a minute to indicate our practice in this respect by comparison with that of other countries, particularly Great Britain. I remember that about five years ago, In connection with the claim of an Imperial veteran, I appeared before the representative of the British Ministry at Ottawa, and asked to see the man's file. The British official said to me, "In making that request you are not dealing with a Canadian matter. Even the Prime Minister of Great Britain would not be allowed to see the man's file. We never show these files to anyone. All I am able to do with you and for you is to tell you something of what it contains." But here in Canada, members of the Senate or of the House of Commons are permitted, upon representations, to have access to the departmental files relating to these matters, and in the present bill it is proposed to extend the privilege to those officials of veterans' organizations whose status as the soldiers representatives is properly confirmed.

Further, by section 8 provision is made respecting the cost of the last illness and burial of a pensioner, including the erection of a suitable headstone. At the present time burial expenses are allowed up to $100, plus $50 for last illness or medical expenses. Under the new provisions funeral expenses will be increased to $135, plus $50 for last illness, and there is the extra proviso that a proper headstone will be erected on all graves of veterans.

Honourable senators, as this bill will be sent to committee, perhaps a more detailed explanation of it can be given at that time.

Hon. Mr. Hugessen: As this bill has not been distributed to honourable senators in the form in which it passed the other house, with amendments, I would move the adjournment of the debate until tomorrow. This will give any honourable member an opportunity to speak on the second reading of the bill after having seen it as passed by the other house.

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

VETERANS INSURANCE BILL

SECOND READING

Hon. Thomas Reid moved the second reading of Bill 352, an Act to amend the Veterans Insurance Act.

He said: Honourable senators, the Veterans Insurance Act, passed in 1944, came into force on February 20, 1945. It authorized the minister to enter into a policy of insurance with World War II veterans, and certain other persons, under the terms and conditions set out in the Act. One of the conditions limited the period within which a policy of insurance could be taken out. In 1948, the time for entering into an insurance contract was extended, and certain classes of persons were added to those eligible for insurance. The time so extended has now expired for certain persons.

This bill proposes to further extend the period of time during which an insurance contract may be entered into. The proposed date is December 31, 1954, but the cut-off date for a veteran may be ten years after the date of his discharge if that date is later than December 31, 1954.

Under the present Act the sum of $1,000 is authorized to be paid to the beneficiary at the time of the death of the insured. It is proposed to increase that amount to $2,000. The present Act provides that, if no beneficiary or named-contingent-beneficiary survives the insured, the insurance money to the extent of the reserve only shall fall into the estate of the insured. It is proposed under this bill to eliminate this restriction and to pay in full the face value of the insurance.

Under the present Act the definition of "War" sets out the date of commencement of the war but not the date of termination. Under this bill it is proposed that World War II, for purposes of the Act, shall be deemed to have terminated on September 30, 1947. This is the date upon which all members of the armed forces were taken off active service.

Under the present law all applications for contracts of insurance must be approved at head office, as a result of which no insurance benefits are available to dependents where the applicant dies before his application has been examined and approved. Section 7 of the bill before us has the effect of removing this defect. Contracts will be deemed to have been entered into in such cases if the initial premium has been paid and the contract is one that would have been approved had the applicant not died.

This bill also includes several minor amendments to the Act. Certain restrictions are

removed in connection with the beneficiary classes of adopted and step-children.

The present Act provides for waiver of premiums in certain cases where the insured becomes totally and permanently disabled. It has been found difficult in certain cases to determine the question of permanency of a disability. This difficulty will be removed by the amendment set forth in section 3 of the bill. By this amendment the insured, as to the question of waiver of premiums, shall be deemed to be totally and permanently disabled if his total disability has existed continuously for a period of at least one year.

Section 15 of the bill makes it clear that where the beneficiary named in the policy dies before receiving all the insurance money, the remaining proceeds of the policy to which such beneficiary is entitled shall pass to his or her estate.

Honourable senators, if this bill is given second reading, I propose to move that it be referred to committee, where, if required, a more detailed explanation may be obtained.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

RETURNED SOLDIERS' INSURANCE BILL

SECOND READING

Hon. Thomas Reid moved the second reading of Bill 389, an Act to amend The Returned Soldiers' Insurance Act.

He said: Honourable senators, the Returned Soldiers' Insurance Act became effective on September 1, 1920, and applications were received until September 1, 1923. During that period 33,577 insurance policies, totalling $75,728,500, were issued. On June 11, 1928 the period for receiving applications was re-opened, and applications were received until August 31, 1933. During that period 14,742 insurance policies, for a total of $33,571,000, were issued. This increased the total number of insurance policies issued to 48,319, amounting in all to $109,299,500. Between September 1, 1921, and May 31, 1951, death claims were received on 8,979 policies, to an amount of $19,041,765.91. During the same period 8,499 insurance policies, for a total of $19,636,950.23, lapsed or expired; and 15,795 insurance policies, to an amount of $38,465,283.20, were surrendered for their cash value. As of May 31, 1951, 14,850 insurance policies, totalling $31,194,167.10, were in force.

As of March 31, 1951, the Returned Soldiers' Insurance Fund, which consists of all premiums received, together with interest at 4 per cent, less all claims, surrender values, and other payments, amounted to $25,483,756.43.

Section 1 of the bill eliminates the time restrictions found in the present Act, and allows any legally adopted child to benefit as a "child" under the Act.

Section 2 increases the amount of the insurance from $1,000 to $2,000. It gives the Minister authority to pay not more than $2,000 on the death of the insured, and provides that the remainder, if any, shall be paid to the beneficiary as an annuity.

Section 3 repeals section 5 of the Act and substitutes a new section 5, under which the insured may designate as a beneficiary a grandchild, parent, brother, sister, or some other person. In this respect the revision brings the Act into line with the principle of the Veterans Insurance Act.

Section 5 of the bill provides that no premiums are to be paid by the insured after he reaches the age of eighty-five years.

No doubt questions will be asked in committee, so I trust that this brief explanation will be sufficient for the time being.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

OLD AGE ASSISTANCE BILL

SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill 395, an Act to provide for old age assistance.

He said: Honourable senators, if you look at the Order Paper you will see that item No. 8, the one with which we are now dealing, is for the second reading of Bill 395, An Act to provide for old age assistance, and item No. 9 is for the second reading of Bill 396, An Act to provide for allowances for blind persons. These two bills are correlated, and with the consent of the house I propose to give the background of the two measures now, so as to save time at this late hour.

The Old Age Pensions Act, passed by parliament in 1927, provided for the payment of

non-contributory pensions to persons 70 years of age or over who fulfilled certain requirements as to income, residence and nationality. An amendment to the Act, passed in 1937, provided for pensions for blind persons 40 years of age or over who fulfilled similar requirements.

Several amendments have since been made to the Act, the most important of these having been made between 1947 and 1949. At present the maximum income allowed to old age pensioners, including pension, is $600 a year in the case of an unmarried pensioner and $1,080 a year in the case of a married pensioner, with higher amounts for blind pensioners. The qualifying age for old age pensioners remains at 70 years, while that for blind pensioners has been lowered to 21.

Residence requirements have been relaxed and the requirement regarding nationality has been eliminated. Within the limits of the Act, each province is free to fix the maximum pension payable and the maximum income allowed, but the federal government's contribution to any pension is limited to 75 per cent of $40 a month. In certain provinces pensions for the aged and the blind are augmented by supplements which are paid entirely by the provinces.

A marked increase in the number of persons in receipt of old age pensions—a trend which began about the close of the last war—has continued up to the present time, although the requirements which applicants must fulfil have not been changed since the amendments to the Old Age Pensions Act in 1947.

At March 31, 1950, there were 282,584 persons in receipt of old age pensions, as compared with 251,865 at the close of the previous fiscal year. Part of the increase of more than 30,000 pensioners was due to the entry of the Yukon Territory into the scheme and to the union of Newfoundland with Canada early in 1949. At March 31, 1950, there were 10,296 old age pensioners in Newfoundland and 108 in the Yukon Territory. The balance of the increase was in the other provinces and in the Northwest Territories.

Now I come to the question of federal expenditure. The increase in federal expenditure was relatively much greater, due to amendments to the Act in 1949 which authorized the government of Canada to pay 75 per centum of an amount of pension granted under the Act to $40 a month. Prior to these amendments the federal contribution had been limited to 75 per centum of $30 a month. I think these figures will make clear the reason for the increased federal expenditure.

The increase in the maximum pension payable, along with the very substantial increase in the total number of pensioners, resulted in the federal expenditure for old age pensions rising from $64,232,210.92 for the fiscal year 1948-49 to $89,652,203.82 for the fiscal year 1949-50. This represents by far the largest increase in federal expenditure, as between two fiscal years, since the inception of the Act in 1927.

Now I wish to make some special reference to pensions for blind persons. No changes in the requirements which applicants for pensions for blind persons must fulfil were made subsequent to the amendments to the Old Age Pensions Act in 1947. Consequently there was no unusual increase in the number of blind persons receiving pensions. At March 31, 1950, there were 10,517 blind pensioners, as compared with 9,567 at the close of the previous fiscal year. Included in the increase were 171 pensioners in Newfoundland and two in the Yukon Territory.

As in the case of old age pensions, federal expenditure rose sharply because of the amendments to the Act in 1949.

I wish also to say a few words under the heading of administration. Old age pensions and pensions for blind persons are non-contributory pensions, paid subject to a means test. With the exception of persons residing in the Northwest Territories, all applicants for pensions must apply to the pension authorities appointed by the provincial governments or, in the Yukon Territory, by the government of the Yukon Territory. Federal supervision of the administration continued to be carried on by an audit of the provincial accounts and an examination of the decisions of the various pension authorities, in the latter case the duty being performed in the provinces.

Honourable members will recall that a joint committee of the Senate and the House of Commons dealt with the whole question of old age security and made recommendations for the future guidance of parliament in this matter. On February 16, 1950, the Minister of National Health and Welfare gave notice of a motion to appoint a joint committee of the Senate and the House of Commons on Old Age Security. The motion was debated in the other house on March 10 and March 24, and agreed to on March 30. It was debated in the Senate on March 31, and agreed to the same date.

Under the terms of the motion the committee was directed to examine and study the operations and effects of existing federal and provincial legislation with respect to old age security, similar legislation in other countries,

possible alternative measures of old age security for Canada, with or without a means test for pensioners, and including plans based on contributory insurance principles, the probable cost thereof and possible methods of providing therefor, and the constitutional and financial adjustments, if any, required for the effective operation of such plans, and other related matters. That, honourable senators, is a background of our social security planning.

I should like to re-emphasize the fact that the bill now before us is to provide assistance to the aged, rather than a pension. This Act is to come into effect on the same date, namely January 1, 1952, as the Act to provide assistance for blind persons.

I shall deal briefly with the clauses of the bill, which for the most part are self-explanatory.

Some of the definitions set out in section 2 of the bill are as follows:

(a) "agreement" means an agreement made under section three;

(b) "application" means an application for old age assistance;

(c) "assistance" means old age assistance provided under provincial law to the persons and under the conditions specified in this Act and the regulations;

(d) "Minister" means the Minister of National Health and Welfare;

(e) "provincial authority" means the officer or body charged with the administration of the provincial law;

The word "recipient" is used throughout this measure instead of the more common term "pensioner".

Section 3 has to do with agreements with the provinces. I may say that even after the passage of this bill further agreements between the federal government and the provinces will be required to carry out the provisions of the Act and to make regulations.

Hon. Mr. Reid: May I ask a question at this point? If a province decides not to take advantage of the provisions of the Act as amended by this bill, can it carry on under the present Old Age Pensions legislation?

Hon. Mr. Isnor: I understand that all the provinces have more or less agreed to take advantage of this measure, although all may not make it applicable to persons of 65 years of age. Some provinces may see fit to extend the benefits to persons 66, 67 or 68 years of age, and to contribute 50 per cent of the $40, as provided for by the bill.

Hon. Mr. McDonald: I should like to know by what amount the provinces' contribution will be increased or decreased by the new social security legislation?

Hon. Mr. Isnor: I take it that the question of the honourable senator from King's refers to the portion of the cost paid by the provinces in relation to the present Act?

Hon. Mr. McDonald: What have they been paying under the present legislation, and what will they be required to pay when the new social security legislation is passed? Does the result show an increase or a decrease?

Hon. Mr. Isnor: I looked up the facts relating to the province from which the honourable senator comes, namely Nova Scotia, and I find that under this measure, whereby the province is required to pay 50 per cent of the monthly payment to persons between 65 and 69 years of age, the amount is less than the present contribution of 25 per cent of the monthly payment under the present Act.

Hon. Mr. McDonald: Does the honourable member know what the situation is with respect to the other provinces?

Hon. Mr. Isnor: Perhaps I can explain it by placing on the record a table showing a comparison of the present cost to the provinces of maintaining old age pensioners over 70 years of age, and the estimated cost of their contributions to assistance to persons between 65 and 69 years. This is the table:

Estimated as at June 30, 1952

	Persons aged 65-69	Estimated Cost for 70 years	Present Estimated Cost to Provinces 65-69 years	Estimated Saving
Nova Scotia	8,200	$2,310,000	$1,754,000	$556,000
Manitoba	8,500	2,105,000	1,955,000	150,000
British Columbia	16,200	3,913,000	3,592,000	321,000
New Brunswick..	7,100	1,871,000	1,554,000	317,000
Quebec	36,300	8,994,000	8,213,000	781,000

Hon. Mr. Reid: The comparison is made on the basis of $40 a month?

Hon. Mr. Isnor: The figures are on that basis, yes. If the provinces wish to supplement that amount, they will have to do so from their own resources.

Hon. Mr. Hayden: In making the comparison, it is assumed that the other social legislation will also pass.

Hon. Mr. Isnor: Naturally, yes.

Hon. Mr. Hayden: Whereby the Dominion will give $40 a month to everybody over 70 years.

Hon. Mr. Isnor: Yes, that is the basis; because all the legislation will become effective on the same date.

Hon. Mr. Stambaugh: In his calculation of the amounts of the provincial payments, does the honourable senator use the figure of 25 per cent, or add the supplementary payments?

Hon. Mr. Isnor: The calculation is figured on a 25-75 per cent basis.

To continue my remarks on the bill: section 6 provides for the obtaining of information from census records. Section 7, a very important clause, deals with the provisions of the agreements to be made between the provinces and the federal government. The federal and provincial authorities will meet and make agreements, and regulations pursuant to those agreements.

I will allude to only one point in this connection. It will be recalled that under the existing Act the province may recoup itself from a pensioner's estate and pay to the federal government its share. That provision has been changed; but if a province should desire that the arrangement be continued, it can still recover payments from the estate and pay a percentage to the dominion.

Section 9 deals with the duration of agreements. Section 10 prescribes how they shall come into force. Section 11 relates to regulations.

Of the last two sections, number 12 provides for the submission to parliament by the minister of a report showing the operation for the year of the agreements made under the Act and the payments made to the provinces under each of the agreements.

By the final clause the Act shall come into force on the first day of January, 1952. Incidentally, I might mention, in reply to the honourable senator from Toronto (Hon. Mr. Hayden), that the measures with which we are dealing will, I understand, come into force on the same day.

Hon. Mr. Hayden: What is the statute under which the dominion at present pays 75 per cent?

Hon. Mr. Isnor: The Old Age Pension Act.

Hon. Mr. Reid: The statutes to which the honourable senator refers are those referred to on page 2 of the Old Age Assistance Bill.

Hon. Mr. Isnor: The title "Old Age Pension Act" has been changed. In future it will be referred to as the Old Age Security Act. The word "security" is new.

Hon. Mr. Reid: In section 7, paragraph (vi), page 4, there is reference to those who shall still be eligible to vote "at any provincial or municipal election." Should not the word "federal" also be included? Although the province is in charge of this part of the security or welfare plan, the dominion pays 50 per cent of the cost, and the intention is that receipt of the assistance "shall not by itself constitute a disqualification from voting" at any provincial or municipal election. Would it not be well to add "federal"?

Hon. Mr. Hugessen: May I point out to my honourable friend that this clause contains a provision to which a province must covenant and agree. The province must covenant and agree that the recipient shall not be disqualified from voting at any provincial or municipal election. Obviously a province could not convenant that the person should not be disqualified from voting at a dominion election.

On motion of Hon. Mrs. Fallis the debate was adjourned.

BLIND PERSONS BILL

SECOND READING

Hon. Mr. Isnor moved the second reading of Bill 396, an Act to provide for Allowances for Blind Persons.

He said: I think I have already given a fairly complete background of the bill. Unless there are some questions, may I assume that it has been sufficiently explained?

Hon. Mr. Beaubien: Anyway, it will be referred to committee.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

FEDERAL DISTRICT COMMISSION BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill 397, an Act to amend the Federal District Commission Act, 1927.

He said: Honourable senators, I do not think this bill requires a lengthy explanation. When it was dealt with in the House of Commons it received the unanimous support of all parties, and was disposed of in approximately fifteen minutes. At that time the chairman and members of the Federal District Commission were lauded for their splendid work.

I would just point out that there are three technical changes proposed by this bill. The first is to permit the Federal District Commission to include a member for Newfoundland. A second amendment is to place the Federal District Commission under the jurisdiction of the Board of Transport Commissioners. That jurisdiction does not exist at the present time simply because it is a case of one commission dealing with another. Before the Federal District Commission can remove the cross-town tracks in Ottawa and build a

five-and-a-half-mile railroad to the suggested terminal area, it must first deal with the Board of Transport Commissioners and receive the permission of the government by order in council. This will provide a double check.

The third amendment is to authorize the Federal District Commission to pay grants to municipalities for land acquired for inclusion in the Gatineau Park. These grants are to compensate for the loss to these municipalities of tax revenue during the tax year by reason of the acquisition of the property by the commission.

Hon. Mr. Aseltine: What do you mean when you say that this commission is to come under the jurisdiction of the Board of Transport Commissioners? Will the Board of Transport Commissioners be supreme?

Hon. Mr. Lambert: The Board of Transport Commissioners will have charge of the administration of the Railway Act.

Hon. Mr. Aseltine: I understand that.

Hon. Mr. Lambert: A permit must be obtained by the Federal District Commission with respect to all undertakings in connection with the building of railways and so on. As my honourable friend from Rosetown (Hon. Mr. Aseltine) is a constitutional lawyer, he may understand the difficulty involved in a commission receiving special statutory approval when submitting proposed expenditures to the Board of Railway Commissioners. This bill will overcome a technical point and leave the way absolutely open for the commission to apply to the Board of Transport Commissioners for approval of any railway development required in connection with the implementation of the National Capital District Plan.

Hon. Mr. Aseltine: Has it anything to do with the removal of the Union Station and the railway tracks to it?

Hon. Mr. Lambert: It is pretty well understood that there is no prospect of removing the Union Station from its present location for the next twenty-five years.

Hon. Mr. Aseltine: Then we shall not have to worry about that, because we shall not be here.

Hon. Mr. Lambert: It is proposed to move the freight yards to an area south of the city, and to do away with all cross-town tracks in Ottawa. Before this can be done, however, the Board of Transport Commissioners will have to approve the plan, and a permit will have to be granted by way of an order in council. These amendments have to do with what are purely techincal difficulties which now stand in the way of the work of the commission.

Honourable senators, I should like to associate myself—and I am sure every member of this house would want to do likewise—with the complimentary references that have been made about Mr. Bronson, Chairman of the Federal District Commission, and the other members of the commission, for their magnificent and unselfish devotion to the cause of the National Capital District Plan over the past fifteen or twenty years. All the fine things that have been said about them have been richly deserved. I happen to know the unobtrusive character of the work that these men have done, and without any compensation except the sense of having done a decent job of public work.

Hon. Thomas Reid: Honourable senators, I do not rise to oppose the appointment of the members of the Federal District Commission. As a member of the parliamentary committee dealing with this matter a few years ago I got to know the various men connected with the Federal District Commission, and I know of their work and their ability. The appointment of another commission may be all right, but I am alarmed at the power which is being handed to it without any direct control from parliament. We are giving these men a great deal of authority by granting them the power to construct railways and to buy and lease and to enter into agreements with realty companies. I should like to warn the government of the dangers of this practice, and I would suggest that they see to it that a special parliamentary committee is set up to which the members of the Federal District Commission could give an annual accounting.

I am sure we are all in agreement with what the honourable senator from Ottawa (Hon. Mr. Lambert) has said about the chairman and members of this commission. What I have to say is in no way a reflection on them. They are up against a difficult problem, I wonder how many of us realize that in carrying out the National Capital District Plan they have to deal with something like thiry-five different government bodies. There are twenty-two municipalities in Quebec and eight are in Ontario. Then there are the Ontario and Quebec provincial governments, the federal government itself, and the Ottawa Planning Area Board. This sort of thing presents a real stumbling block to those who are trying to develop this great national capital.

Honourable senators, I think I see another principle being broken this afternoon. We just gave second reading to a bill authorizing grants to municipalities in lieu of taxes. These grants are to be given when government lands and buildings are removed from

the taxation of municipalities, and so some measure of compensation is given. I am all in favour of giving the municipalities a grant, but this bill is setting a precedent. It gives special consideration by taking, I think, 5,000 acres out of the Gatineau Park area.

Hon. Mr. Lambert: That is right.

Hon. Mr. Reid: I think the federal government is going to pay something like $5,000 to the municipality involved. I am not against the principle involved here, but the government is augmenting or adding to the Act to which I have already referred, and is giving an extra grant of money. I think it should all be done under the one heading or bill. If we are going to give an extra amount, let us be more open about it.

Hon. Mr. Lambert: May I interrupt my honourable friend?

Hon. Mr. Reid: Yes.

Hon. Mr. Lambert: In authorizing the Federal District Commission to pay to Masham township certain moneys in lieu of taxes the federal government is delegating to the commission exactly the same kind of power that it has delegated to the Canadian National Railways and to the Central Mortgage and Housing Corporation, namely, power to make separate negotiations wherever it is felt desirable to do so. I think that is all there is to this. After all, the Federal District Commission is the authority that administers the federal district itself; and, as my honourable friend from New Westminster (Hon. Mr. Reid) knows, this includes the Gatineau park area. I cannot see that there is any conflict in principle between the making of grants to municipalities by the bill to which we gave second reading this afternoon, and the delegating of this power to the commission.

Hon. Mr. Reid: I have every faith in the commission, for I know of the good work that it has been and is doing. I was principally referring to the difficulty that the commission has in doing business with such a large number of municipal and other bodies, and I think there must be some solution to that problem. Also, I do think that the commission should meet a parliamentary committee once every session. The commission would not mind that at all, I feel sure, for it has a good story to tell, and its appearance before a committee would result in good publicity being given throughout Canada to all that is being done towards the building of a national capital.

Hon. Mr. Lambert: May I ask if my honourable friend would like Mr. Bronson, the Chairman of the commission, to bring before the committee a map for reference, and especially for the purpose of making clear the railway problem with which they are confronted? I think that would throw a good deal of light on the subject.

Hon. Mr. Reid: All right. I would also like to have Mr. Greber appear before the committee, for I am one of those who question the wisdom of bringing a man from an old country like France to give effect to our ideas for a national capital in this relatively new country. As everybody knows, because of changes that have been made on Confederation Square you take your life in your hands every time you attempt to cross a street there. It has been well said that the place should be renamed Confusion Square.

I also wish to say here that I do not think much progress will be made towards development of a national capital unless greater co-operation is received from the city of Ottawa; and how can you hope to do much with such an unreasonably large body as the present city council? This relatively small city has 28 aldermen, 4 controllers and a mayor, a total of 33 members on the city council. Just think of it! At the last municipal election the citizens voted in favour of a reduction in the number of wards and aldermen, but I doubt very much if any reduction will be made. It is the old story, that every member of the council will favour a reduction so long as it does not apply to himself.

I could go on and say plenty about the city of Ottawa, but perhaps this is enough for the time being. I should like to feel that some real progress was being made towards the building of a great national capital, but I fear that none of us now in this chamber will live long enough to see the completion of half of the scheme as outlined in the plan displayed in this building.

Hon. Mr. Beaubien: You never can tell.

Hon. Mr. Reid: Well, if it turns out that I am wrong, I shall be the first to admit it.

Hon. R. B. Horner: Honourable senators, I just wish to remind you that it is quite a long time since I first applied in this house the name "Confusion Square" to that section of Ottawa between the city post office and the Union Station.

As to Mr. Greber, I have read articles by Canadians who claim that we have in this country lots of men well qualified to supervise the planning of the national capital. I certainly hope that I shall not be here to witness one of the things recommended by Mr. Greber—the destruction of the present Union Station and the building of another at some considerable distance from the site of

the present terminal. There will never be any sensible development of a national capital if we keep doing things that can only result in increasing freight rates and further cluttering up the streets and driveways with buses and trucks. If the Union Station were located at a considerable distance from the centre of the city, freight and passenger business between the station and the city would have to be handled by buses and trucks. The railways would lose business and would have to increase their rates, and traffic conditions in the city would become even more dangerous than they are now. The present location of the station is a practical one, so why change it?

I am one of those who think that before a man sets out to beautify the grounds around his home—whether he lives in a city or on a farm—he should know that he is in a financial position to pay the cost. Canada could make itself more beautiful in many other ways than this way of building up a large national capital in Ottawa. For instance, we could irrigate areas where it is possible to grow enormous quantities of grain. If we carry on as we are doing, railway freight rates will become so high that people in the central and eastern provinces will no longer be able to pay for transportation of grain from the bread basket of the world, Western Canada. We often hear it said that this country will in time have a population of 100 million people. Well, if that ever happens, I hope most of them will be wise enough to settle as near as possible to the source of the world's finest food. I still think that perhaps the national capital of this country should be in the centre of that area rather than in the heart of this "neck of the woods".

Hon. Mr. Beaubien: Why not in Winnipeg?

Hon. Mr. Horner: That would certainly be a more central site than Ottawa.

I like natural beauty, and I deeply regret that I was not able to see the Ottawa district before it was spoiled by the hands of man. To my mind the greatest natural beauty is to be found in areas left in their natural state. City boulevards and so on do not appeal to me as they seem to appeal to some people; but still it hurts me when there is needless destruction of these things. After streets have been built and sound buildings erected, along comes somebody who proposes to destroy everything and replace it by something newer. I certainly dislike seeing anything like that.

Hon. Mr. Hugessen: Honourable senators, I think we all join in the commendation expressed by the senator from Ottawa (Hon. Mr. Lambert) of the Chairman and members of the Federal District Commission for the excellent and unpaid public service rendered by them.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: In the course of the debate a number of interesting comments have been made. With reference to a point raised by the senator from New Westminster (Hon. Mr. Reid), I will admit that there is of course something to be said for limiting the powers given by parliament to a commission of this kind. I would remind my honourable friend, however, that there are already at least two restrictions on the commission's powers, particularly with reference to capital expenditure on the construction of railways. In the first place, as will be seen from subsection (3) of the new section 7A, which is set out in section 2 of the bill, if the commission proposes to construct any railway, it will have to proceed under the provisions of the Railway Act, and therefore will be required to obtain the approval of the Board of Transport Commissioners. That has already been pointed out during the discussion. The second limitation is, of course, imposed through parliamentary control over the commission's finances. Before the commission could undertake any expensive project it would have to come to parliament for a vote of money. Therefore, there are at least those two measures of control.

On the other hand, I was somewhat impressed by the suggestion that the commission should be invited to appear before a committee of this house on occasions when it may seem desirable to do so, in order to explain clearly the progress that is being made with the beautification plans which are being developed for the Capital.

Hon. Mr. King: That is within our right and power.

Hon. Mr. Hugessen: Quite. We are entirely within our rights in asking them to appear before us.

Hon. Mr. Aseltine: Has the commission power to obligate itself to spend money on railways, for instance, and then ask parliament to vote it?

Hon. Mr. Hugessen: No, it would have to come to parliament to get the money for the work.

I was about to deal with the question of railways, and in that connection I may say that I am in complete agreement with the words uttered earlier in the debate on another matter this afternoon by the honourable senator who leads the opposition (Hon. Mr. Haig) and his colleague the senator from

Blaine Lake. (Hon. Mr. Horner). I fail to see the necessity or the utility of tearing down the present railway station, which is well located in the centre of the city and is particularly convenient for out-of-town businessmen who wish to arrive at a place where they will be within a few minutes walk of the principal government offices.

Hon. Mr. Euler: May I ask whether that plan has been adopted?

Hon. Mr. Lambert: No.

Hon. Mr. Hugessen: No; but it is part of the Greber plan, which envisages the ultimate destruction of the present station.

Hon. Mr. Euler: But it has not been decided upon?

Hon. Mr. Hugessen: No, but the commission is seeking power to build railways. I want to protest against their using that power to implement the part of the plan which calls for the removal of the station from its present location to the other side of the Rideau River, southwest of the city, some three or four miles from the present location.

Hon. Mr. Reid: Has the plan not been adopted?

Hon. Mr. Hugessen: It has no legal sanction. The plan is adopted piecemeal by parliament as and when it votes the money for any particular project. I am now simply putting myself on record as did the honourable leader opposite earlier this afternoon, as being against what seems to be town planning gone crazy—

Hon. Mr. Horner: Yes, indeed.

Hon. Mr. Hugessen: —in suggesting that the station be removed some three or four miles from its present central location. I know of no other capital city in the world in which the railway station is located in the very outermost limits.

Hon. Mr. Haig: Great minds think alike.

Hon. Mr. Euler: You are flattering yourselves a good deal.

Hon. Mr. Hugessen: I agree with the leader opposite. It is apparent that his great mind and my great mind think alike.

Hon. Mr. Haig: And the senator from Blaine Lake joins with us.

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

REFERRED TO COMMITTEE

Hon. Mr. Haig: I suggest that everyone will be better satisfied if the bill is referred to a committee.

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 27, 1951

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

Prayers and routine proceedings.

PRIVATE BILL

COMMONS AMENDMENTS CONCURRED IN

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill V-11, an Act to incorporate First Canadian Reinsurance Company, and to acquaint the Senate that they have passed this bill with two amendments to which they desire the concurrence of the Senate.

The amendments were read by the Clerk Assistant, as follows:

1. In the title, strike out the words "First Canadian" and substitute therefor "The Great Lakes".
2. Page 1, line 14. Strike out the words "First Canadian" and substitute therefor the words "The Great Lakes".

Hon. Mr. Haig moved concurrence in the amendments.

The motion was agreed to.

MUNICIPAL GRANTS BILL

REPORT OF COMMITTEE

Hon. Mr. Euler, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 390, an Act respecting Grants to Municipalities.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill 390, an Act respecting Grants to Municipalities, have in obedience to the order of reference of June 26, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Hugessen moved the third reading of the bill.

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

VETERANS' BUSINESS AND PROFESSIONAL LOANS BILL

REPORT OF COMMITTEE

Hon. Mr. Euler, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 286, an Act to amend the Veterans' Business and Professional Loans Act.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill 286, an Act to amend the Veterans' Business and Professional Loans Act, have in obedience to the order of reference of June 26, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Hugessen moved the third reading of the bill.

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

VETERANS BENEFIT BILL

REPORT OF COMMITTEE

Hon. Mr. Euler, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 287, an Act respecting benefits for members of the Canadian forces.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill 287, an Act respecting benefits for members of the Canadian forces, have in obedience to the order of reference of June 26, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Hugessen moved the third reading of the bill.

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

VETERANS INSURANCE BILL

REPORT OF COMMITTEE

Hon. Mr. Euler, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 352, an Act to amend the Veterans Insurance Act.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill 352, an Act to amend the Veterans Insurance Act, have in obedience to the order of reference of June 26, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Hugessen moved the third reading of the bill.

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

RETURNED SOLDIERS' INSURANCE BILL

REPORT OF COMMITTEE

Hon. Mr. Euler, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 389, an Act to amend the Returned Soldiers' Insurance Act.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill 389, an Act to amend the Returned Soldiers' Insurance Act, have in obedience to the order of reference of June 26, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Hugessen moved the third reading of the bill.

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

BLIND PERSONS BILL

REPORT OF COMMITTEE

Hon. Mr. Euler presented the report of the Standing Committee on Banking and Commerce on Bill 396, an Act to provide for allowances for blind persons.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 396, an Act to provide for allowances for blind persons, have in obedience to the order of reference of June 26, 1951, examined the said bill and now beg leave to report the same without amendment.

MOTION FOR THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

Hon. Mr. Isnor: Honourable senators, may I suggest to the honourable leader (Hon. Mr. Robertson) that third reading of this bill be postponed to tomorrow, until Bill 395, the Old Age Assistance Bill, comes out of committee?

Hon. Mr. Robertson: Yes. The motion for third reading will be postponed.

FEDERAL DISTRICT COMMISSION BILL

REPORT OF COMMITTEE

Hon. Mr. Euler presented the report of the Standing Committee on Banking and Commerce on Bill 397, an Act to amend the Federal District Commission Act, 1927.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 397, an Act to amend the Federal District Commission Act, 1927, have in obedience to the order of reference of June 26, 1951, examined the said bill, and now beg leave to report the same without amendment.

MOTION FOR THIRD READING POSTPONED

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

Hon. Mr. Robertson: Honourable senators, I believe that some slight amendments are necessary to this bill, but as I am not prepared to move them at the moment I would suggest that the motion for third reading be placed at the foot of today's Order Paper.

The Hon. the Speaker: The motion for third reading will stand at the foot of the Order Paper.

THE ESTIMATES

REPORT OF COMMITTEE ON FINANCE

The Senate proceeded to consideration of the report of the Standing Committee on Finance on the Estimates laid before parliament for the fiscal year ending March 31, 1952.

Hon. T. A. Crerar, Chairman of the Standing Committee on Finance, moved concurrence in the report.

He said: Honourable senators, after having a look at the Order Paper and observing the number of bills that are there for consideration by this house, and having regard also to the fact that we are near the end of the session, I shall make my remarks brief, which I am certain will meet with full approval.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: This report deals with matters that are of immediate and pressing concern, not only to Canadian people individually but to their representatives in the halls of parliament and in the various legislatures, who have to carry on the public business of the country. If we lived under a form of dictatorship these problems would not bother us. But we live under a system of representative government, whereby the people elect their representatives to parliament, to legislatures and to municipal councils; and upon those representatives there rests the responsibility of carrying on the public business entrusted to their charge with the greatest degree of fidelity and care that they can give to it.

The importance of representative government is not, it seems to me, as clearly understood in these days as it was in years long past when, at times, people rose in rebellion against misgovernment and took a much more active interest in public affairs. The world has of course changed greatly; people today have preoccupations and distractions that take up their time, with the result that more and more the responsibilities of the State

rest upon the elected representatives of the people, who not only must keep in touch with the electors and inform them of the progress of policies but, if possible, get their guidance and direction. This apparent apathy in public opinion is in part reflected in the fact that one sees elections at all levels of government at which less than half the number of registered and qualified electors turn out to vote. This apathy, as I said a moment ago, is traceable to the numerous distractions which occupy our time and thoughts. I am convinced also that in large measure due to the dislocating effect of two world wars within one generation. I think I have previously remarked in this chamber that nothing is so degrading and demoralizing to the human spirit as the devastation caused by war.

Having that in mind, it seems to me that if our democratic way of life and the system of government which we all love are to survive, we must be continuously on guard to see that government is well conducted, to try to arouse and maintain public interest in elections, to see that laws are wise and taxes just, and, if possible, that government expenditures are of modest proportions.

There can be no greater mistake than to believe that the liberties and freedoms we possess today cannot be challenged or changed. Other countries whose democratic systems were apparently as firmly established as ours have travelled that road, and we too may find ourselves slipping down the path which leads to change. So to preserve liberty—that great blessing of humanity—we must be eternally on guard. With this thought in mind, some emphasis is laid in the report upon the dangers which lurk in our economy and, probably, in our conception as individuals of this business of government at all levels in Canada. The greatest danger which faces the Canadian people, and not only them but all the western democracies, is the peril of inflation. In our report we have laid some emphasis upon that peril, and offered certain suggestions which may aid in guarding against it.

Of course the causes of inflation are well known. In general they were aptly described by a witness before our committee as "too much money chasing too few goods".

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: What has created the condition of too much money? In the main, as indicated in the report, it was inflationary processes that were liberated during the conduct of the war. There has never been a war of any magnitude which did not set loose these inflationary processes. Why? Because credit must be expanded, and often money has to be created to finance the struggle in which the nation is engaged. In the last war, as the report states, forces whose incidence was world-wide were generated to a degree never before known. Following the war, democratic governments were faced with the tremendous task of bringing this flood of money under control. In an authoritarian state that would have been comparatively simple. In Russia it would be, and was done by simple issuance of a decree that every person who possessed rubles had to surrender them at a certain time and take in exchange what the government saw fit to give him. An authoritarian government can prescribe what people shall buy, how much they shall buy, and what price they shall pay. It can lay down rigid rules to govern every segment of its economy. It can regulate the working hours of the individual; it can say to him, "You must work at this job, not at that one".

Hon. Mr. Euler: We have that, too!

Hon. Mr. Crerar: In other words, freedom disappears. I emphasize this aspect because it seems to me of tremendous importance. What is imperilled is the maintenance of freedom and liberty, two principles which are imbedded in the whole structure of our way of life.

I said a moment ago that inflation was the result of too much money chasing too few goods. We had in this country a situation which was by no means confined to us, but common to every democratic country, wherein ordinary civilian demands for goods and services were thrust aside by government order, and rightly so, because of the need to marshal and direct the resources of the nation to the great adventure of winning the war. To my mind it is impossible to have wars without inflation. Government bonds were sold to the extent of billions of dollars. Everywhere the public, unable to expend its money on automobiles, furniture, refrigerators, radios and other electrical equipment, was buying these bonds. Many people were able to pay off their debts: in the Western Provinces during the war years there was a tremendous reduction of farm mortgage debt. But when the war ended, the opportunity to buy articles of which they had been deprived during the war was presented to individuals who had accumulated large supplies of money, and there resulted a tremendous stimulus to our whole economy.

I do not wish to criticize adversely the conception of the welfare state; but there is no doubt in my mind that the expenditures upon welfare projects—not only in Canada,

but in the United States and in Great Britain—plus the savings of private citizens, accumulated a purchasing power which unquestionably fed the fires of inflation. Take for example the expenditures of all governments in Canada in respect of what is known as social welfare, but exclusive of soldiers' pensions and soldier care. In 1939 the cost at all levels of government in Canada was $208 million. Under the general heading of social welfare, not only the federal government, but every province, and almost every municipality in the land, includes items for this kind of outlay.

So in 1939 our total expenditure for this purpose was $208 million. Ten years later, in 1949, it was over $800 million. At the same time our public debt charges naturally had gone up, because we had to borrow to carry on the operations associated with the war. The cost of veterans' pensions and after-care in 1939 amounted to a little over $55 million. In 1949 it was over $200 million. So that if we put together veterans' pensions and care and add them to the ordinary expenditures on public welfare, we find that in 1949 we were spending over $1 billion. Increases have taken place since then. We have not got the figures for the present annual period, but I venture to say that it is close to $1,200 million.

Perhaps some of my colleagues will differ with me on my next point, but I think it is important that we consider it and look at it objectively. Yesterday we gave consideration to two bills that will extend the whole area of pensions. At the next session of parliament we shall consider the matter of paying pensions to everyone over seventy years of age, without a means test. According to all available data this will mean an increase over existing pension payments of probably $300 million. We shall then be in a position where, by 1952, we will be spending under this general heading pretty close to $1,500 million. This will include soldiers' pensions and after-care, to which of course no one should object, for our disabled soldiers must always have our care. This scheme of pensions is based on the report of the joint parliamentary committee that examined the matter. We could have looked at these pension proposals in a somewhat different way had the Korean war not come about and had the heavy increase in defence expenditures not been found necessary. When the report was made it was not anticipated that by 1951 this country would be spending approximately $1,750 million on defence. Neither was it anticipated that within three years the government would be spending a total of $5 billion for defence. That is the government program and no one can conscientiously challenge it. Without questioning the *bona fides* of those who believe in the welfare state, and the motives of those who support the idea of old age pensions without a means test, to everyone over seventy years of age, we should examine to find out how far we are committing the economy of this country.

This brings me to another point mentioned in the Finance Committee's report. The Finance Minister, in his budget speech, estimated that the gross national product of this country in the present fiscal year would probably reach $20 billion. It may be assumed, therefore, that for the same period our net national income will be about $16 billion.

What do we mean by net national income? That is the amount that Canadians, taken as a whole, have for their living expenses and to pay their taxes and to accumulate their savings. Out of that amount the first charge involves taxes which total more than $5 billion. This means that close to one-third of our net national income will be absorbed in taxes. Then we have to consider the living of our people. We have on the whole what may be described as a high standard of living and we do not want to see it cut down. The amount taken for our standard of living and the amount required to pay taxes narrow the margins of savings. Now, as these margins are narrowed we find we have not the funds available to invest in the necessary development of this country. The idea I wish to convey to my colleagues is that we know what happens to a farmer or a businessman who spends beyond his income. Ordinarily we think such a person is taking a risk if he incurs expenditures today in the expectation that the prosperity of tomorrow will take care of them. If our economy could be depended upon to keep going up and up without further inflation, I think we could navigate with a considerable degree of safety. But we are taking that chance and we should never lose sight of the fact that inflation has tremendously distorted our economy. If we take last year's gross national product of $18 billion and translate it into 1939 dollars, the total gross product would be a little under $10 billion. When we look at the figure of $18 billion we are bemused by it. And we think we are very prosperous. But we have the appearance of prosperity only because inflation has disguised that picture and distorted it. It is true that a great many people in Canada today are living better than they lived in 1939. All you have to do to prove that is to take the cost of living index, which measures the day-to-day living of the people and shows the inflation that has taken place,

and set it alongside the average of the wage increases, and it will be seen that without doubt—and my authority is the Department of Labour—that the average of wage increases has advanced substantially beyond the increase in the price level.

But there is one section of the Canadian people, a very large section, who are suffering grievously today, and that is the class who are living on savings or annuities or other means of protection that they had set up against their old age. Take, for instance, a man who in 1939—or even in 1942—had $10,000 invested in Government bonds at 3 per cent. He got from them an income of $300, which is the same income that he gets from them today, if he is still holding them; but the $300 will buy little more than half of what it would buy in 1939 and in addition his taxes have increased. As I have said an important section of our people have been unable to protect themselves against at least some of the increases that have taken place in prices and taxation. And I wish to remind the house, as I think I have done before, that those people are the best class in our community. They are the middle class—if you like, the lower class—the people who have been running the municipal business in most of our municipalities, who have been doing our church work and looking after our schools. They are good worthy citizens. It is tragic to contemplate what this inflationary process has done to them and what it will continue to do to them if it is not checked.

The Minister of Finance outlined certain policies of a fiscal character which he claimed would be a check on the inflationary process. For instance, fiscal policy was used to make money dearer. Or, to put it another way, the government's policy resulted in the interest rate being raised. True, in consequence, the price of government bonds was depressed, but the point I am making at the moment is that the interest rate was raised. The banks tightened up on the granting of credit; there were consumer credit restrictions; and new business enterprises were told that unless they could get from the Minister of Defence Production a certificate that their new development was essential for defence purposes they would be refused the right to charge depreciation for a period of four years.

There is no doubt whatever that these policies are working today, but let us not delude ourselves by losing sight of the fact that in certain areas of our country they are going to produce some unemployment and some hardship. There will be pressures upon the government, upon parliament, and upon members of parliament to have the restrictions relaxed, because when people have lived in the environment of inflation they want to continue living in it. It has a sort of exhilarating effect upon people. It is something like the effect that narcotics have upon persons who take them. At first these persons are stimulated, they feel fine and wish to continue the indulgence, but after a few weeks or months they discover that in order to feel the same effect they must take a larger dose.

As I see it, inflation has that kind of effect upon our economy. So I venture to express the hope here, that public opinion will support the Minister of Finance in the steps that he has taken to try and hold this thing in check. It we cannot discipline ourselves to control inflation voluntarily, with a minimum of official controls, then the only recourse will be the regimenting of the country from coast to coast. I was a member of the government during the war period and I know the difficulties that there were in making the controls effective. To do so the authorities must be prepared to be ruthless. And let me say here that a large measure of the success of the wartime controls between 1941 and 1946 was due to the courage of the man who was at the head of them. There is no question of that. You cannot prosecute people all over the country for violating controls—and that is the necessity which confronts you—unless you can get a great body of voluntary support for the controls. In the stress of war, when dangers are upon us or threatening us, you can get that kind of support from the people in a sufficient measure to make the controls work. But in the absence of that over-all danger, to impose controls would I think place upon the whole machinery of government a strain that would make maintenance of the controls very difficult.

If the government once goes into controls it will have to make them apply widely, to wages and salaries, to prices and everything else, and there will have to be rigorous and unrelenting prosecution of violators. That is the way things are done in Russia. But so far as I am concerned I want to see the other method tried here. It would be a grand thing, honourable senators, if the Canadian people, conscious of the dangers that are threatening them, could discipline themselves to such a degree as to be able to get by the present crisis without having to undergo the hardships of controls. And that can be done, but it will require courage, steadfastness and dissemination of knowledge among the people. Perhaps that is a little too much to expect.

I conclude just as I did in my report. I have an abundance of faith in the Canadian people. I have no patience whatever with the public man who thinks that he has to offer some sort of monetary inducement to electors to obtain their support. If he goes out and discusses issues with them on the basis of reason, the overwhelming body of the people will respond to his appeal. Of course, differences will arise on public policy. If our democratic way of life is to be continued, it is important and necessary that we do have differences. But let us never forget that the authority resides in the people. Let us ever be ready to trust the people and enlighten them, so that they may have before them the knowledge to guide them in their responsibilities as individuals for the whole business of government. Perhaps it is too much to expect; but if we as patriotic citizens think of the future welfare of our country and remember the fact that those who preceded us handed down a country worth fighting for and preserving, and if we put these considerations ahead of the petty political advantage of the moment, I have no doubt whatever that this country can survive the perils which today threaten it, and that we can get back on the highway to progress, sanity and peace.

Some Hon. Senators: Hear, hear.

Hon. Calvert C. Pratt: Honourable senators, we have listened to a speech by the senator from Churchill (Hon. Mr. Crerar) which I am sure we will all remember for a long time. In it he dealt with fundamental matters that really count. His speech reveals the earnestness which he has shown in his office as Chairman of the Finance Committee. I think the report of that committee, and particularly the foreword, which is the product of the chairman, contains a great deal of meat for thought and guidance in our deliberations.

Although I was not a member of the Finance Committee, I took the opportunity of sitting in on as many meetings as I could. I was much impressed with the ability of the executive officers of the various departments to answer clearly from first-hand knowledge the questions put by the committee. The capacity of these men demonstrates the efficiency and high calibre of the heads of the governmental departments. The committee dealt with the officials who appeared before it on an administrative basis; matters of policies were out of their sphere. I am glad that the chairman's statement dealt with matters on the broader plane.

Every thinking person is alarmed at the rapid increase in governmental expenditures. I shall not be referring in this talk to defence expenditures or to the new measures of social security, but rather to the multiplication of the ordinary public services. The evidence given before the committee impressed me strongly with the need for effective centralized control of departmental expenditures and commitments of public funds. All departments seem to be building up their own services, and dipping into what may appear to them to be an inexhaustible public fund. Active and energetic handling of departments is, I know, the lifeblood of public administration; but how much each department should spend in relation to the total sum that the country should collect and spend is of most vital consequence.

True, one can say that parliament is the controlling body, and that it represents the people. The elected assembly takes weeks debating the estimates and public accounts. We hear much of the fact that the people demand this and that; but is it not rather, that the elected representatives of the people continue to stimulate the demand, and in fact create demands for more public expenditures?

I have never been an elected member of parliament, and so I have not been brought up to think politically; so by reason of that fact alone I feel justified in speaking on these matters for the ordinary citizen. If just a small portion of the time spent by members in telling the people how much they should get for this and for that, and how the government could carry this or that burden, was spent advising the people of the dangers to their own living by having the government spend too large a proportion of its revenue for certain purposes, a great public service would be done. One may say that is poor politics. Well, perhaps it is; I do not know. This I do know: the impression of good statesmanship will last longer and sink deeper than the impression of good politics.

No one can say that the people of this country complain of expenditures occasioned by war or national emergency. Canada's experience in that respect is something of which she can be justly proud. If, however, the level of such emergency spending is taken as justification for peacetime spending, I contend that public sentiment is being grossly misjudged.

Now, what do we find in the estimates which are at present under review? I do not intend to comment on expenditures for national defence, except to say that such expenditures make it all the more necessary that the greatest care be exercised in spending the people's money for administration. The Chairman of the Finance Committee has pointed out that in 1949-50 our gross

national production reached a total of about $18 billion. I shall not dwell on the estimates in this connection, except to say that based on the dollar value of the thirties a comparison of federal expenditures reveals a ratio of over 20 per cent in 1949-50 as against 12·9 per cent in 1930. There is no yardstick for arriving at very precise percentages of comparisons in this respect. The lesson we can draw from that situation is that government expenditures are keeping pace with the inflationary trend of recent times. That, to my mind, is highly dangerous. The government is rightly, and with commendable foresight, putting on the brakes to stop the upward spiral; but expenditures for public services have the habit of remaining irreducible.

We hear from all directions expressions of alarm at the tide of inflation sweeping the country, and the outcry to arrest it. With government expenditures mounting by reason of the constant enlargement of services, and the more inflation is arrested, the deeper government expenditures dip into the taxpayers' pocket and the more it hurts. Civil Service salaries and wages for the year 1938-39, apart from those for national defence and defence production, amounted to $74 million. The recent budget provided under this heading the amount of $301 million. Travelling expenses alone increased from $3,750,000 in 1938-39 to $14,500,000 for the current year, or an annual increase of $11 million. To my mind, such an increase is fantastic. One could go on dealing with increases under various headings, but for the sake of brevity these two may serve as illustrations. I know that with the growth of the country both in population and production, and the deflated value of the dollar for goods and services, government expenditures have to increase. I contend, however, that the increase is dangerously high. It is taking too large a slice of the people's income. It is taking too big a portion of what otherwise could be development capital for industry, and is cutting too deeply into people's income and into those means of saving which alone can make our citizens independent and free from becoming charges on the state.

I can well understand why a country which has reached the zenith of its industrial progress and is confronted with diminishing earning power for too large a population will turn to measures of state guardianship. Neither of those conditions is applicable to Canada today, but we have to watch the trends.

The industrial potential of Canada is tremendous, and Canadians could hardly be blamed if they were the most optimistic people in the world. The expenditures of today will look comparatively small in years to come, but we should not overlook the fact that people have to live in the present. The soundness or unsoundness of our economy now will largely determine the measure and pattern of our economy, and indeed the maintenance and extension of our free institutions, in the future.

Last year I travelled across the Atlantic, and while in a certain country was asked my impressions of the changes which had occurred since my previous visit a few years before. My answer came very readily: it was that half of the population seemed to me to be filling out forms, interpreting and applying them, and the other half was working to produce something to be reported on the forms. Too great an extension of government control, and the doing for the individual of what he should be doing for himself and what in a free country he wants to do for himself, will bring about that state of things. We in Canada are not by any means at that stage—far from it—but the quickest way to get there is to create too much government expenditure, which denies the people the retention of a margin of their earnings sufficient to enable them to live comfortably and to provide savings for themselves.

Another very serious aspect of this matter is the increase in the demands of provinces and municipalities. Where local taxes are superimposed on the higher federal taxes, living becomes increasingly difficult. In the provinces which are not blessed with a high degree of industrialization, the avenues of taxation remaining to them, and the ability to bear taxation, are too limited to do justice to their normal services. Before leaving this point I will quote from a statement said to have been made recently by the President of the Canadian Federation of Mayors. He is reported to have said:

> In 1930 the municipalities took 40 per cent of total taxation in the Dominion, the provinces 22 per cent and the federal government 38 per cent. In 1948 municipalities took 12 per cent, the provinces 20 per cent and the federal government 68 per cent.

I recognize that federal revenues are collected to be spent on the people of Canada in all provinces and in all places in Canada, but I think the time has come to call a halt to extensions of services that are not absolutely essential to the progress of the nation. I believe there should be a more thorough combing through of present services to see whether the returns in all departments are commensurate with the contribution that is being made.

Nations, like individuals, have their good days and their bad days, their good health and bad health. The time to safeguard one's

health is when one is well, not after he gets sick. So it is with a country. Check the excesses before they hurt too much. I believe that the increase in public expenditures in recent years represents an excess which has to be checked. The hope is that the checking can be done before we run into a period of ill health brought on by serious economic deflation, for then the remedy will really hurt.

I will close these remarks with this comment: The ills of a business can seldom be cured only by retrenchment, and government is the biggest business of all. An urge to retrench should not be allowed to overshadow the need for progressive policy and the expenditures necessary to carry it out.

For instance, there may be—I do not know—waste in, for instance, the Department of Trade and Commerce. But as one who has had an opportunity to measure its usefulness in the field of overseas trade development and in other branches of commerce and industry, I hold that it should have all the money it actually requires to assist in stimulating the industrial life of the nation. The same comments may apply to the Department of Mines and Technical Surveys, to the Department of Agriculture, the Department of Resources and Development and to the division having to do with National Research. Recently the Department of Fisheries received a "shot in the arm" and is now able to give valuable assistance to a great and previously neglected natural resource. I would not put on any of these resource-building departments any other restriction than that the money they receive shall be spent wisely and carefully for the promotion of sound and progressive policies. I note that for what I have termed the resource-building departments the budget of 1951-52 provides about 9 per cent of the total outlay, exclusive of National Defence and Defence Production.

Finally, honourable senators, may I say that I can see no greater sphere of usefulness open to this body than to bring into the limelight the need for wise and prudent public expenditure and sound fiscal policy for the Dominion of Canada. I believe that it is a primary duty of the Senate not only to continue to develop its views on these matters but to use its utmost endeavours to impress them on the citizens throughout the length and breadth of this country.

Hon. Thomas Farquhar: Honourable senators, I wish in the first place to congratulate the honourable senator from Churchill (Hon. Mr. Crerar) upon the splendid report he has brought to this chamber. Those who have read the report—and that I believe includes all honourable senators—will, I am sure, agree with me that it contains a great many thought-provoking and very useful suggestions to which serious consideration should be given.

I wish to deal very briefly today with a matter on which the members of the Finance Committee received some information from the Chairman of the Board of Governors of the Canadian Broadcasting Corporation. I refer to a broadcast which was made by a certain lady in Ottawa, a broadcast which was very untrue and misleading. I should like to read a paragraph or two from the report of the proceedings of the Standing Committee on Finance of June 7. I quote:

Hon. Mr. Golding: I do not object at all to criticism. I think everybody who serves the public must expect that. But I do not want to have people resort to lies in their criticisms. That is the objection I take. I was under the impression that the Canadian Broadcasting Corporation had control over what went over these private stations. I think our friend Senator Haig had the same idea. That is the reason why I am bringing this matter to your attention this morning. I don't know, but I think it is pretty disgraceful to use the facilities of the radio, by which you get in touch with thousands of people, to tell stuff like that, in which there is no truth. How can you ever rectify it? How can you ever get together that same crowd that you have talked to? There is no chance at all. He admits that in his letter. It is not possible. So that is one good reason why they should exercise a good deal more care before they make a broadcast of that sort.

Hon. Mr. Haig: What control have you over this?

Mr. Dunton: We have no control over a thing like that.

Hon. Mr. Haig: None at all?

Mr. Dunton: We have the power and responsibility of making regulations, of which we have made a series. Those regulations do not include any check on accuracy of statements or on opinions expressed. That would amount to censorship.

Hon. Mr. Euler: Could you make such regulations?

Mr. Dunton: Yes. We have a book of our regulations here.

Hon. Mr. Euler: I say, could you make regulations which would enable you to control a thing of this sort?

Mr. Dunton: I suppose we could.

And further on:

Hon. Mr. Haig: Do you not do that now in political broadcasts?

Mr. Dunton: No.

Hon. Mr. Haig: In an election, if I want to speak over the radio, I have to deliver my script to you before I can make the broadcast.

Mr. Dunton: No, sir. Not to the C.B.C. There is nothing we do that compels a station to ask you to file your script in advance. That is on their own responsibility. That is up to the station.

I would point out that the Chairman of the Board of Governors of the C.B.C. makes the statement that he has no control over the accuracy of statements made over private stations. I think this is a very serious matter, and this idea is not in accordance with the purpose of the Canadian Broadcasting Act.

I remember very clearly the debate that took place when the Honourable C. D. Howe introduced the Canadian Broadcasting Corporation Bill in 1936. The corporation was to carry on a national broadcasting service in Canada, in the place and stead of the old Canadian Radio Broadcasting Commission. This is what Mr. Howe had to say on that occasion:

> Radio broadcasting in Canada has been studied by one royal commission and three parliamentary committees, and these four reports agree on the broad principles that must govern us. That is to say, the aim of broadcasting should be a complete coverage by government facilities, and the present situation demands complete control over all forms of broadcasting whether public or private. These conditions are being maintained in the present bill.

I should like now to read the following from the Canadian Broadcasting Act, 1936:

> 22. (1) The Corporation may make regulations
> (a) to control the establishment and operation of chains or networks of stations in Canada;
> (b) to prescribe the periods to be reserved periodically by any private station for the broadcasting of programs of the corporation;
> (c) to control the character of any and all programs broadcast by corporation or private stations;

Honourable senators, I think that answers very clearly the point under discussion. I have been unable to find any regulations covering the particular question to which I have referred, but from what I have just read, you will see that the Board has the necessary power. But it has not passed the regulations in accordance with the purpose of the Act.

The honourable senator from Huron-Perth (Hon. Mr. Golding) provided the board with all the information respecting this matter; he explained how easy it was to obtain the facts; but nothing whatever was done by the board to prevent a recurrence of a broadcast of this kind.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farquhar: I do not advocate the curtailment of freedom of speech; I am sure that none of us wishes that; but when freedom of speech is abused, I feel that something should be done about it. Surely private stations in this country should not allow anyone to broadcast any statement that he or she wishes, regardless of how untrue it is.

I know of only one effective way to deal with this serious problem. My suggestion is that the Government of Canada should take over all private stations in the country and bring them under the operation of the Canadian Broadcasting Corporation. I feel that we should take a very definite stand on this question. Private stations must not be allowed to use the air in Canada in such a way as to contravene the purposes of the Canadian Broadcasting Corporation Act. The federal government is paying large sums of money year after year in an effort to provide good broadcasting service to the Canadian people. I think that if the government were to take over all private stations, the Canadian Broadcasting Corporation could be operated on a sound, financial basis.

Honourable senators, I know that we cannot act directly in matters where finances are involved, but we can act indirectly, and I feel very strongly that this should be done.

Hon. R. B. Horner: Honourable senators, I have only a few remarks to make. My object in rising is, first of all, to warmly congratulate the Chairman of the Standing Committee on Finance on his business-like approach in deciding what course the inquiries of the committee should follow. I think he is to be congratulated, too, upon his decision as to the matters that we would be able to inquire into within the time at our disposal. He has been very diligent and most persistent in his work on the committee. Also I think it will be agreed that the speech he made today in moving concurrence in the report was a masterpiece.

After saying that, I must point out that I do not entirely agree with some things the honourable senator said in sizing up the situation. A thought that occurred to me is this: we have been travelling at a fast pace and still have huge projects under way, and it is alarming to think what might happen if we tried to stop too suddenly. We might find ourselves in something the same position as a man travelling in an automobile at a very fast rate of speed on an icy road when he suddenly applies his brakes. The result could be disastrous. It seems to me that we are going to have some measure of inflation for an indefinite period.

The honourable gentleman's idea is that inflation is caused by too many dollars chasing too few goods. Well, we have all of us seen the prices raised on some goods of which there was an abundance. I wish my honourable friend had said something about the problem caused by combines in this country, by the action of a group of men who combine to raise prices and maintain them at the increased level, simply because prices of other goods have gone up, and not at all because of a shortage of supply. A good many merchandisers in this country had a taste of the high prices that could be got during the war, when goods were scarce, and they continue to hide some of their stock away—to put it under the counter—so that people may continue to think there is a scarcity. I remember an instance of a farmer who for a considerable time had been trying to procure a one horse-power pumping

engine. Finally the agent of the manufacturing company was successful in getting a dozen of these engines, and he put them all on display. The farmer went in to see them and was asked to pick out the one he wanted. He said, "Well, I have got along so far without one and I guess I can continue to do that for a bit longer". Then the agent realized that he had made a mistake in placing the whole twelve engines on view, so he took eleven of them and hid them away. After that, he soon disposed of them all. There is a good deal of that kind of thing being done by merchants, large and small, in this country.

Another point. I am not sure that the government's policy of allowing interest rates to rise is the proper one to pursue. Surely that will make rich people richer and take money away from the poorer people who have to pay the higher rate of interest. Besides, we ought to encourage private enterprise, and in order to do that we must see that capital is available for young people who desire to go into business for themselves. This country is still a great country in many respects, and I view with some seriousness the difficulty that today faces young men who desire to obtain credit in order to go into business. The policy that curtails the giving of credit may retard the very development that we want to see in Canada. I know what it meant to me as a young man to be able to secure credit from the banks in order to get along with my work; and because of the experience I had then, I have had a kindly feeling for banks. But now they have been asked to curtail credit, and I repeat that I sympathize greatly with young men who are trying to start a business in these circumstances.

The senator from St. John's (Hon. Mr. Pratt) has a very amusing story which illustrates how poorly the expert sometimes shows up beside the man of practical experience. Many of us will recall the story about the large transport truck that was so high that it got stuck in an underpass. The police came around to keep the large crowd of people out of the way while an expert with a large crane was endeavouring to figure out some way of getting the vehicle free. Then out of the crowd stepped a ten year old boy, who said, "If you want to get through, just let a little air out of the tires". That solved the problem which apparently was too much for the so-called expert.

Hon. Thomas Reid: Honourable senators, it was not my intention to take part in the debate this afternoon, but the remarks of the honourable senator from Algoma (Hon. Mr. Farquhar) and the applause which greeted them prompted me to rise to prevent the impression going abroad that the entire personnel of the Senate is in favour of his suggestion that the government should take over all privately owned radio stations in this country. One thing I like about the Senate is the fact that we can rise in our places here and voice our opinions freely. I would be inclined to agree with my honourable friend if he meant that the government itself should take over all radio broadcasting in this country, but the fact is that today no broadcasting is being done or controlled in Canada by the government. Instead it is done by a corporation which we have set up, the Canadian Broadcasting Corporation—the CBC—which is away above the government. I am looking forward to next session when there will be a fuller opportunity to debate this very question.

May I be allowed to point out to my honourable friend from Algoma and other senators that it was the private companies that were the first to develop radio and broadcasting in this country. They really pioneered. I claim that one cannot sit by quietly without being alarmed when one listens to certain CBC programs and observes the seeming favouritism that is shown to certain people who at times express communistic thoughts and speak freely in favour of Soviet Russia. Let us ask ourselves whether the government has anything to do with that. Also let us ponder the question whether or not we have taken the dangerous step of creating a body that is above parliament, and of handing over to it all rights to radio broadcasting.

In my province of British Columbia the company that makes a monthly or semi-monthly check of radio listeners—I think it is know as the Haines Anderson Company—reports that fewer people listen to the CBC programs than to any others. I asked the manager of the CBC who were the judges of what programs should be used, and he said largely the public. Well, it is apparent that in the province of British Columbia a large section of the public do not think so very highly of CBC programs. And when I think of some of those programs I wonder why anybody at all would listen to them. It is astounding that anyone should broadcast some of the "tripe"—I call it that advisedly—which goes out in week-day afternoon programs over the CBC—programs featuring stories in which married women are being courted by the husbands of other women, and in which the voices of the people taking part are made to sob, shake and quiver. If any senator will get up and say that that kind of thing is good for the people, I shall be more than a little surprised. God help us, if we are to hear more of it.

I hope an opportunity to discuss this question will be afforded to us next session, because I for one am prepared to take the opposite view to that expressed by the senator from Algoma (Hon. Mr. Farquhar).

Hon. John T. Haig: Honourable members, it is my intention, after a few remarks, to move the adjournment of the debate for the very good reason that we have a heavy agenda before us. It is that reason which prompts me to speak against the policy of the government in its legislative program at this session. Within the past ten days we have been deluged by legislation from the House of Commons.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Haig: There is no good reason why much of this legislation should not have come before us long ago.

Hon. Mr. Reid: It is not fair.

Hon. Mr. Beaubien: The members of the opposition held it up in the other place.

Hon. Mr. Haig: The opposition members do not control the program, though they may cause some delay. The other house discussed the budget at great length, and now within the past three weeks it has been shelved and a flood of legislation has come in. We had before us yesterday a very heavy order paper, and a like volume of business is before us today. I attend the meetings of the committees regularly and know what is going on. No one would criticize the Chairman of the Banking and Commerce Committee for what happened last evening, but I would point out that some half dozen bills, each of which merited an hour's consideration, were rushed through the committee stage.

I am anxious to assist the government and this house in the passage of legislation, but I strongly protest against the procedure that is being followed. I assure the leader of the government in the Senate that I do not criticize him, for he has nothing to do with the legislative program in the other place.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Haig: But I point out that in this session, which already has lasted five months, we have considered more legislation from the other place in the past two weeks than in the previous four and a half months. There is something wrong with a system that allows that kind of situation to develop. We as senators want to do a good job for the people of Canada, but how can we do it under these conditions?

I speak with some authority on this complaint, because as a practising lawyer I know that I cannot give proper consideration to any question unless I have adequate time to study it, and perhaps to discuss it with a friend. For example, the member from Northumberland (Hon. Mr. Burchill) yesterday spoke of the finding of a formula to accomplish a certain result. How can that be done when business is handled as it is?

The Senate, as I have said, wants to do a good job, and to my mind there is no other body in Canada more able to render real service. We have no fear of causing displeasure to anyone, or of the effect that our decisions may have on the result of an election. When I speak on behalf of the province of Manitoba, I am saying what J. T. Haig thinks is best for that province in the light of the needs of all of Canada. I may not agree with the views expressed by another senator from my province, but I respect his thoughts.

I am discouraged this afternoon by the problem that confronts us. There is no question of money or the payment of salaries involved. There must be something wrong with the rules of the other place.

Hon. Mr. Reid: They need amendment. That house is always objecting to what we do.

Hon. Mr. Haig: Yes, the members over there and the press accuse us of not spending enough time on legislation.

Hon. Mr. Reid: The rules need to be enforced.

Hon. Mr. Haig: The British parliament found that it could not carry on and allow unlimited debate—and I do not refer only to the length of the speeches. The house had to get down to a business-like way of doing things. But here it is always the same, it matters not who is prime minister or leader of the opposition, someone is responsible for this abominable delay in bringing forward legislation early in the session. We sit around with our hands folded for a long period, and in the last two or three weeks of the session we do the greater part of the business.

I move the adjournment of the debate.

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

FEDERAL DISTRICT COMMISSION BILL

THIRD READING

Hon. Mr. Robertson: Honourable senators, may I now ask the house to deal with Bill 397, an Act to amend the Federal District Commission Act, 1927.

Hon. Mr. Hugessen: Honourable senators, I move that this bill be now read a third time.

Hon. Mr. Robertson: Honourable senators, I desire to move that this bill be not now read a third time, but that it be amended as follows:

1. Page 2, line 1: Insert after the word "company" the words "or companies".
2. Page 2, line 3: Insert after the word "company" the words "or companies".
3. Page 2, line 9: Insert after the word "company" the following—"save for the purpose of carrying out the provisions of subsection two of this section".

Honourable senators will recall that earlier today this bill was reported from the committee without any amendment. The general tenor of the bill is to permit the Federal District Commission, amongst other things, to enter into agreements with railway companies with respect to the location of lines and other matters, under the general beautification plan for the city of Ottawa. The amendments which I have proposed come from the department, and they in no way affect the spirit of the bill. Their purpose is to make clear beyond any doubt that the railways and the Federal District Commission have the right to enter into these agreements.

The first two amendments, which would amend subsection 2 of new section 7A, would make it clear that the commission may enter into agreements with more than one company. Under the present wording there is some doubt as to whether that could be done. These amendments are in accordance with the intention of the minister.

The purpose of the third amendment, which is to subsection 3 of new section 7A, is to make certain that sections 151 and 154 of the Railway Act apply to any agreements made under the preceding subsection of the bill. These sections of the Railway Act deal with agreements of sale, leases, amalgamations, agreements for interchange of traffic and running rights, and apply to companies. This amendment is necessary, therefore, in order to make it clear that at least for the purpose of entering into binding agreements or sales the commission is a company. The Railway Act, as I understand it, permits railways to enter into agreements in this connection only with other companies, and in order to give the commission the legal right to enter into these agreements the amendments are sought.

The Hon. the Speaker: Honourable senators, is it your pleasure to concur in the amendments?

Some Hon. Senators: Carried.

The amendments were concurred in.

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

Hon. Mr. Robertson: Now.

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

PENSION BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Reid for the second reading of Bill 288, an Act to amend the Pension Act and change the Title thereof.

Hon. A. K. Hugessen: Honourable senators will recall the circumstances under which I adjourned the debate yesterday afternoon after the very full and clear explanation of this bill from the honourable senator from New Westminster (Hon. Mr. Reid). It was merely because at the conclusion of his speech we had not received the copy of the bill in its final form as passed by the House of Commons. In that form the bill is now before us, and has been for the past twenty-four hours. I have no remarks to make on the second reading.

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

THIRD READING

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

Hon. Mr. Hugessen: Now.

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

OLD AGE ASSISTANCE BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Gordon B. Isnor for the second reading of Bill 395, an Act to provide for Old Age Assistance.

Hon. Iva C. Fallis: Honourable senators, at the risk of making myself unpopular by speaking when there is so much on the order paper, I feel that after all there has been a great deal of male oratory around this house during the past few days and perhaps the weaker sex might be allowed the indulgence of a hearing for a few moments.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: The honourable senator from Halifax (Hon. Mr. Isnor), who introduced this bill yesterday, gave the house a very full account of previous legislation along these lines, and of the steps which led to the present legislation. He also dealt in detail with the financial and practical aspects

of the bill. As a member of the joint committee of both houses on Old Age Security which met last session, and which is responsible for the report and recommendation to the government upon which this legislation is based, I would like to say a few words from a slightly different angle. I do this principally because I know, from conversations with some members of this house and many persons outside of it, that everyone does not look with a kindly eye upon this measure.

As senators, we have said over and over again in this house and, when we had the opportunity, to the public outside, that the most important work of the Senate is done in committee. Remembering the committees—especially, perhaps, the special committees—upon which I have been privileged to sit, I feel that statement to be true in more ways than one. It is true not only because of what these committees accomplish—and they accomplish a great deal—but because of the influence that is brought to bear upon the thinking of the members of these committees. We may go to the meetings with one idea about a bill or some other subject under discussion, and after listening to the information which is brought there, and to a great deal of discussion, our thinking if we have open minds—and I think we all have—is affected to a very great degree. I believe that is one of the benefits of these committees which we may not always recognize. I can illustrate this from a personal experience on the Committee on Indian Affairs. I frankly confess that when my leader nominated me to serve on that committee I was not particularly interested. I had never given much thought to the subject, and my only sentiment about it was one which is shared by the great majority of us, namely that of wishing that the original Canadians might have a good deal. But while sitting on the committee—which sat for a good many hours and a good many weeks over a period of three years—listening to discussions and representations from every part of Canada, my interest continually increased, so that I am now and always shall be extremely interested in the welfare of the Indians of this country and in legislation pertaining to them.

And so it is with this Committee on Old Age Security. I know that some people object, mentally if not also vocally, to the proposal which is before us. But as I sat in the committee and listened to the information which was given us and to the arguments that were put forward, my views changed a great deal. Men from different parts of the country, speaking with first-hand knowledge of the subject, told us of the premature ageing of men and women in their localities who are engaged in exceedingly strenuous work—work which often brings the smallest remuneration, but takes its physical toll to such an extent that at sixty-five years of age many of them are no longer able to perform their arduous duties. They know of no other way of making a living, and the remuneration they have received throughout the years has not been sufficient to enable them to provide for retirement at sixty-five, even though they may be so physically disabled as to be unfit for work.

As all honourable senators know, the bill before us deals only with the assistance to be given to necessitous people in the age group sixty-five to sixty-nine years, and implements the committee's unanimous report on this particular phase of the question. I might add that although the report was unanimously agreed to, that does not mean that every member of the committee was entirely satisfied with it. Some thought that the recommendations went too far; others that they did not go far enough. But all had one thing in common: we were anxious to see something done; so a compromise was reached and the committee brought to parliament the unanimous report upon which this legislation is based.

I for one regret that the government did not deal with the whole subject in one piece of legislation. I should have welcomed a bill broad enough to cover the whole field of universal pensions at seventy, assistance to the needy between the ages of sixty-five and sixty-nine, and a method of financing these provisions. If all these matters had been incorporated in one bill we would have had a much clearer picture of the whole plan, and therefore could have discussed it more intelligently. That was not done, however, and this bill is the only one which we have before us at the present time.

Like many other members in this house, including the honourable senators from Churchill (Hon. Mr. Crerar) and Blaine Lake (Hon. Mr. Horner), I am not partial to paternal legislation. I have disliked the trend toward the welfare state and away from the encouragement of thrift and industry. Yet, as a practical person, I must say that we have to face realities and look upon conditions as they exist. We live in a day when, because of a serious decline in the purchasing power of our dollar, many of our older citizens who are living on fixed incomes, annuities, pensions, and interest on money in various forms, find themselves through no fault of their own completely unable to meet the ordinary every-day needs of life. This involves not only high rents and high food

prices, but medical expenses, which usually become greater as one grows older. So, because of all these factors, old age has become for them a time of fear and anxiety.

I know some will say "Well, why did they not plan more carefully for their old age"? I confess I have said that myself many times. But the fact still remains that many who retired some years ago, thinking they had sufficient means to keep them in modest comfort, now find that in these days of higher costs, and the consequent diminution of the purchasing power of the dollar, their incomes are totally inadequate.

I am particularly glad to see incorporated in the bill an increase in allowable income for those between sixty-five and sixty-nine years of age who will receive the pension. This is an increase in what was allowed to pensioners of seventy years of age under the old act. I think this is most important because it will provide an incentive to those who are able to work to do as much as possible to increase their incomes.

I know that the method of financing an old age security program is not a matter for discussion under this bill, but I should just like to make the general comment in passing that the committee was unanimous in recommending that the financing should be on a contributory basis. Some of us, including myself, urged very strongly that the extra money needed should be raised by direct taxation. I am not one who believes in painless taxation, such as some senators were advocating the other day in the house. I think that if everyone has to pay a direct tax towards social security, he knows that he is not going to get something for nothing in this world; that somebody has to pay for it. I think it is important that people should be made to realize that governments, unlike magicians who pull rabbits out of hats, do not pull money out of hats and spread it beneficiently around the country but that somebody has to pay for every benefit they receive from social legislation. Whatever system of taxation or method of financing is adopted, this fact should be brought home to our people.

I do not think we need worry unduly about the burden that the financing of this program will place upon the country—I was not so sure of this after the honourable senator from Churchill (Hon. Mr. Crerar) concluded his speech earlier this afternoon—for if we are fortunate enough to have peace in the world in the years ahead, the possibilities of development of our natural resources are so great that one can scarcely visualize the Canada of twenty or twenty-five years hence.

I was intensely interested in the debate which took place in this house the other day on Bill 376, an Act respecting the construction of a line of railway by the Canadian National Railway Company from Sherridon to Lynn Lake in the Province of Manitoba. The Manitoba senators told us of the remarkable development which had taken place in the course of a few years in one small section of the country. It was a striking illustration of the vastness of the possibilities of our heritage as Canadians. What these Manitoba senators had to say reminded me of a conversation I had last winter with an American businessman in the southern states. He was talking about the great future that lies ahead of Canada; he mentioned the Alberta oil fields, our vast iron ore deposits, and so on. He said to me, "I was born in Canada, and I moved to the United States when quite a young man because the United States was then the land of opportunity", and, he said "It has been that for me. I have prospered, and I have never regretted the move." Then he remarked "If I had sons today, I would tell them to go to Canada, because it is now the land of opportunity". I asked him "Why do you say that when the United States is such a vast and prosperous country? It seems to offer plenty of opportunity". He replied "Well, I say that simply because there is little more in sight in the United States in the way of opening up new country and starting new developments. But you people in Canada have just started, and I never miss an opportunity to say to the young men of my acquaintance 'If you want to succeed, go to Canada. That is the land of opportunity now.'" I was very much impressed with that statement. So, if that be true—and I think it is—I do not believe we need be unduly worried about where the money will come from to finance this pension undertaking.

Those honourable senators who know me will agree that I am the last person to condone extravagance, unnecessary spending, or the mortgaging of the future by any government, for if trouble came we might find it difficult to discharge our obligations. But if the time should come when, because of international trouble or a depression, we find it necessary to curtail either present or planned expenditures, I can think of a great many ways in which we could economize. We do not need to tear down the Union Station—I am sure my honourable friend from Inkerman (Hon. Mr. Hugessen) will agree with me in that—and there are many other things involving huge expenditures which we could very well do without. I do not think, however, that we need curtail our expenditures at the expense of the aged and disabled of this country.

Honourable senators, for these reasons I give my wholehearted support to the bill.

Some Hon. Senators: Hear, hear.

Hon. Thomas Reid: Honourable senators, I desire to take up a little time of the Senate to discuss this bill. I offer no apology for speaking on this important measure, although the hour is late, for as far back as the year 1931, when I was a member of the House of Commons, I proposed a contributory measure of old age pensions.

I want to compliment the government upon introducing such a measure as this, and also my honourable friend from Halifax (Hon. Mr. Isnor) upon the excellent speech he made yesterday when moving second reading of the bill. However, I am a little perturbed by what looks like a trend in our social welfare schemes. I was hoping that we would have all-out contributory old age pensions, but this bill proposes to provide assistance—that is the term used—to people between the ages of 65 and 70 who can qualify under a means test. And it is intended to introduce next session a bill to provide assistance—termed old age security —to all those of 70 and over, regardless of their means. At the moment I will not deal with the legislation of the October session, other than to say that some of the intimations as to its contents are rather interesting. For instance, it is said that all people over the age of 70 will receive $40 a month. Of course I am not in favour of paying that sum to the rich and well-off as well as to those in need, for I claim that however high the income tax may go for this pension it will never take back from those who receive the $40 a month, even if they be millionaires, the full $480 that would be paid to them in any one year under such a measure.

Assistance by way of income tax is not just the same thing as direct payment under a contributory old age security scheme. I am one of those who hold to the somewhat old-fashioned belief that there is something worth while preserving in man, namely, his self respect; and you take that away if you hand him from the treasury some payment towards which he has not made any contribution.

I do not know whether many senators have had anything to do with the handling of old age pension cases under the existing scheme. I have had to do with hundreds of cases and I know something of how the system works, at least in the province of British Columbia. I can tell that girls of twenty-one to twenty-four have been used as investigators—young people who have not the experience which age brings—and they have been into homes to ask the most intimate and particular questions of people. This is a practice that has made many citizens sour if not bitter. I know of many instances also where people, because of their objection to giving the detailed explanations and information asked for, have refused to fill out the necessary forms to obtain old age pensions.

I was looking forward to the time when we would have a scheme under which every citizen could walk boldly up to a wicket and justly ask for, and receive, some payment towards which he had contributed. But here, after all the years of experience in this and other countries, we are bringing in an Act authorizing the handing out of payments from the treasury to people who have to qualify under a means test.

I would remind the government of what usually happens when you start a scheme for handing out public money. During election campaigns the scheme becomes a political football. If up to the time of the election the maximum monthly payment is $40, parties opposing the government will say "Put us in office and we will give you $60 a month," and some candidate will go one better and promise $70 or more. During the by-election that followed my elevation to the Senate, one candidate had no organization and no definite platform other than one based on the slogan, "Sixty dollars at sixty." That was all he said over the air and through the press and on the sidewalks. As Liberal campaign manager I knew that there was some danger, to our candidate because I had learned from my long public experience that you can usually get more votes by making promises like that than by citing performances. I can truthfully say, however, that I never used such tactics. Every senator who has run for public office knows that what I say is true. The candidate I speak of did well, and the Progressive-Conservative and the CCF candidates lost their deposits.

I would advise the government—I do not suppose it will take my advice, for it never has—

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: Keep trying.

Hon. Mr. Beaubien: You are a young man yet.

Hon. Mr. Reid: I will keep trying.

Hon. Mr. Euler: I am in the same box as you.

Hon. Mr. Reid: I would advise the government to do some serious thinking before it

brings in next session a bill to make an outright contribution to every citizen, and to substitute for it a scheme whereby every man and woman in the country above a certain age will make contributions towards insurance or pension, or whatever it may be called, for his or her own old age. I strongly urge the substitution of a contributory scheme because I am afraid that a non-contributory scheme would destroy or at least seriously weaken the feeling of self respect and independence which is so necessary for the people of a nation such as we have in Canada.

I agree with the remarks made by the honourable senator from Peterborough (Hon. Mrs. Fallis) as to the position in which some people find themselves in their old age. I say with pride that I come of honest, God fearing parents, who brought up six children. Like thousands of other parents in this country, after having raised a family of six children they reached a time of life when, through no fault of their own—and they were thrifty —they found themselves with little resources left. In Scotland we have a phrase "poor, but honest," and I trust that every senator knows what that phrase means. And again with some pride I say that I have endeavoured to remain true to the second part of that description. As to the first part, I can only say that fortunately this country has been very good and kind to me by giving me the honourable position which I hold here, a sinecure so to speak, for life. But because I myself am safeguarded against want, am I to sit silent and not raise my voice on behalf of the many thousands in this country who are just as good as I am but less fortunate? I sometimes think that too many people who are well off are inclined to forget how fortunate they have been. I have heard some of them say of other classes: "Why don't they work harder? Why don't they save?" In voicing that criticism they remind me of the man who got out of a burning hall by trampling over the heads of other people and, having safely reached the street, kept crying "Why don't they come out?"

One hears often the expression: "Why don't they save their money for their old age"? The fact is that there are many thousands of good, honest, hard-working citizens in this country who, through force of circumstances, could never save anything from the small amount they earn. I make no apology therefore to anyone for rising this afternoon to speak on behalf of that great class of people.

The government, to my way of thinking, is in this inflationary period spending money in other ways in such amounts that, as regards old age pension benefits, they seem to be standing still and looking backwards. It is a well known fact that a dollar today will buy only 45 cents worth of what it would purchase in 1939—and who is to say that the standard of living or high wages will go down, even to the level of 1939? From my observations practically every raise since 1939 has become stabilized. Too often we look back and think of what we could buy something for in 1930 or 1939, forgetting that we are on a different level or plane today, and that perhaps high wages and prices are here to stay.

I should like the government to make the old age pensions scheme a strictly contributory, for it is then that the means test can properly be removed. I wonder how many honourable senators have had an opportunity to observe a means test being carried out. I wonder also how many of them would submit to answering questions by some snooty individual who makes such comments as, "Your furniture or house is too good for you to ask for an old age pension". The applicants for pensions are so harrassed by questions from these youthful investigators that the very hearts and souls of many old people have been seared.

The pension should not only be on a contributory basis, but to my mind it should be for a greater amount than $40 a month. I point to the unemployment insurance measure as a contributory scheme which has worked out very well. Have you ever heard of anyone suggesting that unemployment insurance benefits should be increased? No. The reason is that an increase in the returns would mean an increased contribution from the workers. An old age pension plan could very well work the same way. For instance, in such countries as Great Britain, New Zealand and Australia there is no great cry or demand for increases in old age benefits, for the very good reason that the schemes are contributory schemes. To my way of thinking a contributory plan would mean that everyone had to pay, and then all would have a right to hold out their hands and receive something back in return.

We hear a great deal of talk about the proposed new old age security scheme, under which all persons, whether well to do or needy, will receive $40 a month upon attaining 70 years. To my way of thinking such a proposal is unsound. If, the government requires those who wish to receive a pension to make application, let me say that when I attain the age of 70 years I for one will never do it. But I feel that that cannot be said for everyone who may not require it, for selfishness still exists today.

Hon. Mrs. Fallis: Would the honourable senator permit a question?

Hon. Mr. Reid: Yes.

Hon. Mrs. Fallis: Did I understand him to say that he is in favour of the complete abolition of the means test?

Hon. Mr. Reid: I certainly am.

Hon. Mrs. Fallis: Then if the means test is abolished, how do you avoid paying the pension to everybody?

Hon. Mr. Reid: By following the plan adopted by older countries, namely a contributory scheme applicable to everyone over 21 years.

Hon. Mrs. Fallis: That is not quite my point. Would the pension not go to every person, if all had contributed?

Hon. Mr. Reid: Yes, but it would be contributory.

Hon. Mrs. Fallis: And does it not go to every person irrespective of means?

Hon. Mr. Reid: As of right, yes.

Hon. Mrs. Fallis: Then I agree with you.

Hon. Mr. Reid: As to the means test, my strong complaint is against the searching questions asked, and the investigators who inquire into the intimate affairs of older people before a pension is granted.

I repeat, honourable senators, that I make no apology for rising to speak this afternoon on behalf of this great class of citizens whose respect and dignity should be preserved.

Hon. Mr. Lacasse: Honourable senators, I rise to say that there is much truth in what my friend from New Westminster has said, but perhaps I may be allowed to correct his statement that he has as a senator a sinecure for life. He himself furnishes proof that the job of a senator is no sinecure.

Hon. Mr. Haig: True.

Hon. Mr. Reid: I did not mean that statement to apply to our duties as senators. Personally, my duties in the Senate have been just as arduous as my duties as a member of the House of Commons; but in that respect I think I am in the minority. That is just my own opinion of the matter.

Hon. Mr. Haig: That will hold the senator from Inkerman (Hon. Mr. Hugessen).

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

REFERRED TO COMMITTEE

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

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

The motion was agreed to.

PRAIRIE FARM REHABILITATION BILL

SECOND READING

Hon. W. A. Buchanan moved the second reading of Bill 375, an Act to amend the Prairie Farm Rehabilitation Act.

He said: Honourable senators, I have no intention of reviewing the Act which this bill would amend, except to say that it was first placed on the statute books in 1935, and was to cover a period of five years. In 1936 some amendments were passed, and there was no limitation to the operation of the Act. At no time were the employees under this legislation placed under the Civil Service Commission.

Having said that, I am going to try to explain as briefly as possible the main purposes of the legislation provided for in the bill before us. Honourable senators will note that it contains two clauses. Within those two clauses there are four provisions, which I have attempted to compress into a form which I hope my colleagues in the Senate will understand.

First, the bill is intended to provide that engineers, clerks and stenographers shall in future be appointed in accordance with the Civil Service Act. That means that that class of employee engaged under the Prairie Farm Rehabilitation Act will come within the operation of the Civil Service Commission.

Second, the bill would provide that other employees, not dealt with in classification No. 1, shall continue to be appointed by the minister at salaries fixed by the Governor in Council, in accordance with section 6 of the present Act. Apart from the commissioner and the assistant commissioner, most of these employees, I am advised, are engaged in field work. Some of them are university students, and others are young men who go into the field with survey parties engaged in the work of the Prairie Farm Rehabilitation organization.

Third, the bill would make it possible to bring certain of the present employees under the benefits of the Civil Service Superannuation Act, as circumstances warrant.

Fourth, by the amendment of section 10 of the Act, authority is given to the minister, authority, without obtaining the consent of the Governor in Council, to undertake the development, construction, operation and maintenance of any project involving an expenditure not in excess of $10,000.

As honourable senators know, the object of the first three amendments is to give Prairie Farm Rehabilitation personnel the same general status as that enjoyed by other civil servants. Because of the demands of other departments and of organizations out-

side the government service, it is becoming increasingly difficult to maintain a staff of competent engineers to do the work of or associated with this organization. In addition to strictly P.F.R.A. work, engineers of this organization serve the Prairie Provinces Water Board, which has the responsibility of recommending allocations for various purposes of water from the main streams. The Prairie Farm Rehabilitation Act staff also conducts extensive survey work such as is now in progress on the Assiniboia river, and the Saskatchewan river, and various other surveys in the Prairie Provinces and British Columbia, all of which must precede decisions as to what projects if any will be undertaken. It is regarded as highly important to enact the proposed amendments so a strong and efficient staff will be built up and maintained.

As to amendment No. 4, regarding projects which can be undertaken without the specific approval of the Governor in Council, the cost of any such single project is by law now limited to $5,000. This state of things makes it necessary to obtain each year a very large number of orders in council to carry out the P.F.R.A. program. With construction costs more than doubled in the last few years, the number of orders in council required has increased proportionately, and this creates a difficult and cumbersome administration problem.

This concludes what I have to say about the provisions of the bill, except in relation to the last matter that I mentioned. I believe most honourable senators know that the smaller projects include stock watering dams, dugouts, and small and large pastures in the prairie area, particularly in that part commonly known as the Palliser Triangle, which is largely composed of the semi-arid areas of Western Canada. The smaller projects are connected with matters of that kind. The larger ones could not be dealt with under this amendment.

I have no further information with regard to the proposed legislation. I understand that the Committee on Natural Resources will meet tomorrow morning, and this bill could properly be turned over to that committee, by whom any further information that is required can be obtained from officials of the department.

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

REFERRED TO COMMITTEE

Hon. Mr. Buchanan: Honourable senators, I move that the bill be referred to the Committee on Natural Resources.

The motion was agreed to.

CRIMINAL CODE BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill 391, an Act to amend the Criminal Code.

He said: Honourable senators, this is a rather important bill, amending the Criminal Code in a number of respects, and perhaps the first thing I should do is to apologize to the house for having undertaken to explain these amendments. I do not pretend to be any kind of an expert on the criminal law, nor have I practised the criminal law of this country. My explanation is that yesterday, when this bill came to the house for first reading, other than myself there was no senator on the government side who is a lawyer. I know full well that had it been possible for the honourable senator from Toronto (Hon. Mr. Hayden) to be here to explain this bill, he would have done it much better than I can, or if I could have got in touch with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) he, too, would have explained it more competently than I can do. There are a number of other honourable senators of whom the same may be said. However, I fear the house will have to do the best it can with such explanations as I can afford.

One thing I should do at once is to tell the house what this bill does not contain. When the bill was introduced in the other place it contained a clause, the former section 21, which caused a good deal of comment and criticism. That section has since been deleted. It allowed officers, as the section rather quaintly puts it, to "observe the operations of various telephones" where it was believed that telephones were being used in common gaming houses or common betting houses, and that observation could be either visual or by means of some special kind of recording machine. This provision introduced a somewhat new principle into our criminal law. I understand that it was originally suggested by the Attorney-General of Ontario. As I have said, it met with considerable criticism in the other place, and it was eliminated before the bill came to this house.

The remaining sections of the bill may conveniently be divided into seven main groups, or comprised under seven headings. The first group deals with treason, sedition and sabotage, and the sections are of considerable importance. The second relates to the registration of fire-arms, and contains provisions regarding offensive weapons. The third relates to offences in connection with His Majesty's mails. The fourth, which

is quite topical, deals with the question of drunken driving of automobiles. The fifth has something to do with matters of indecency. The sixth group relates to changes made in the Act to conform to the National Defence Act which this parliament adopted last year. The seventh contains various miscellaneous provisions with which I shall not trouble the house.

The provisions dealing with treason, sedition and sabotage are perhaps the most important, and they are to be found in sections 3, 4, 5, 6, 8, 9 and 18 of the bill. Section 3 widens the definition of treason.

Hon. Mr. Reid: What page is section 18 on?

Hon. Mr. Hugessen: I am dealing with section 3, which widens the definition of treason. One of the present definitions of treason is as follows:

> Assisting any public enemy at war with His Majesty in such war by any means whatsoever...

That definition is changed to read:

> Assisting, while in or out of Canada, any enemy at war with Canada, or any armed forces against whom Canadian forces are engaged in hostilities whether or not a state of war exists between Canada and the country whose forces they are . . .

That widens the definition of treason to include a treasonable act committed outside of Canada by a Canadian citizen. It also widens the definition to include, for instance, the assisting of the armed forces of the Republic of China, which are engaged against our forces in Korea, although there is no formal state of war between the two countries.

Section 4 of the bill deals with assisting or harbouring deserters or absentees from the Canadian forces. The house will perhaps remember that when we considered the National Defence bill last year, there was a provision which imposed very severe penalties on those who harboured deserters from the forces in times of emergency—that is to say, in times of war. The section before us covers the assisting or harbouring of deserters or absentees in times of peace, and in this case the penalty is much less than that for offences in times of emergency. Perhaps I should refer to the amendment introduced in the other place, to the effect that no proceeding is to be instituted under this section without the consent of the Attorney-General of Canada.

Section 5 of the bill deals with the resisting of the execution of searches being made for deserters under a warrant authorizing a building to be broken open. It amends section 83 of the Code in two respects. It adds to the term "deserter" the words "direct absentee without leave from the Canadian forces", and it increases the fine for resisting the execution of search from $80 to $200.

Section 6 of the bill deals with persuading men to desert, and with the harbouring or concealing of them knowing them to be deserters. Section 84 of the present Act deals with all the forces of Canada as well as the Royal Canadian Mounted Police. The National Defence Act, however, provides the necessary penalty for members of the Canadian armed forces, so the new section 84 simply restricts this provision to members of the Royal Canadian Mounted Police.

Hon. Mr. Roebuck: Why is it necessary to have a special provision with regard to the Royal Canadian Mounted Police? Why does it not apply to every police force in the dominion?

Hon. Mr. Hugessen: Well, the R.C.M.P. is the only dominion police force, is it not?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Hugessen: Would not any similar provision with regard to provincial or municipal police have to come under a provincial statute?

Hon. Mr. Marcotte: No, the Criminal Code applies to every person in Canada.

Hon. Mr. Hugessen: Yes, that is so. Well, I suppose the only answer is that none of the provinces has asked for this provision, or it may be that there is a similar provision somewhere else in the Criminal Code. I do not know.

Section 8 of the bill introduces a new section, 132A, into the Act, and has to do with miscellaneous offences of a seditious nature. These are described in the new section as follows:

> Every one is guilty of an indictable offence and liable to imprisonment for five years who wilfully
>
> (a) interferes with, impairs or influences the loyalty or discipline of; or
>
> (b) publishes, edits, issues, circulates or distributes any writing that advises, counsels or urges insubordination, disloyalty, mutiny or refusal of duty by; or
>
> (c) advises, counsels, urges or in any manner causes insubordination, disloyalty, mutiny or refusal of duty by
>
> a member of the Royal Canadian Mounted Police, the Canadian forces or the naval, army or air forces of a State other than Canada that are lawfully present in Canada.

As I say, that is a new type of offence.

Section 9—

Hon. Mr. Marcotte: What about section 7?

Hon. Mr. Hugessen: I shall come to that. It has nothing to do with sedition, and I am now taking up the sections dealing with sedition and treason. Section 9 deals with punishment for seditious words, seditious libel, and seditious conspiracy. The only respect in which it alters the present law,

as contained in section 134 of the Criminal Code, is to increase the maximum penalty for any of these offences from two years' imprisonment to seven years' imprisonment.

Hon. Mr. Reid: Is there any definition of the word "seditious"? I ask that question because Mr. Justice Locke discussed this question around Easter when the Supreme Court of Canada was dealing with a certain appeal from the Jehovah Witnesses of the Province of Quebec. He said that it was necessary to go back to the thirteenth or fourteenth century in old English law to find out what sedition really is. Seeing that we are putting this in the Act, I am wondering if there is any definition of the word.

Hon. Mr. Hugessen: I am unable to answer my honourable friend, but I would point out that we are not putting these words into the Act. They are already there.

Hon. Mr. Reid: Oh.

Hon. Mr. Hugessen: What we are doing is to increase the maximum penalty from two to seven years' imprisonment.

Hon. Mr. Bouffard: There is no definition of sedition in the Criminal Code.

Hon. Mr. Hugessen: No, I think it is a matter of a long series of judicial decisions, and that the question has to be determined in each case.

Section 18 is the last one dealing with security. It relates to offences which may generally be described as sabotage. The section is headed "Acts Prejudicial to Security" and it prescribes a maximum penalty of ten years imprisonment for an offence created under the new section 509A. There are two requirements for liability under this section. The first is that the accused person shall have committed a "prohibited act", which is described in subsection (2) as meaning:

> Any act or omission that
> (a) impairs the efficiency or impedes the working of any vessel, vehicle, aircraft, machinery, apparatus or other thing; or
> (b) causes property, by whomsoever it may be owned, to be lost, damaged or destroyed.

The second requirement for liability is that the "prohibited act" shall have been done:

> for a purpose prejudicial to
> (a) the safety or interests of Canada; or
> (b) the safety or security of the naval, army or air forces of any State other than Canada that are lawfully present in Canada.

Hon. Mr. Bouffard: May I ask my honourable friend a question? Section 3 describes treason as:

> assisting, while in or out of Canada, any enemy at war with Canada,

and so on. My question is this. If an act of treason or assisting the enemy is committed outside of Canada, is that not punishable by the military law?

Hon. Mr. Hugessen: Yes, if the act is committed by a member of one of the armed forces; but the section applies to offences committed by civilians as well.

The second general subject with which this bill deals is the registration of firearms and offensive weapons. This is dealt with in section 7, and the whole effect of that section is to revise present sections 115 to 129 of the Criminal Code. No change is made in penalties or in the procedure for registration by the public of pistols and revolvers, but there is added a new requirement that automatic firearms—that is, sub-machine guns and things of that kind—shall also be registered. I do not know whether any reputable citizen walks around with a sub-machine gun.

Hon. Mr. Bouffard: There is a big change in the definition of "offensive weapon".

Hon. Mr. Hugessen: Yes. I am coming to that.

Hon. Mr. Reid: May I ask a question? Subsection (2) of the new section 120 says:

> Notwithstanding section 127, a peace officer who finds a person whom he believes, on reasonable grounds, to be under the age of fourteen years in possession of a firearm, air-gun or air-pistol or ammunition therefor may seize it . . .

Are these words "under the age of fourteen years" new?

Hon. Mr. Hugessen: No; they will be found in the present section 126. I am informed that there is no change in substance made by any of these new sections. They merely revise and bring up to date the present sections, and add the requirement that automatic firearms be registered. I should point out that they also provide for a central register to be kept by the Royal Canadian Mounted Police, presumably in Ottawa, of all offensive weapons in Canada.

As remarked a moment ago by my honourable friend from Grandville (Hon. Mr. Bouffard), section 1 of the bill enlarges the definition of "offensive weapon". It repeals paragraph 25 of section 2 of the present Act, which defines "offensive weapon" or "weapon" as including:

> any gun or other firearm, or air-gun, or any part thereof, or any sword, sword blade, bayonet, pike, pike-head, spear, spearhead, dirk, dagger, knife, or other instrument . . .

It substitutes for this a new paragraph 25, which gives this general definition:

> "Offensive weapon" or "weapon" means
> (a) anything that is designed to be used as a weapon; and
> (b) anything that a person uses or intends to use as a weapon, whether or not it is designed to be used as a weapon . . .

Hon. Mr. Reid: May I ask another question? Subsection (2) of the new section 120 says that a firearm found in the possession of a

person believed to be under the age of fourteen may be seized. Is there also a penalty for violation of this subsection?

Hon. Mr. Hugessen: I cannot answer that question. I have not practised criminal law for a number of years now, and I am afraid that my inability to give a full explanation of the bill is evident.

Hon. Mr. Reid: I asked the question because it seems to me that there should be a penalty for violation of the subsection.

Hon. Mr. Hugessen: If the bill is given second reading, I shall suggest that it be sent to the Committee on Banking and Commerce, where there will be an opportunity to question representatives of the Department of Justice.

The third group of subjects dealt with by the bill—

Hon. Mr. Hardy: Before the honourable senator goes on with the third group, may I make one remark? The new section 115, which is much like the present section of that number, says:

> Every one who carries or has in his custody or possession an offensive weapon . . . is guilty . . .

What does that mean? Does it apply to every one who has an offensive weapon in his house? If it does, I have apparently been breaking the law, for in my house I have a big automatic firearm, although I have forgotten just where it is. I do not want to be fined for that.

Hon. Mr. Hugessen: It depends, I think, upon whether my honourable friend is keeping the firearm for a purpose dangerous to the public.

Hon. Mr. Hardy: Well, if some intruder came in, it would be used for such a purpose.

Hon. Mr. Hugessen: Of course, I do not know my honourable friend's motives in keeping the weapon.

Hon. Mr. Hardy: They are fairly innocent.

Hon. Mr. Hugessen: I trust they are.

The third general class of offence dealt with by the bill is covered by sections 12, 16 and 20. Section 12 simply makes the wording of the present section 209 of the Criminal Code more effective. The present section says:

> Every one is guilty of an indictable offence and liable to two years' imprisonment who posts for transmission or delivery by or through the post,
> (a) any obscene or immoral book,

and so on. The new section says that the offence is committed by every one:

> who makes use of the mails for the purpose of transmitting or delivering
> (a) any obscene or immoral book,

and so on. The reason for the change is that sometimes it is very difficult to prove that an accused person actually posted some improper material, whereas it would be relatively easy to prove that he made use of the mails for the purpose of transmitting or delivering the material.

Hon. Mr. Roebuck: A person might have someone else do the posting for him.

Hon. Mr. Hugessen: Exactly; an employee or someone else.

Section 16 changes section 364 and 365 of the Act by reducing from one year to six months the minimum terms of imprisonment that may be imposed under those sections; and it adds a new section 365A, which makes a suspended sentence not applicable for an offence under these sections. The offence dealt with here is the stealing of a letter, parcel, post letter bag, or anything of that kind, from any post office or any officer or person employed in any business of the post office. At present the law provides a minimum penalty of imprisonment for one year for any of the offences under either of the two sections. Two changes are now proposed. Section 365 would reduce the minimum penalty from one year to six months, and section 365A would provide that the general provisions of the Criminal Code for suspended sentence shall not apply to these particular sections.

Section 20 of the bill is inserted for the sake of convenience, and involves an offence which may have been committed in respect of the mail during the course of delivery, in circumstances where it has gone through two or more magisterial jurisdictions. This section provides that such an offence shall be deemed to have been committed in any of the magisterial districts to which the carrier's route extends.

Hon. Mr. Roebuck: Would the honourable senator tell us why it is necessary to make a mandatory minimum penalty of six months for stealing a letter or piece of mail from the post?

Hon. Mr. Hugessen: I shall have to leave that question to be answered in committee. I do not know why such a suggestion was made.

The fourth of the series of offences dealt with is drunken driving, and is set out in section 14 of the bill. The present provisions of the Criminal Code dealing with drunken drivers of automobiles will be found in subsection 4 of section 285. That provides severe penalties for,

> Everyone who, while intoxicated or under the influence of any narcotic, drives any motor vehicle . . .

It is now proposed to insert the new subsection (4a) of section 14 of the bill, which creates a lesser offence, with reduced penalties. The new subsection provides as follows:

> Every one who, while his ability to drive a motor vehicle or automobile is impaired by alcohol or any drug, drives any motor vehicle or automobile . . .

In other words, while the present section makes it an offence for a driver to be intoxicated or under the influence of liquor, the new subsection makes it an offence when a driver's ability is impaired by the use of alcohol.

Hon. Mr. Marcotte: Does it not go farther than that?

Hon. Mr. Bouffard: Does "impaired by alcohol" include intoxication?

Hon. Mr. Hugessen: Yes.

Hon. Mr. Bouffard: One who is intoxicated is evidently impaired.

Hon. Mr. Hugessen: Quite so. I understand, however, that a good many judicial decisions show that in order to convict a person of being intoxicated it is necessary to show that he was in a fairly advanced stage of intoxication. It has been shown by a number of cases that a driver's ability may be impaired by the use of alcohol without there being complete intoxication. The present law provides a compulsory term of imprisonment upon conviction on the first offence. By the new subsection (4a) of section 14 of the bill a lesser offence is provided for, under which there is a compulsory fine for the first offence and imprisonment for succeeding offences.

Hon. Mr. Turgeon: If a person is found guilty of intoxication, and not simply of impairment of his faculties, he would receive the more severe penalty?

Hon. Mr. Hugessen: Yes.

Hon. Mr. Reid: May I ask if in the case of second or third offenders for drunken driving there is any provision for impounding the car or cancelling the driver's licence? For instance, when a person who has been convicted of drunken driving has served his term, he may get drunk again and do further damage, even to the extent of killing somebody. Does the bill merely provide for an increase in the fine for subsequent convictions?

Hon. Mr. Hugessen: Oh, no.

Hon. Mr. Reid: Can his car be impounded and his licence cancelled?

Hon. Mr. Dupuis: May I interject that the provincial legislature takes care of such cases? In Quebec, for instance, a person who is convicted of a second offence of drunken driving has his licence taken away for life.

Hon. Mr. Bouffard: That is right.

Hon. Mr. Reid: I think the federal authorities should have the right to provide that a car be impounded for a lengthy period. A limited number of convictions should be allowed before such action is taken.

Hon. Mr. Hugessen: I think the suggestion of my honourable friend is quite a proper one, and should be brought up when the bill is considered in committee.

Hon. Mr. Roebuck: The subsection uses the words "impaired by alcohol or any drug". Is the word "drug" new?

Hon. Mr. Hugessen: The present subsection uses the word "narcotics".

Hon. Mr. Roebuck: I am speaking of subsection (4a), and am asking whether or not the word "drug" is new. It might happen that the ability of a man coming home from a visit to his dentist would be slightly impaired by the use of a drug.

Hon. Mr. Dupuis: May I ask the honourable gentleman if, under subsection (4a), a person who is caught behind the wheel of a stationary car can be convicted of drunken driving?

Hon. Mr. Roebuck: That is the case now.

Hon. Mr. Hugessen: That is exactly the same; there is no change.

Hon. Mr. Haig: As it is 6 o'clock, I suggest that we now adjourn and resume at 8 o'clock.

Hon. Mr. Hugessen: I am about through.

Hon. Mr. Haig: But there are some other speakers.

Hon. Mr. Hugessen: May I be allowed to finish my explanation?

Hon. Mr. Turgeon: The bill is going to a committee.

Hon. Mr. Hugessen: If there are no further speakers, the bill can be referred to committee following my explanation.

Hon. Mr. Bouffard: If the bill is referred to a committee, I am satisfied.

Hon. Mr. Marcotte: Provided we have the right to propose amendments after it is reported back to the house.

Hon. Mr. Hugessen: You undoubtedly will have that right. May I be allowed to complete my explanation?

Subsection (4d) of section 14 permits as evidence of the condition of a person accused under subsection 4 or (4a) the result of a

chemical analysis of a sample of the blood, urine, breath or other bodily substance of such person.

Hon. Mr. Marcotte: That is one provision that we want to consider.

Hon. Mr. Hugessen: The following subsection provides that no person shall be forced to undergo such a test, and that refusal to submit to it shall not in any way be prejudicial to his case.

Hon. Mr. Marcotte: The provision goes farther than that. It reads in part as follows:

. . . notwithstanding that he was not, before he gave the sample, warned that he need not give the sample or that the results of the analysis or the sample might be used in evidence.

That is contrary to any principle in criminal law so far.

Hon. Mr. Hugessen: I was dealing with the next subsection, (4e).

The fifth group of offences dealt with in these amendments—a rather unpleasant class of cases—will be found in section 13. That section creates an offence of vagrancy under certain circumstances. If a person has been convicted of an indecent offence, such as indecently assaulting a female, indecently assaulting a male, carnal knowledge of a girl under fourteen years of age, carnal knowledge of a girl between fourteen and sixteen years of age, or attempted carnal knowledge of a girl under fourteen years of age, he can be charged with vagrancy if he is found loitering or wandering in or near a school ground, playground, public park or public bathing area.

Hon. Mr. Reid: How does the penalty for vagrancy compare with the penalty which might be imposed for the first offence committed under the present Act?

Hon. Mr. Hugessen: I do not know that the penalty for vagrancy is very great.

Hon. Mr. Reid: A man of this type is very dangerous. If he has already been convicted of an indecent offence, and is loitering near a school ground with the intention of committing it again, the punishment should be more severe than the penalty imposed on a mere vagrant, because this offender is not a vagrant.

Hon. Mr. Hugessen: I think the real object of the amendment is to enable the police to pick up right away a man of that stamp, with a prior criminal record, if he is found loitering in or near any of these places.

The amendments to the Criminal Code include a number of other changes which result from the National Defence Act of 1950. They will be found in sections 10, 11, 15, 17, 21 and 23 of the bill. I do not think I need go into them individually; in the main they are matters of detail. Also there are one or two minor miscellaneous provisions. Perhaps the only one to which I need draw attention is section 22, whereby a change is made in section 929 of the Code, relative to the constitution of juries. In three places the word "persons" is substituted for the word "men". The purpose of that change is to permit of women serving on juries in those provinces in which by provincial legislation they can so serve. Had the honourable senator from Peterborough (Hon. Mrs. Fallis) been here, I would have directed her attention to the fact that in this bill it is made quite clear that the word "persons" includes "women".

Briefly, these are the suggested changes, and if the bill should get second reading I intend to move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Arthur W. Roebuck: By way of reserving our rights in cases of this kind, let me say that I join with the leader of the opposition (Hon. Mr. Haig) in what he has said this afternoon about the practice in the dying days of the session of sending us legislation that is far beyond our ability to properly review. This is a bill of very great significance, of much detail, of real effect upon the general public: it came to my desk this afternoon, and I have been trying to read it while the debate has been going on. We are asked to pass it in this very unsatisfactory and nonchalant way and to send it, perhaps this evening, to committee. I know that there are persons who desire to be heard in connection with this measure. One of the societies interested in civil rights has sent to honourable members a letter—my copy was specially delivered to me in Toronto—in which violent exception is taken to some of the sections. I am not able to say whether the protest is justified or not, because this is the first time that this bill has been in my hands.

The Criminal Code is a very difficult piece of legislation, and while experience is helpful, one cannot read it in a moment and give it its due. I think I speak for all my fellow members when I say that if this bill now receives second reading, it is by no means to be understood that we have approved all the details of this great measure. At the same time it must be recognized that we are approaching the end of the session, and I suppose we have to apply the best common sense we can to the situation as it presents itself. For that reason I am prepared not to obstruct at all, but to allow the motion to pass on the understanding that when the bill comes back for third reading we may discuss it fairly fully.

Hon. Mr. Hugessen: I am perfectly willing to give that undertaking, in case an undertaking is necessary. The situation, of course, is a difficult one. The other place was in almost as bad a position as we are, because the bill was discussed there for the first time yesterday, and then received second reading.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

DOMINION ELECTIONS BILL

FIRST READING

A message was received from the House of Commons with Bill 404, an Act to amend the Dominion Elections Act, 1938.

The bill was read the first time.

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

Hon. Mr. Haig: It is not a very important bill. It deals only with one very small matter.

Hon. Mr. Hugessen: Tomorrow.

JUDGES BILL

FIRST READING

A message was received from the House of Commons with Bill 405, an Act to amend the Judges Act, 1946.

The bill was read the first time.

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

Hon. Mr. Hugessen: Tomorrow.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Thursday, June 28, 1951

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

OLD AGE ASSISTANCE BILL

REPORT OF COMMITTEE

Hon. J. A. McDonald, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 395, an Act to provide for Old Age Assistance.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 395, an Act to provide for Old Age Assistance, have in obedience to the order of reference of June 27, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

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

PRAIRIE FARM REHABILITATION BILL

REPORT OF COMMITTEE

Hon. J. A. McDonald, Chairman of the Standing Committee on Natural Resources, presented the report of the committee on Bill 375, an Act to amend the Prairie Farm Rehabilitation Act.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Natural Resources, to whom was referred Bill 375, an Act to amend the Prairie Farm Rehabilitation Act, have in obedience to the order of reference of June 27, 1951, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

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

CRIMINAL CODE BILL

REPORT OF COMMITTEE

Hon. W. D. Euler, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 391, an Act to amend the Criminal Code.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill 391, from the House of Commons, An Act to amend the Criminal Code, have in obedience to the order of reference of June 27, 1951, examined the said bill and now beg leave to report the same with the following amendments:—

1. Page 4, line 10: After the word "years" insert the words "who does not have a valid permit in Form 76C".

2. Page 4, lines 13 to 19, both inclusive: Strike out subsection (2) of section 120 and substitute therefor the following: "(2) Notwithstanding section one hundred and twenty-seven a peace officer who finds a person under the age of fourteen years in possession of a firearm, air-gun, air-pistol or ammunition therefor without a valid permit in Form 76C relating to that firearm, air-gun, air-pistol or ammunition may seize it, and upon seizure it is forfeited to His Majesty and may be disposed of as the Attorney General may direct."

3. Page 6, line 39: After the words "Form 76" insert the words "or Form 76C".

4. Page 7, line 15: After the words "Form 76" insert the words "or Form 76C".

5. Page 19: Immediately after the end of Form 76B insert the following Form:

"FORM 76C

PERMIT FOR A MINOR TO ACQUIRE FIREARMS

This permit authorizes .....

of .....

aged ..... years, to acquire and have in his possession the firearm, air-gun, air-pistol or ammunition therefor, described as follows .....

.....

This permit is valid during the period.....

.....

Date of Issue

.....

(signature of person authorized to issue permits)

.....

(Address)"

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

Hon. Mr. Robertson: I move that the report be concurred in now. I think the amendments arose largely from suggestions made by the Department of Justice.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Robertson: And I think they were agreeable to the committee.

The motion was agreed to.

MOTION FOR THIRD READING

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

Hon. Mr. Robertson: I move that the bill be read the third time now.

Hon. Mr. Roebuck: I suppose that the motion we passed the other day to suspend

the operation of certain rules for the remainder of the session makes it possible to give third reading to the bill today without unanimous consent of the Senate. If I am not right in that, I think that third reading will have to be postponed until at least tomorrow, for I am not consenting to the motion.

Hon. Mr. Robertson: I have no particular views on the matter. There is no urgency requiring passage of the bill today, and the motion could stand for a few hours or a day, if that would suit my honourable friend.

Hon. Mr. Roebuck: I will briefly state the reason why I am raising the objection. This bill was brought down in the dying hours of the session.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Roebuck: A copy of this bill came to my desk yesterday afternoon, after the sitting had commenced. I did my best to read it while the debate was going on, but I found it impossible to do so effectively. The bill was later referred to the Standing Committee on Banking and Commerce, and was given about an hour's consideration last evening. Indeed, less time would have been spent on it had I not insisted on being given the opportunity to read the sections as they were passed. There was a contest to see whether I could read the sections as fast as they were called, and I lost. However, we did spend an hour on the bill.

Hon. Mr. Euler: You can spend another hour here.

Hon. Mr. Roebuck: If the bill was of an ordinary character no doubt such study as was given to it last evening would be sufficient; but this is an important measure which affects the liberty of the subject, and there has been really no time for public study. We should at least be given the time allowed by our rules.

If this measure is to come up this afternoon, perhaps nothing would be lost by dealing with it now; but if it were left over until tomorrow, there would at least be opportunity for editorial comment. There appeared in the *Citizen* this morning a very excellent editorial on this subject, in which it was stated that the minister had laid himself open to attack from those concerned about democratic principles by reason of the fact that the bill had been brought in at the end of the session and had been put through the various stages with such speed. The article suggests that parliament should give this series of Criminal Code amendments further scrutiny, and I entirely agree.

If the bill is to be considered later today, I would just as soon proceed with it now, but if consideration is to be deferred until tomorrow, there will be some opportunity for public reaction.

Hon. Mr. Robertson: I may say to my honourable friend that the house has always been considerate with regard to any suggestions I have made, and I have never attempted to avail myself of my technical rights with respect to the progress of the work of parliament unless I had very good reason for doing so. If the senator from Toronto-Trinity desires that this order stand over until tomorrow, I am quite willing to concur, with the understanding that should it become apparent later today that this session of parliament will adjourn tonight—though I consider that unlikely—I would then ask that the bill be considered.

Hon. Mr. Roebuck: There is one other point I should like to emphasize. No discussion took place on the second reading of the bill, the understanding between the deputy leader and myself, and others, being that discussion would be allowed on the motion for third reading. That is another good reason for allowing further time for consideration of the measure.

Hon. Mr. Robertson: I am willing to allow this order to stand; but in the event of the business of the other house being completed today—which is a rather remote probability—it would be for this house to determine whether the measure should then be considered. Is that satisfactory?

Hon. Mr. Roebuck: Quite satisfactory.

Hon. Arthur Marcotte: Honourable senators, I am very pleased that the government leader has taken the stand he has. The bill warrants careful examination, and as yet we have had no chance to read and study it. As the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) reminds us, the principle of personal liberty is involved: some sections of the bill affect the liberties of the subject—the Canadian citizen. I am fully in accord with the views expressed by the honourable senator. If it is urgent that the discussion proceed now, this afternoon or this evening, I am willing to acquiesce, but I hope it will be possible to defer the debate until tomorrow. The subject is one of great importance. When only a question of money is at issue I am not very greatly concerned, because, as has been said in the other place, millions of dollars today are "just peanuts". But when the question is one of British principles as reflected in the criminal law, I want to say something, because I value those principles very highly.

The motion stands.

PRIVATE BILL

WITHDRAWN

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

That Bill Z-12, intituled an Act to incorporate Ogdensburg Bridge Authority, be withdrawn, and that parliamentary fees paid upon the said bill be refunded to Messrs. Gowling, MacTavish & Co., solicitors for petitioners, less printing and translation costs.

The motion was agreed to.

BLIND PERSONS BILL

THIRD READING

Hon. Mr. Hugessen moved the third reading of Bill 396, an Act to provide for Allowances for Blind Persons.

Hon. John T. Haig: Honourable senators, in the last two or three days I received representations from several sources with regard to this bill. I am entirely in accord with the principle of the bill, and I congratulate the government upon making allowances to blind persons the subject of a measure separate and apart from the Pensions Act. The other evening some representations were made before our committee. While I listened to them with interest, I did not press for their adoption, because I felt that nothing should be done at this time which might jeopardize such a forward step as provision for the blind under a special Act. With advancing age one realizes that, although reforms seem to come slowly, one can afford to be content with one step at a time. I advise the Department of Health and Public Welfare to watch the working out of this act over the next year or two.

The honourable senator from Peterborough (Hon. Mrs. Fallis) told us yesterday how her membership of the Committee on Old Age Pensions had developed her interest in that subject and had converted her to the principle of old age pensions. All my life I have had a very keen sympathy for blind persons. To my mind no affliction in the world is more distressing. I am not referring to the causes of blindness: the fact is that these people are blind. I congratulate the government upon what it is doing, but I would point out that there are further steps which could be taken on behalf of our blind. I am in no way criticizing what is proposed in this bill, and I am fully confident that when this matter is brought to the attention of the Minister of National Health and Welfare, he will take the steps necessary to establish further benefits for the blind. One cannot dispute the forward steps that are being taken in the field of old age pensions and other welfare legislation, but I think further research should be carried on in the interests of Canada's blind. Furthermore, I think that old age pensions to blind persons should be greater than those of old age pensioners who have their sight, hearing and so on.

While I vote with great pleasure for the passing of this bill, I would urge the minister and his assistants to study the problems of the blind in relation to the developments under this Act for the next two years. The department will now have a better chance to do that, because under this bill the blind are being dealt with separately. I am sure that if certain deficiencies are found, appropriate legislation will be brought forward to correct those deficiencies.

Hon. A. K. Hugessen: Honourable senators, I do not think anybody can take exception to what has been said by the honourable leader opposite (Hon. Mr. Haig). I would, however, direct his attention to the fact that the provincial governments are to administer the provisions of this Act. In purport the bill really permits the government to enter into agreements with the various provinces; therefore any further investigation will have to be a joint venture between the dominion and the provinces, as a result of the agreements which we all hope will be entered into following the adoption of this legislation.

Hon. Mr. Haig: I understand that.

Hon. Mr. Hugessen: On the other point raised by my honourable friend, as to the maximum earnings permissible to blind persons under this legislation as compared with those permissible under the old age pensions legislation, I would direct his attention to the fact that the maximum under this bill is larger than the maximum under the Old Age Pension Act. To this extent the government has recognized the validity of the honourable senator's remarks.

Hon. Thomas Reid: In rising to compliment the government on bringing down this legislation, may I, on behalf of the blind, say a word to the employers of labour in private industry and to those responsible for employing labour in Crown companies? The manager of a certain company doing precision work tells me that blind persons do a far better and more conscientious job in his plant than those who have their sight. He says that the blind have a marvellous sense of touch, and that they do not tire as easily and are not as ready to quit as soon as the others. I would urge employers of labour in that kind of industry to give greater consideration to our blind.

For people who lost their sight there is nothing more arduous and tiresome than to have nothing to do. Labour would perform a great service by employing blind

people in the kind of useful work I have referred to.

Hon. Arthur W. Roebuck: May I take this opportunity to pay tribute to the management of the Post Office? Some fifteen years ago an employee of that department began to lose his sight, and eventually became totally blind. Not being able to carry on his work as a sorter, he was let go. He found himself in a terrible financial position. I took up the matter with the Postmaster General of that day, and subsequently the man was re-hired. He is still on the staff today, and for the last fifteen years he has lived happily in his occupation. The Post Office was able to make use of his services, and today he is a good and contented citizen of Canada.

I mentioned this story to illustrate that we who control the civil service are not entirely unaware of the plight of its members. We have been pretty considerate on many occasions, and perhaps on other occasions the example I have mentioned might be followed, and with some little arrangement or ingenuity, work might be found for these people.

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

THE ESTIMATES

REPORT OF COMMITTEE ON FINANCE—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the consideration of the report of the Standing Committee on Finance on the Estimates laid before parliament for the fiscal year ending March 31, 1952.

Hon. John T. Haig: Honourable senators, I want to say at the outset that I hope anything I say will not by the widest stretch of imagination be considered political in nature. In the first place, the problem placed before our committee was altogether too serious and important to the whole of Canada for me to adopt such an attitude; and secondly, it was the Senate's responsibility to appoint committees to carry on investigations such as the one just conducted, and to be sure that the findings reported to this house could be used for educational purposes throughout the whole country.

I join in the compliments paid yesterday by the senator from St. John's (Hon. Mr. Pratt) to the Chairman of the Committee on Finance, the senator from Churchill (Hon. Mr. Crerar). I have had the pleasure and honour of knowing the senator from Churchill for forty-four years, which anyone will agree is a long time. I hold him in the same high regard as do the people of Manitoba. True, some people criticize him for this or that, as they criticize every other public man, but by and large, in our province he is regarded as a very representative Canadian. Canada will not go far astray if the administration of our country—in dominion, provincial and municipal fields—is in the hands of such men as the senator from Churchill.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Last session and again this session there was some question as to the origin of our practice of referring estimates to a committee for study. The truth is that the seed was sown by the senator from Kootenay East (Hon. Mr. King), when he was leader of the government in the Senate. Those who were here at that time, in the early years of the war, will remember that he proposed that the war estimates be referred to a committee as soon as possible after they had been brought down in the House of Commons. That proposal was put forward as possibly one means of meeting, in part at least, a strong protest, in which I personally and other senators joined. The protest was against the practice of sending the main Supply Bill over to the Senate in the dying days of the session when there was no opportunity to give it anything like the consideration that it required. All of us, irrespective of politics, felt that we should not be asked to pass such important legislation without having at least some chance to study the expenditures, and to make for the benefit of the government and the country whatever recommendations we felt were necessary. While the present system of referring the estimates to a committee may have its shortcomings, I am sure it is a great improvement over the previous system. By studying the estimates in committee we now are able to lay before parliament, and through parliament the people, our views on public expenditures in the federal, provincial and municipal fields, and the financial position of the country at large.

At this point I wish to express thanks to the departmental officials who appeared before our committee and gave us such a clear explanation of the financial problems facing us. I also wish to congratulate the government upon allowing these officials to appear and speak so freely. I cannot recall a single instance of an official shielding himself behind the statement that a question asked of him had to do with government policy and could not be answered by him. It was a splendid thing to allow these civil servants this freedom of expression. After

all, while a country's greatness may depend chiefly upon its government and parliament, no country can progress very far without an enlightened and intelligent civil service to handle the day-to-day business.

In the committee we were confronted with a very urgent matter, the present high cost of living, and the effect that governmental expenditures in the federal, provincial and municipal spheres have upon it. The committee's report gives comparative figures of expenditures for the years 1938, 1949 and 1950 and of estimated expenditures for 1951. Parliament and the public can rely upon these figures, for they are official, obtained from departmental representatives.

The steering committee recommended, and the Senate has authorized, the publication of a certain number of copies of the report in English and a certain number in French. I am not giving away any close secret when I say that we appointed one of our members to act as secretary, and that copies of the report will be sent out to every daily and weekly newspaper in Canada and to every member of every provincial legislature. We hope that senators themselves also will distribute copies in their respective provinces. In other words, we hope that a good many people will study this report, for the committee's purpose was not merely to procure facts for the information of the Senate, but to bring those facts to the attention of the people at large, so that they may have a sound basis on which to form a judgment when considering questions of the day.

The senator from St. John's (Hon. Mr. Pratt) said yesterday that we want to get the people to realize that when they ask any governmental authority—federal, provincial or municipal—to make expenditures for this or that, the money can come only from the people themselves, through taxation. I think the committee's report makes that point very clear.

The committee did not attempt to go into the subject of war expenditures. We had a perfect right to do so, of course, but we felt that it would be improper to question them at this time. We are in a very serious situation just now. I do not want to deal with that matter at the moment, other than to say that we trust that by spending millions of dollars, perhaps billions, we may be able to arm ourselves and assist in arming our allies to such a degree that any aggressor will be afraid to start an attack. I make bold to say that the life of one of our Canadian boys which might be lost in battle is more precious to Canada than the millions that we are spending for defence purposes. I feel very strongly that we should not question expenditures on defence so long as the present war situation continues. Some people think it may last another five, ten or twenty years—I do not know, and I would not even guess—but I hope that the aggressor nations of the world today will come to their senses and realize that in an open conflict with the western world they would be defeated.

I come now to the matter of government expenditures. When a comparison is made between the expenditures of 1939 and those of 1951, at all levels of government—though some of the provincial and municipal figures are only estimates—the tremendous increase is startling. When I point particularly to the increase in federal expenditures over the past twelve years, I am not speaking in a political sense, for that same rise is reflected in the budget of every province and municipality. That the problem is a serious one cannot be denied.

If I may digress for a moment, I shall point to the plight of the school teacher in, for instance, my own community. I can speak with some authority on this problem, for I was once a teacher myself. Later I served as a school trustee, and since then I have had children and grand-children attending the schools. In my opinion the influence of the teacher on the child of, say, six to twelve years, is as great as that of the mother, though of course in the long run, the mother has the greater influence. When I was a boy certain teachers, both men and women, placed their stamp on my life and it has stayed with me down through the years; yet I cannot recall one of those teachers who ever became rich, or even received half what I thought he was worth. The municipalities have a problem to see to it that their teachers are adequately compensated.

I heartily support the grant that has been made to universities, but I point out that this aid is going to only a small segment of our educational system. When I was attending university some thirty years odd ago, about 2 per cent of our citizens had the benefit of a university training; today—partially because of my voice in the matter, perhaps—about 3 to 4 per cent of our children enter university. The problem of educational costs extends to public schools and high schools in all provinces.

I turn now to the financial problems of the provinces. As an illustration of the inflationary trend I point to the province of Manitoba where, when I was a member of the legislature, the budget was $5 million a year. Incidentally, I recall that two years after a Liberal government came into power—this is not a political argument—there was a budget of $6½ million. I tell you, we made

the town ring with our condemnation of that government for increasing the budget by $1½ million. Last year that same province, with a population increased about 25 per cent, had a budget of, I think, $39 million.

Take the province of British Columbia, as another example. I do not know what its budget was some years ago, but I think my friend from New Westminster (Hon. Mr. Reid) will admit that it is today trying to set a new record in Canada for provincial expenditure.

Hon. Mr. Reid: British Columbia has just gone wild.

Hon. Mr. Haig: There is no doubt about that.

I point to all these expenditures because this money has to be raised by means of taxation, and it is the people who have to pay the tax. If businesses are taxed, the cost of the tax is passed on to the consumer. The cost of living index now stands at about 182 as compared with 100 as of the period 1935-39. If one takes any number of years, there will be a relative comparison.

The member from Churchill (Hon. Mr. Crerar) has drawn our attention to the position of the middle and lower middle classes, whose occupations do not permit them to pass on additional costs. I refer to such people as those whose livelihood comes from mortgage interest, pensions or fixed salaries. In the case of teachers, for instance, pay increases, when they get them, trail about six or eight months behind the rise in the cost of living. Although it was not specifically mentioned, I believe that the incomes of industrial workers have increased more than 82 per cent. I understand that an index issued by the Department of Labour indicates that incomes in this group stand at more than 200 as compared with the cost of living index of 182. The point I am attempting to make is that when the rise in one group exceeds the cost of living index, the income of some other group must fall below that index.

In this complex picture there are three distinct groups: The industrial workers, the white collared people and the primary producers. In an expanding economy such as we have today the primary producers do not suffer but in a depression they are the ones that suffer most. The industrial worker today enjoys a high demand for his services, and he does not suffer. I repeat, the experience of the past shows that in an economic bill the primary producer is the first to suffer.

Hon. Mr. Euler: With the floor prices as they are today, the primary producers should be all right.

Hon. Mr. Haig: But how long those floor prices will last, I am not prepared to say.

Hon. Mr. Euler: Neither is anybody else.

Hon. Mr. Haig: It is easy to have floor prices when the demand is strong.

I might discuss the war and other issues which have a bearing on this matter, but I prefer to emphasize the underlying general principle. If the government wants to convince the people of Canada that the cost of living can be controlled, the first thing it must do is to try in every conceivable way to cut down all public expenditure except those for defence preparations. No department of government should be exempt from the drive for economy. It is inevitable that our huge expenditures on war and war preparations should cause reductions in our standard of living; and there can be no doubt that the public reaction will be strongly hostile. Last Monday four federal by-elections took place. My personal knowledge is limited to two of them, namely Winnipeg and Brandon. In Winnipeg there was no other issue than the cost of living. The leading newspaper there, the *Winnipeg Free Press*, last week-end published an editorial in which the statement was made that the anti-government candidate was running on his own, and refused to say what party he represented, but of course everyone knew what side he was on. The successful candidate did not poll as many votes as he got in the general election, when he was defeated, but the Liberal candidate was beaten because so many Liberals did not vote.

Why did they not vote? Honourable senators can advance any reasons they like for that; but I have lived in that part of Winnipeg for thirty-eight years, I know the district and the people, and I know that they resented the increased cost of living. That, for them, was the issue. The same problem, though in somewhat different form, was foremost in the by-election in Brandon, where many of the voters are farmers. My honourable friend from Waterloo (Hon. Mr. Euler) may say that having been assured of a basic price, and having received $65 million for their losses on the British wheat contract, they should be satisfied. But their complaint is that higher costs affect them at every turn, increasing the price of the things they buy, and the wages of farm labour. Their young men and women are leaving the farms to take employment in the cities, where wages are higher, though whether they are really better off is another matter. At any rate, in protest against this general situation, many farmers voted against the government candidate. I am told that the same factor operated in the two other ridings.

How is this situation to be met? The government proposes to increase taxation and control credit, but it is by no means sure that these measures will have the result which the government expects. Canada is in a singularly difficult position for one particular reason which, though it has not been much emphasized, will need attention from now on. The United States is a very large and rich country, and as soon as prices of our primary products fall below American prices the people of that country buy from our stocks to build up their own. Meat is a good illustration of that practice. I think Canadians should be told that our standard of living must be reduced. We cannot maintain it and carry the expenditures of the war and the defence program.

Included in the estimates is provision for aid in the form of war materials to Belgium and the Netherlands. That is all to the good. In helping these nations to equip themselves we are helping ourselves.

I do not intend to discuss the subject of the welfare state. All of us believe in provision for the national welfare, but it is a matter of controversy how much should be spent and in what manner the money should be distributed. The question will be before us next session in connection with old age pensions.

Although it has not much to do with the subject before us, I want to express the thought that we are more disturbed about the trouble in Iran and its possible effects on the world situation than we are about the war in Korea. A senator should be very careful of what he says on these matters, but I am persuaded that government policy in Great Britain in the last five years has encouraged a trend which may be very difficult to stop. I know nothing about the merits of the issue between Britain and Iran. Perhaps the company drove too harsh a bargain; perhaps it has been paying less than it should have paid; perhaps the contract should have been revised. The fact remains that the idea that you may take things from people because they have them and you have not was initiated in Great Britain by the Labour Government of that country, which went to men who had organized businesses and conducted them for many years, and announced "We shall take over your enterprise and give you compensation in the form of bonds." These bonds may be good or bad, but the fact remains that compensation was offered in pounds, which at the time were worth $4.85 and are now worth only $3. The decline has wiped out a great part of the equity of the former owners of nationalized industry. It is all very well to criticize private enterprise, but he who deals unfairly must be prepared to stand the consequences. Britain has fostered the theory that the community is supreme over the individual; and we are now seeing some of the consequences. The state takes over, and freedom flies out of the window.

Hon. Mr. Reid: Iran is merely doing what the British Government has done.

Hon. Mr. Haig: Yes. The Iran government says, "You did it; why shouldn't we?" And there is no answer. I am disturbed about that situation, and I hope that our government will do everything it can to assist in ironing out that situation. It is impossible to adequately compensate men or companies of men for the loss of businesses which they have built up. Certain intangibles are involved—like goodwill—and they cannot be paid for. People who believe that the state is entitled to take over any enterprise have got to admit that this is all Iran is doing. The Persian government has told the British, in effect, "Get out of here. You have had enough; we do not owe you anything." If we apply to private enterprise the policy which the British government began, we shall end up in exactly the same way.

Hon. Mr. Reid: That is what has kept Saskatchewan from developing its oil resources. The companies are afraid of being taken over.

Hon. Mr. Haig: That kind of threat will hinder any development, and the Province of Saskatchewan has found that out. The Saskatchewan Government was bitterly criticized about its oil policy, and as a consequence it adopted the policy followed by Alberta. People do not want to spend money on oil development only to find out that the government has practically full control over it. If Saskatchewan and Alberta possessed the same amount of oil, I would rather invest my money in oil in Alberta than in Saskatchewan, because I would not be afraid of the government of the province taking away my oil interests. The Government of Saskatchewan is of the same mentality as the present Government of Great Britain, and if things went well it would take my property away from me.

Hon. Mr. Reid: The oil companies agree with you.

Hon. Mr. Haig: Sure they do!

Hon. Mr. Lambert: It is in the same class as Iran.

Hon. Mr. Haig: Yes, the problem is exactly the same.

The honourable senator from Waterloo (Hon. Mr. Euler) is now present and I want

to say something about him. He was Chairman of our Special Committee on Income Tax a few years ago. Prior to that time I was never certain just what kind of a person he was, but since then I have always entertained the highest respect for him because of the real contribution he made to our income tax laws. As a practising lawyer I am delighted that the government saw fit to adopt most of the recommendations made by that Special Committee, because they resulted in fairer income tax laws for our people. If the Senate never did anything else in the sixteen years I have been here, that contribution alone has justified all the money the Senate cost the country during that period.

I should also like to congratulate the honourable member from Churchill (Hon. Mr. Crerar) on the splendid contribution his report is making to the work of the Senate. It illustrates the importance of the Senate in our parliamentary system. The committee, made up largely of Liberal members, brought in a report which in some respects can be used not only against the federal government of today but against Liberal government in every province. I admit, of course, that it can be used against other governments as well.

I agree with the honourable member from Churchill that the heart of the Canadian people is sound. We want to deal fairly among ourselves and with other nations. We have great resources and assets. No country in the world, as the honourable senator from St. John's (Hon. Mr. Pratt) said the other day, offers young people the same opportunity that our country does. While we may be criticized for the way in which we have conducted our international affairs during the last thirty or forty years, it cannot be said that our generation has ever neglected to appreciate the great resources of this country. Our responsibility to the world is increased because of these assets, and we should not forget this. As Canadians we hope that our government is fully co-operating with the governments of the United States, the United Kingdom, and France, in the cause of freedom and world liberty.

Some Hon. Senators: Hear, hear.

Hon. Wishart McL. Robertson: Honourable senators, I cannot let this occasion pass without referring to the excellent report of the Standing Committee on Finance, and without complimenting the chairman and members of the committee for the time, energy and thought which they have given to this important question.

These reports become documents of more than passing interest. They are carefully drawn up, and the recommendations they contain are logically arranged. Such reports help to bring to the attention of the public the serious problems which confront Canada. Although I am a member of the Finance Committee I did not attend any of its meetings, because I felt that I should leave the inquiry entirely in the hands of other honourable members. I did not wish in any way whatsoever to influence the decisions of the committee. I hope that at the next session of parliament our Finance Committee will again devote its time, energy and talents to a further consideration of proposed government expenditures.

I realize that the references in the report to governmental expenditures are directed not only towards the federal government, but also governments at all levels throughout Canada. While I believe the government of which I am a member has exercised great prudence in respect to governmental expenditure, I would be the last one to say that every cent that possibly could be saved has been saved. On the other hand, while there is a great deal of support for the idea of curtailing governmental expenditures, I am reminded of what the late Honourable Mr. Fielding used to say: "Economy is popular in the other man's constituency." While there is a general condemnation of excessive government expenditures, members of parliament are quite reluctant, except in individual instances, to seriously oppose any specific expenditure. On the other hand, they discover very ingenious devices to justify specific government expenditures despite a great need for economy.

Hon. Mr. Reid: You can say that again.

Hon. Mr. Robertson: Indeed, one of the recommendations in the report bears out this fact. I refer to paragraph 3, at page 410 of the report of the committee's proceedings:

> Your committee suggests that the government should keep to the lowest point possible all capital expenditures of every kind excepting those essential to defence, to provide the minimum of housing necessary and those expenditures that are normally directed to increasing the production of goods and services required by the Canadian people.

Now, honourable senators, there are statutory expenditures, over which the government has no control, and semi-statutory expenditures—such as those on social security, veterans' pensions, and so on—so there are not many capital expenditures that can be curtailed if you except from control also "those essential to defence, to provide the minimum of housing necessary"—and in this country with our population expanding rapidly, we must have more houses, for tents do not suffice—"and those expenditures that are normally directed to increasing the production of goods and services required by the Canadian people". That last phase covers a

pretty broad field. Because of Canada's tremendous actual and potential development it is easy to put up a powerful argument that such expenditures should not be curtailed, and if you are persuaded by that argument you can hardly reduce any capital expenditures at all. For instance, even the paving of a highway could very well come within that class of expenditure. The government is constantly under pressure, particularly from members of parliament, to make specific capital outlays; and only rarely is any voice raised for the reduction of expenditures, except in the abstract rather than in specific cases.

Today, when the potential future of Canada from one end to another seems to be so rosy, it is particularly difficult for a government anywhere—in a province or a municipality as well as here at Ottawa—to refuse specific requests of the kind I have mentioned. Nevertheless, I believe that an excellent service is rendered to the country by the emphasizing and re-emphasizing of the point that the committee makes in the paragraph I have just quoted.

In the preceding paragraph of the report there is this sentence:

> The people also have their responsibilities, and the most important is that they do not press their governments into unwise policies and unwise expenditures.

One very valuable feature of this report is its clarity of expression. If I were to make any criticism of the report at all it would be for something that it omits to mention rather than for anything that it contains. It seems to me that if there is any fault in the report it lies in giving the impression—for it does not actually so state—that the only taxes which this country has to bear are those levied by our various governments. The committee has, in my opinion, done well to discuss the whole picture—municipal, provincial and federal—so as to give a proper perspective, but I wish to remind honourable members that the taxes levied by governments are by no means the only ones that we pay. It is popularly believed that they are, but I am sure my honourable friend the chairman of the committee (Hon. Mr. Crerar) and all other members of the house are well aware of the fallacy of that idea. By far the heaviest taxes paid by our consumers are those which result from legislation enabling producers of goods to charge in many cases higher prices than they otherwise could obtain. My honourable friend the chairman of the committee graphically compared prices paid by people on this side of the border for automobiles and electrical equipment with prices for similar articles sold just a short distance away but on the American side of the border. There are, of course, other equally effective and perhaps, more effective means than the tariff of interfering with trade—

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Robertson: But at the moment I am just trying to illustrate my point that the hidden charges paid by the public are larger than the taxes levied directly by governments. Suppose we had a system other than tariff protection for encouraging the development of the automobile industry in this country. Let us say, for example, that we required the producing companies to place their vehicles on sale here at the prices charged for similar vehicles in the United States, but that every purchaser of a vehicle was taxed an amount equal to the value of the present tariff protection and that this tax was handed over as a bonus to the manufacturer. The purchaser would be paying no more then than he pays now, but the direct tax would make him realize that his heaviest tax burden is not that which is imposed for the purpose of meeting governmental expenditures. I would humbly suggest to the committee that in its report on next year's estimates it should not ignore this point; that it should remind the public that a man's standard of living is not depressed to a greater degree by the taking of a certain amount from him in direct taxes than by his paying the same amount in the form of an excessive price for any article that he purchases. His standard of living is no more depressed by the $10 taken from him in direct taxation under government authority than it is by an increase of $10 in the price of any article he buys. That principle is fundamental, and should not be ignored. If it is ignored it gives the false impression that an increase in the cost of goods places no burden whatever on the public of Canada, when, as a matter of fact, it is a serious burden and affects the standard of living. The honourable leader opposite pointed out that the effect of the free flow of natural products from Canada to the United States was automatically to put our primary products at the American price, or higher when our dollar is at a discount. Under those circumstances the cost of primary products to the Canadian consumer is as high or higher than the price paid by the people in the United States.

I turn next to the cost of secondary goods. If the figures which the chairman of the committee gave are typical, they would indicate that costs in the United States are about 20 or 25 per cent lower than in Canada. The high cost which Canadians pay for these goods reduces their standard of living as effectively as if direct taxation were much heavier than it is.

Again, I compliment the committee on its excellent report. I hope the chairman will not weary in well doing, and that at the next session, or as soon as convenient, he will again address himself to this problem. It does seem to me however—and this is not by way of criticism—that the committee should seriously endeavour to correct the impression that the great financial burden on the people of Canada is brought about only by direct taxation when, as a matter of fact, it springs largely from a system of indirect taxation that has been in vogue for many years.

Some Hon. Senators: Hear, hear.

Hon. T. A. Crerar: Honourable senators, if the discussion of the report is concluded, I should like to close the debate. I regret that I was not present this morning to hear the remarks that were made.

Hon. Mr. Euler: They would have caused you to blush.

Hon. Mr. Reid: I doubt it.

Hon. Mr. Crerar: I deeply appreciate the kind, and quite undeserved, things that have been said about my part in the preparation of the report.

Let me say at once that I have never sat with a committee that went about its task more seriously than did the Finance Committee when it received its assignment from the house on March 14 last. There was strong evidence of a desire on the part of every member of the committee to explore this problem thoroughly and, if possible, to get at facts which would show the relationship between governmental expenditures and the problem of inflation. That in itself was significant and very encouraging.

I quite agree with the remarks of the leader of the government, that Canada has indirect taxes which impose a heavy burden on the people. I think it is fair to say, however, that the question he raised was really outside the scope of the reference to the committee. That question might be dealt with another year. What we were considering was the effect of high government expenditures on the rising cost of living. To me, there is no doubt that if governments throughout Canada could curtail their expenditures by, say, 10 per cent, and if each individual—

Hon. Mr. Duffus: That is right.

Hon. Mr. Crerar: —could curtail his expenditures to the same extent, the problem of inflation would disappear in a short time. But it is difficult to bring these things about.

I have had some experience as a member of a government, and I know the pressure that is placed upon governments everywhere. There is a great deal of ill-informed public opinion which, if our democratic society is to continue, must be exposed and corrected. I remember the dark days of 1930 when the province of Manitoba—and the honourable leader opposite was then in the legislature of that province—had a very difficult time financially. The provincial treasurer of the day found it necessary to advise his colleagues that a tax known as the Wage Tax would have to be imposed. The so-called Wage Tax was in principle an income tax, which extended down to the lower levels of income. The interesting part of this experiment was revealed several months after the tax was imposed. One day, when at lunch with the provincial treasurer, I asked what had been the effect of the new wage tax that was so unpopular. He replied that the most striking effect was that within a few weeks the demand upon the provincial government to spend public money had been cut by 75 per cent. That illustrates the importance of letting people see the taxes they pay, and indicates why I have been opposed to the principle of indirect taxation. Most of us are buying ever day some article to which the sales tax applies. But not one buyer in a thousand realizes that included in what he is paying is a tax to the government. When taxes are incorporated in prices they are indirect, and the tendency to demand new expenditures here, there and all along the line is increased, because those who ask for these things suppose that someone else will have to pay for them. For this reason, taxes should be direct.

Again I stress the need in these times for governments to practice economy. I could give illustration after illustration of expenditures, not only by the federal government but by every provincial and municipal authority, for objects which they consider necessary, but which in these stressful times might well be postponed. Within the last two years the federal government has sanctioned the construction of some very costly public buildings. Of course we could have done without those buildings. Things might not have been quite as convenient for our servants, but we could have got along in the same way that the old pioneers in Manitoba, Ontario, and everywhere else in this country, got along with log houses and primitive and inconvenient equipment until they were in a financial position to afford something better. I believe that in government affairs, if we are to make any headway in solving the financial problem we must adhere to the same principle. Some of our government services have expanded far too rapidly. It can no doubt be argued that

useful or even necessary services have been provided. But when an individual facing straitened circumstances comes to decide whether he should buy—for instance—a new car this year or wait another two or three years, he will, if he is prudent, decide to wait. And it is the prudent people who succeed; they defer their purchases until they can make them without embarrassment. That is a very simple principle, my colleagues, but it is a principle which governments at all levels tend to lose sight of.

Also there needs to be on the part of our public servants—among whom I include senators—the recognition of this simple serious truth, that if people insist on demanding from their governments increases of services, here or elsewhere, they must dig into their pockets to pay for them. The only way governments get money is by taking it out of the taxpayers' pockets or borrowing it from some persons or organizations that will lend it to them; and the latter process creates obligations which have to be met at a later time. For myself, my insight into this subject of expenditures is clarified when I regard it in the same way as I would view my personal expenditures or the expenditures of any other individual. After all, there are a few simple, wholesome facts which have stood the test of history and will abide the test of the future.

If our course in this matter is sane and wise, there need be no doubt about the future of this country. We have a great country and a great people. No land is more richly endowed with natural wealth and all the elements necessary to a vibrant, successful human society. But in the management of these great assets we must apply common sense and prudence. At the same time we must develop. I regard, for instance, as an example of the right kind of expenditure the bill introduced the other day by the honourable senator from Winnipeg (Hon. Mr. Davis), for assistance to build a railway to develop a mine. Contrast that with the vote of an even larger amount for a public building which we could dispense with for another five years.

I want to express once more, honourable senators, my appreciative thanks to the members of the committee for the serious and wholly admirable manner in which they participated in the inquiry, and my gratitude to those who have been so kind as to compliment me upon my part in this work.

The motion was agreed to, and the report was adopted.

The Senate adjourned during pleasure.

The sitting was resumed.

CANADA DAIRY PRODUCTS BILL

MOTION FOR SECOND READING—
DEBATE ADJOURNED

Hon. Wishart McL. Robertson moved the second reading of Bill 403, an Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products.

He said: Honourable senators, this bill may be divided into two parts. The first part contemplates the establishment, for dairy products, of grades and standards in connection with interprovincial and export trade, similar to existing grades and standards which apply to products under the Fruit and Vegetable and Honey Act, and the Live Stock and Live Stock Products Act. I think it is safe to say that much the same powers exist under present legislation as are proposed here, except that the Supreme Court and the Privy Council ruled that the federal authorities have no power in regard to grades and standards within the provinces. The controls or powers of the federal authority are limited to interprovincial trade and export trade.

Needless to say, the question of interprovincial trade in the products outlined in this bill naturally arises. I may say to this house at once, that I am not in a position to discuss in detail the various constitutional and other questions involved.

The control of grades and standards is pretty well covered in the first five sections of the bill before the house. Section 6 deals with export or import of substitutes of dairy products. It reads as follows:

6. (1) The Governor in Council may by regulation prohibit.

(a) importation into Canada or into one or more designated provinces.

(b) exportation out of Canada or out of one or more designated provinces, or

(c) sending or conveyance from any province to any other province or from any province to one or more designated provinces,

of any class of products that is designated by the regulations as being

(i) milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk or sherbet, that contains fat or oil other than that of milk, or

(ii) a substitute for milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk or sherbet.

(2) The Governor in Council may, by a regulation made under subsection one, designate any class of products as substitutes for a dairy product for the purpose of the regulation if, in his opinion, products of that class are produced wholly or substantially as substitutes for the dairy product.

May I draw attention to the fact that whereas the first part of the bill deals with

the certain prescribed grades and standards, section 6 deals with the control of such items as the Governor in Council may declare to be dairy-product substitutes. The substitutes with which the dairy industry is most concerned at the present time include substitutes for vegetable oils, in such items as whipped cream, ice cream, condensed milk, cheese, and fluid milk. In reply to a question in the other house, the Minister of Agriculture said that under this bill there would also be power to affect a commodity such as oleomargarine, particularly in provinces which prohibit the manufacture and sale of this commodity. There is precedent for establishing grades and standards in connection with interprovincial and export trade, it seems to me that there is no question about the government's authority in that respect. The precedent has been established in other statutes.

With regard to the latter part of the bill the substitution of various products for products of the dairy industry. The government feels it desirable to have power to control interprovincial trade in such goods as may be declared to be substitutes for dairy products.

Hon. Mr. Lambert: Would the honourable senator qualify that statement by saying "restrictive control"?

Hon. Mr. Robertson: Well, whether it is restrictive or not might be a matter of opinion, I suppose, but the government certainly is asking for power to control interprovincial trade in all kinds of substitutes for dairy products.

There may be some other points on which I could give explanations if honourable senators wish to ask questions of me, although I am very humble in dealing with these matters. Should the bill be given second reading I shall move that it be referred to committee, and I have arranged for departmental officials and members of the government who are more conversant with the details of the measure than I am to be present to answer any questions.

Hon. Mr. Hardy: I understood the honourable senator to say that this measure is along the lines of other statutes for the control of interprovincial trade in fruits and other goods. I am not aware of any such legislation, and I should like to know if his statment is correct.

Hon. Mr. Robertson: I can only say that I am advised that power of control is given in the Fruit, Vegetables and Honey Act and in the Live Stock and Live Stock Products Act with respect to the establishment of certain grades which are used in connection with interprovincial trade.

Hon. Mr. Hardy: With respect to grades, not substitutes?

Hon. Mr. Robertson: I was careful, I think, to point out that I was talking about grades, not substitutes.

Hon. W. D. Euler: Honourable senators, this innocent looking bill, brought in on what is almost literally the last day of the session, is described as an Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products. I have no objection to granting the Governor in Council power to make legitimate regulations to achieve proper purposes, but having examined the bill—and I hope all senators have examined it—I am amazed that any government, especially a Liberal government, should sponsor legislation giving itself power to prohibit trade between the provinces, freedom in which may be described as one of the corner-stones of confederation. I am further surprised that the House of Commons should, almost without any comment, surrender to the cabinet a power which, in my opinion, parliament itself should never exercise, and which certainly should not be given to the cabinet.

Most of what I have to say will be about clause 6 of the bill. If members will read that clause they will discover there implications to which the Senate should never give consent. If I bring margarine into the discussion, it will be principally for two reasons. The first is that the government's past record in its opposition to margarine leads me to suspect that this bill is another method to handicap the sale and use of that product. I may say, incidentally, that for some more or less subtle or obscure reason, margarine has now been promoted by this measure into the family of dairy products; but it is still the step-sister of them all, in that it is subject to the 10 per cent sales tax, to which butter and other foods are not subject. My second reason for bringing margarine into the discussion is that it provides a striking illustration of the application of the vicious principle—I say that advisedly and deliberately—of prohibiting trade between provinces, and of doing so by order in council.

Let us examine clause 6, which in my opinion is the essence of the bill. Clause 5 is similar, and to me seems somewhat redundant, although I feel that both clauses should be eliminated from the bill. Clause 6 says:

> The Governor in Council may by regulation prohibit
>
> (a) importation into Canada or into one or more designated provinces,
>
> (b) exportation out of Canada or out of one or more designated provinces, or

—and this is the essence of it—

(c) sending or conveyance from any province to any other province or from any province to one or more designated provinces,
of any class of products that is designated by the regulations as being

(i) milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk or sherbet, that contains fat or oil other than that of milk,

That means margarine, of course.

or

(ii) a substitute for milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk or sherbet.

And subsection 2 says:

The Governor in Council may, by a regulation made under subsection one, designate any class of products as substitutes for a dairy product for the purpose of the regulation if, in his opinion, products of that class are produced wholly or substantially as substitutes for the dairy product.

That again means margarine, although it seems to me rather significant that the word margarine does not appear in the bill at all.

I will pass over paragraph (a), which deals with importation, with very little comment, except to point out that to prohibit the importation into Canada of the products of foreign countries is entirely out of harmony with the spirit which was supposed to govern the proceedings at Geneva some years ago. The whole basis of the negotiations there, as I have said in this chamber before, was that no country should place a prohibitive tariff against the products of any other contracting country. Some products might get in over a tariff wall, but an absolutely prohibited article cannot come in at all. I may say, in passing, that the attitude of Canada at the Geneva convention was an exhibition of bad faith, a statement which I can prove by documentary evidence.

Now I come to paragraph (b), which may prohibit the exportation of these dairy products out of Canada. I have not a great deal to say about that. I would just point out that we are constantly trying to expand our trade, and I do not regard the restriction of our export trade as being a step in the right direction.

Clause (c) is the one which I wish to direct my remarks. This is *pièce de résistance* in reverse, and in my opinion it is thoroughly bad. I have said that I would refer to margarine as a dairy product—in fact, the bill in effect says that it is a dairy product. I would point out, as an illustration, that if this bill becomes law the Governor in Council will have the power to prohibit we will say, a housewife—we will say from Hull—buying margarine in Ottawa and carrying it to Hull to feed her family. And even worse, they could prohibit the sending of margarine from a factory in Ontario, which I believe is the only province manufacturing margarine—

Hon. Mr. Beaubien: Oh, no.

Hon. Mr. Euler: Is it being made in Manitoba?

Hon. Mr. Beaubien: Yes.

Hon. Mr. Euler: I do not think it is being made in the other prairie Provinces.

Hon. Mr. Beaubien: It is made in Manitoba.

Hon. Mr. Euler: The government could prohibit Ontario margarine from being sent to feed the hundreds of thousands of people living in Western Canada. It would not satisfy me for anyone to say that the government would not do such a thing. When power is placed in the hands of the government they are apt to use it. I would say that such is the purpose of the provisions of this bill, and it must be regarded as such.

Until recently I have had the impression that the clause of the British North America Act which states—and I may not quote it exactly—that products of one province may be freely taken into another province, means what it says. I think that it ought to mean what it says. I am informed, however, that in another case—I think in connection with liquor—the Privy Council interpreted the clause to mean that no province could erect a tariff barrier against the products of another province. That is not as bad as the measure contemplated by this bill: products can surmount a tariff, if it is not too high, but a prohibition means an absolute cessation of all transactions between provinces in any product to which it applies.

I am particularly disturbed by the effect of the passage of this bill upon products other than dairy products. If the government be given the power to prohibit the carrying into another province of any class of product, such as a dairy product, why can it not logically come back next session and ask for similar legislation respecting any other product manufactured in one of the provinces? In the end we would have in Canada ten small countries, each sufficient unto itself, carrying on a prohibitionary war, if you like among themselves. The illustration may be regarded as far-fetched, but a condition might come about whereby the manufacturers of boots and shoes in the province of Quebec would be prohibited from sending their products into Ontario. I understand that very good shoes are also made in New Brunswick.

Hon. Mr. Burchill: The best in Canada.

Hon. Mr. Euler: If you are trying to help my argument, I thank you. The Province of Ontario, where I live, makes boots and shoes, furniture and rubber goods. The same articles are produced in Quebec. The government might pass regulations to prevent the shipment of such goods from Ontario to Quebec.

Hon. Mr. Beaubien: They could not do it under this bill.

Hon. Mr. Euler: But my point is that a precedent established respecting dairy products can well be applied to other products. Indeed, the fish caught in Nova Scotia might well be prohibited from shipment to New Brunswick; British Columbia might be prevented from sending its fish and forest products to the other provinces of Canada; Saskatchewan coal might not be allowed into the province of Alberta, and vice versa. The passage of this bill would establish an absolutely vicious precedent, contrary to the whole spirit under which confederation was accomplished.

In conclusion I shall refer once more to the matter of margarine, because I am quite sure that this item was not absent from the minds of those who inspired this bill. Look at the record of the government, if you will, respecting margarine. In 1946 a bill introduced in this house to provide for the legalized manufacture and sale of margarine was defeated. In 1947 a similar bill was introduced, and was again defeated. The bill introduced in 1948 met the same fate. Then this house—and I think it deserves credit for it—passed a resolution requesting the government to submit the question of the constitutionality of the prohibitory law to the Supreme Court of Canada. Somewhat to my surprise—and I need not mention the reason for it—the government complied with the request and submitted the case to the Court. The government argued at the hearing that the prohibition was constitutional. This was just another move in its opposition to margarine. Notwithstanding that, the Supreme Court of Canada declared the law unconstitutional and *ultra vires* of the federal parliament. The manufacture of margarine—the coloured product—began at once. Some months later the Province of Ontario, followed by the other provinces, with two exceptions to which I shall refer later, decreed that the manufacturers of margarine should not be permitted to colour their product. The sole purpose of this move—and I do not think it can be denied—was that the housewife, by reason of being put to the trouble of messing about in her kitchen with the colouring of margarine, would be discouraged from buying it and would buy butter.

Hon. Mr. Dupuis: No; that is not the reason.

Hon. Mr. Euler: That is the only reason.

Hon. Mr. Bishop: There is no other reason.

Hon. Mr. Dupuis: The purpose was to prevent margarine from being confused with butter in the retail stores.

Hon. Mr. Euler: It cannot be. All packages are marked. You cannot go into a retail store and buy margarine except it be in a clearly marked package. I know that there is a good deal of margarine consumed in Quebec, the province of the honourable senator, so the provincial government's prohibition of the manufacture and sale of margarine in Quebec is a most unjust discrimination against the consumers of that province. The same statement, though perhaps not in a similar degree, is applicable also to the Province of Prince Edward Island. After the Supreme Court made its decision, the manufacture of margarine was proceeded with, mainly in Ontario. Then the Dairy Council of Canada decided—in its wisdom, if one chooses to put it that way—to appeal the matter to the Privy Council, and did so. Some of us defended in that court the consumer of margarine, and again we had arrayed against us the Government of Canada, which sent to the Privy Council in Great Britain, as it had sent to the Supreme Court of Canada, the Deputy Minister of Justice. Again we defeated the opponents of margarine—a result, I may say which gave me considerable satisfaction.

Last year I moved in this house that since margarine was a recognized article of food, consumed by millions of Canadians, it should be exempt from the sales tax, from which practically all food products are exempt. The motion was rejected. The government, of course, took no action about it. This year, in the present budget, another 2 per cent was added to the sales tax, with the result that margarine is now subject to a sales tax of 10 per cent, which is not paid by its sister products to which I referred some time ago. That imposition adds, I suppose, from three to four cents a pound to the price of margarine. Yet what a boon this product has been to the people of this country. I suppose no one will deny that, in spite of the outrageous ban on colouring, people buy margarine more and more.

I was mildly amused yesterday when a friend and colleague of mine remarked to me, "You know, I have always voted against your margarine bill". "Yes," I said, "I know". He said, "I thought that when I went home to my farmer friends I would

receive a good deal of commendation from them on my action, but to my surprise they were all buying margarine themselves".

Hon. Mr. Roebuck: Yes.

Hon. Mr. Davis: Not in Manitoba.

Hon. Mr. Euler: I ask the Senate to reject this bill, not particularly because of the effect it may have as regards margarine—of which I have perhaps spoken more than is necessary, though I used it illustratively—but because of the bad precedent the bill would set in restricting trade between the provinces of Canada. In that respect, to my mind, it is entirely opposed to the principles of confederation.

Recently the Senate spent weeks, perhaps months, in discussing a more or less futile resolution as to how this body could be made more useful. I did not take any part in that discussion; but if I were to give my opinion on the subject now I would say that apart perhaps from the abolition of this body, the best way to reform the Senate would be for us to reform ourselves by recognizing that once in this chamber we are no longer Grits and Tories or Liberals and Progressive Conservatives, and that we should judge legislation on its merits, for that, I think, is what the people of Canada expect of us.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: Herein lies an opportunity for the Senate to perform a real service. It is sometimes said that we are here to review "hasty legislation" which comes from the other house. I believe this bill is an outstanding example of hasty and ill-considered legislation. It received practically no consideration in the other place, it comes to us on almost the last day of the session, and in my opinion should never have been presented in its present form. The Senate now has an opportunity to reject or to amend it. It is certainly my intention to vote against the bill if it is pressed to second reading. As a matter of fact I am going to move an amendment, seconded by the honourable senator from Leeds (Hon. Mr. Hardy):

That Bill 403 be not now read a second time, but be read a second time six months hence.

Hon. A. L. Beaubien: Honourable senators, it is not my intention to speak at any length on this bill. One thing that pains me a good deal is that on this question I am unable to agree with my honourable friend from Waterloo (Hon. Mr. Euler), with whom I have been associated in political activities for many years. His whole argument has been based on margarine.

Hon. Mr. Euler: No, no.

Hon. Mr. Beaubien: Well, if it was not, he certainly mentioned that commodity very often.

Hon. Mr. Euler: Certainly. I used it as an illustration.

Hon. Mr. Beaubien: The point which concerns me is this. There are in this country 450,000 dairy farmers. The total annual returns from the dairy industry are in the neighbourhood of $500 millions. That industry is very important not only to the economic well-being of the country but to the health of the people. My information is that there are about seven manufacturers of margarine. I have nothing to say against margarine: I have more objection to certain other substitutes which are sold all over the country and are contributing to the destruction of the dairy industry.

Two important questions in this connection are: 1—Is the dairy industry important to the economic well-being of Canada; and 2—Is it important to the health of our children. I contend that its importance under both these headings is very great. It makes a valuable contribution to the economic well-being of Canada, for if the dairymen were put out of business the harm which would follow would take years to repair.

Some years ago, when my honourable friend from Waterloo introduced a bill with regard to margarine, he argued that the manufacture and sale of this product in Canada would develop a national oil industry in which the farmers themselves would participate; that the production and extraction of oil would form part of their farming operations.

Hon. Mr. Euler: I said it could, not that it would.

Hon. Mr. Beaubien: I do not remember precisely what you said, but I think that was your contention. My information is that close to 98 per cent of the oil that goes into the manufacture of substitutes for milk and milk products are imported. Therefore, the contention that the manufacture and sale of margarine would create an industry in Canada which would benefit the farmers is all shot to pieces. Not only that, but it will be found today that margarine has reduced our production of butter and of fluid milk. If this trend continues there will soon be no fluid milk for our children.

There may be some objectionable features in this bill, but surely my honourable friend from a Waterloo (Hon. Mr. Euler), for whom I have a great deal of regard, will be generous enough to permit the bill to be read a second time. Then it could be referred to the Standing Committee on Natural

Resources, where officials of the department and others concerned could fully explain it. Then, if the bill were reported back from committee, the honourable senator would have full opportunity to make further representation against it.

Hon. Arthur W. Roebuck: The honourable senator from Provencher (Hon. Mr. Beaubien) accuses the honourable member from Waterloo (Hon. Mr. Euler) of opposing this bill purely in the interest of margarine.

Hon. Mr. Beaubien: Pardon me! Please do not put words in my mouth. It was not an accusation.

Hon. Mr. Roebuck: Well, then, it was an allegation. It seemed to me that the gentleman from Provencher advocated the passing of the bill purely in the support of his own attitude with respect to margarine. If that is so, it would appear to me that the proper way to deal with the matter would be to legislate on margarine as margarine, and not in this backhand way—

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Roebuck: —of giving the executive powers that are both vicious and unprecedented.

My honourable friends all know the position I take with regard to margarine. When I say that I am not much influenced by the effect of this bill upon margarine as a single commodity, the house will of course remember that I was in favour of allowing the consumers of our cities, towns and farms to use this product if they so desired. I oppose, as I always do, the attempt of any single class, for their own financial good, to restrict the liberties of the public in general. I do not care whether the people in this class are on the farms or in the cities. I always take that stand. I am not concealing in any way my views about margarine, or changing them in any way; neither am I entirely disregarding just what, in my judgment, this bill is designed to do with respect to margarine. It is a back-door method of attacking the problem, in the interests of the government of one particular province. This bill might far better be described as an Act for the relief of Mr. Duplessis—

Some Hon. Senators: Oh, oh.

Hon. Mr. Roebuck: —than for an Act for the establishment of national standards for dairy products. Perhaps it could be just as well designated as an Act to facilitate the Minister of Agriculture in his political manoeuvers as between provinces. In all events it is entirely vicious.

The member for Waterloo (Hon. Mr. Euler) has not overstated his case; in fact, with his usual modesty he has understated it. As I have said, I am not so much interested in the effect of this bill upon margarine as I am in its general principle. The honourable senator from Provencher would have us give second reading to the bill so that it could be referred to some committee where officials from the department could be heard. I should like to hear from the minister myself, but I do not think that can be done. It is on the second reading of a bill that the principle is discussed—

Hon. Mr. Euler: Certainly.

Hon. Mr. Roebuck: —and it is because I am opposed to the principle of this bill that I could not bring myself to vote for second reading for any mere procedural reason.

I am opposed to the principle of this bill because, when Canada was formed, the rights of the provinces to impose direct taxation were expressly restricted, and the power to tax indirectly was kept from them. This was done for the express purpose of preventing the erection of tariff walls between our provinces. It was because we did not want Canada divided up into small packages with trade obstructions between them that we adopted the kind of Act we did in 1867. Because of that right of free trade among our provinces, Canada has gradually grown to the great nation she now is. The same thing has been said in this chamber during this present session about our great neighbour to the south: because of the absence of inter-state obstructions to trade, the United States has grown to be the most powerful and wealthy nation upon the earth.

Here, perhaps for the mere ulterior purpose of attacking oleomargarine, we are handing to the executive of Canada the right to prohibit the exchange between provinces of all articles described in this bill as dairy products. We are "Balkanizing" the Dominion of Canada and dividing it up into small jurisdictions of trade. This is enough to ruin the country over which we preside.

I am opposed to this bill on the grounds of the deepest of principles. As a patriotic Canadian I cannot agree to a proposition like this, no matter what financial interests may be involved. Expediency has nothing to do with this question except the expediency of nationality and the preservation of Canada as one economic unit. Were we to pass this bill today and give the executive the right to control the passage of these articles from one province to another, how long will it be before we are asked to authorize the government to control interprovincial trade in other commodities? How long will it be

before the western provinces ask that the executive be empowerd to make rules preventing Ontario manufacturers of binders, plows and other agricultural implements from sending them into the West and competing with implements produced out there? How long will it be before the fishermen on one coast endeavour to prevent the sale in that part of the country of fish caught on the other coast, or perhaps in the inland lakes? One's imagination would be dull indeed if it did not picture numerous illustrations of the application of the principle involved in this bill, leading finally, through the efforts of pressure groups, to our having in Canada a condition similar to that in the Balkans—a whole series of small nations warring economically one against the other.

I am opposed to the principle in this bill, and it will certainly give me a great deal of pleasure to support the motion of my honourable friend from Waterloo (Hon. Mr. Euler) for a six-months hoist—which I hope will be agreed to and continued in perpetuity.

Hon. Thomas Vien: Honourable senators, I entirely agree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). Indeed, I am amazed, from a constitutional point of view, that the Minister of Justice could have approved of this bill. We have, today, a splendid opportunity for strikingly demonstrating the usefulness of the Senate. The Senate has been created, as has often been said, to prevent legislation of this kind from being enacted.

Section 6 of the bill says:

> The Governor in Council may by regulation prohibit
>
> (a) importation into Canada or into one or more designated provinces,
>
> (b) exportation out of Canada or out of one or more designated provinces, or
>
> (c) sending or conveyance from any province to any other province or from any province to one or more designated provinces,
>
> of any class of products. . . .

Let us read section 121 of the British North America Act:

> 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.

It will now clearly appear to all, I think, that sections 4, 5 and 6 of this bill are unconstitutional, and *ultra vires* of parliament.

Some Hon. Senators: Hear, hear.

Hon. Mr. Vien: That fundamental provision, section 121 of the B.N.A. Act, has often come up before our courts, but its purpose and meaning was never more clearly defined and determined than in the judgment rendered by the Judicial Committee of the Privy Council in the case of the Canadian Federation of Agriculture vs. Attorney General of Quebec, commonly called "the Margarine Case", and reported in 4, Dominion Law Reports, (1950) at page 689. The headnote of this decision will suffice to substantiate my submission that sections 4, 5 and 6 of this bill are *ultra vires*. That headnote is as follows:

> The Parliament of Canada does not have legislative power to prohibit the manufacture, sale, offer or possession for sale of butter substitutes manufactured wholly or in part from any fat other than that of milk or cream. Hence, s. 5(a) of the Dairy Industry Act, R.S.C. 1927, c. 45 is, in those respects *ultra vires*. It is not legislation in relation to the regulation of trade and commerce since, according to the current of authority, the Dominion cannot regulate individual forms of trade and commerce confined to the province and, *a fortiori*, it cannot prohibit them. The fact that the prohibition extends to inter-provincial transactions does not enable the dominion to encompass transactions of manufacture and sale taking place wholly in one province.
>
> Nor is s. 5(a) defensible as legislation in relation to the criminal law, since its pith and substance is protection of the dairy industry, and not the safeguarding of the public against something of a general or injurious nature to be abolished or removed.

The reason for this statement being here made is that the right of parliament to impose restrictions upon inter-provincial trade in certain goods had, in certain cases, been upheld. A federal law restricting inter-provincial liquor trade, for instance, was held by the Privy Council to be a safeguard "against something of a general or injurious nature to be abolished or removed."

The headnote continues:

> Again, the legislation cannot be supported as being for the peace, order and good government of Canada since it relates to civil rights in each of the provinces, and there are no abnormal circumstances or exceptional conditions to override the normal distribution of powers in ss. 91 and 92 of the B.N.A. Act.

Hon. Mr. Dupuis: May I ask my honourable friend a question? Does he think that a province has the right to regulate trade as between itself and other provinces?

Hon. Mr. Vien: No, it has not.

Hon. Mr. Dupuis: I will put a specific case. Has the province of Quebec power to prohibit the importation into that province of any products exported from another province?

Hon. Mr. Vien: It cannot prevent the importation from another province of anything but liquor, or some other thing deemed to be of a general and injurious nature which should be abolished or removed. The liquor trade was held by the Privy Council to be something of a general or injurious nature which could be abolished or removed, and a federal law implementing provincial legislation governing the liquor trade was upheld.

My reply to the question that has just been put to me is emphatically: no. Only when a product is deemed to be generally injurious to the health and welfare of the people is there any justification for intervention by parliament. With reference to the particular item of food dealt with in the judgment to which I referred, the Privy Council held that there was no such justification.

The headnote continues as follows:

Finally, s 5(a) is not legislation in relation to agriculture within s. 95 of the B.N.A. Act since the connection between its prohibitions and the operations carried on by farmers is too indirect and remote.

Moreover, having regard to the history of the legislation in question and to its present form, it cannot be said that its purpose was to exclude from Canada substances injurious to health.

It has been conclusively established, to the satisfaction of the Privy Council, that margarine cannot be considered as being injurious to health. Therefore, honourable senators, I respectfully submit that the provincial rights, as set out in the British North America Act, are at stake, and it is the unquestionable duty of the Senate not to permit those rights to be invaded and violated, as is attempted to be done in disguise by this bill. In my opinion, this legislation is *ultra vires*; it is obviously and flatly in conflict with the provisions of section 121 of the British North America Act.

This measure is not a piece of liberal legislation. The Dairy Industry Act, s. 5, a, which was declared unconstitutional was not truly liberal legislation. The expression "liberal" is here used not in the partisan but in the democratic sense of the word.

I cannot reach any other conclusion but that this bill, as it now stands, should be rejected.

Hon. A. C. Hardy: Honourable senators, I do not intend to deal at length with the subject matter of this bill. The honourable senator who has just laid the constitutional phase of the matter before the house has, I think, touched on a most important point. He has made his views very clear, but I would say that his argument might be carried even further. Some sort of parallel has been drawn between the powers granted in this bill and powers prohibiting the transfer and sale of liquor as between the provinces. I would point out that the law prohibiting the transfer of liquor was a general law, and applied to all provinces. Quite apart from the fact that liquor might be regarded by some misguided people as a dangerous or harmful beverage, we have in this case a proposal which would be applied to designated provinces. It might be applied to one province and not to another.

I have two chief objections. One, I am sure, the leader opposite will agree with, for as long as I can remember he has been arguing against government by order in council. His stand in this regard has, I think, been justified, especially in the past few years, when our legislation in Canada has consisted to too great an extent of government by order in council. This proposed measure would give to the Governor in Council power to deal with such a very important matter as interprovincial trade. I need not dwell at length on that phase of the argument, because it already has been discussed.

I seconded the motion for the six months' hoist because the bill has only been placed before us on what was supposed to have been the last day of the present session of parliament.

This house spent about two months debating the functions of the Senate and how it could best serve the interests of Canada. This bill—which is not of great importance, except as a matter of principle—gives us a very good opportunity to demonstrate that the Senate is not, as some uninformed people think, a rubber stamp for the administration of the day. This bill provides the Senate with an opportunity to declare itself for the benefit of the people of Canada, and to uphold its own dignity and power.

I do not intend to touch on the question of whether or not the dairy farmer will suffer by reason of the passage of this measure. The senator from Provencher (Hon. Mr. Beaubien) spoke with some feeling on that matter. On the question of who uses the so-called substitute for butter, I took the opportunity while attending a meeting of eight dairy farmers sometime ago to ask them whether or not they used margarine in their homes. With one exception these farmers said that they used margarine. The one who did not use it was a high-salaried man and an officer in several cattle associations, so for those reasons, I suppose, he did not choose to use the product.

As to whether the dairy farming industry is being injured by the use of margarine or not, I may say that I operate a very substantial dairy farm, on which I produce a breed of butter-fat cattle, called Jerseys. In this large-scale operation I have not found the sale of margarine injurious to my business to the extent of one penny.

I do, however, object to this kind of legislation being brought down on the last day of the session. As the honourable senator

from Waterloo (Hon. Mr. Euler) said, the bill was very briefly discussed in another place. I read the debate, which occupied only a column and a half of *Hansard*. The honourable senator from Provencher (Hon. Mr. Beaubien) asks us to give the bill second reading so that it can go to committee. My understanding is that parliament will adjourn tomorrow until October. What possibility is there of having the bill go to committee and be reported, or dealt with, in this short period of time?

It is with great pleasure that I second the amendment of the honourable senator from Waterloo.

Hon. J. G. Turgeon: Honourable senators, until the honourable senator from Waterloo (Hon. Mr. Euler) moved his amendment, I had not intended to speak on the bill. On two occasions I have voted against motions relating to oleomargarine moved by the honourable senator. I am largely in agreement with the statements he made respecting section 6 of the bill, and I am prepared to vote against that section, but I cannot support the proposal of a six months' hoist, for that would prevent honourable senators from studying the whole question in committee.

Hon. Mr. Euler: Section 6 embodies the principle of the bill, and it is the principle of the bill which will be endorsed if the house gives it second reading.

Hon. Mr. Turgeon: I differ slightly from my honourable colleague. Section 6 embodies a certain principle, but I do not think it can be correctly described as "the principle of the bill". In the explanatory note it is stated that the bill will replace the Dairy Industry Act, except Part III thereof, which will be continued as The Milk Test Act. Were we to give the bill the six months' hoist we would defeat the effort not only of the government but of the House of Commons to bring in legislation which is designed largely to replace the Dairy Industry Act, and we would do so merely because one clause contains a certain principle with which many of us do not agree. As section 6 stands, I would feel obliged to vote against it if the matter came to a vote; but I also feel obliged to vote against the amendment.

Hon. Mr. Vien: Will the honourable senator from Cariboo (Hon. Mr. Turgeon) allow me a question? Does he believe that it is possible at this stage of the session for the Senate to carefully consider all the aspects of this bill and what is involved in it? Or would it not be wiser to give it the six months' hoist? Then, if any legislation capable of being dealt with by the Parliament of Canada were introduced next session, we could give it the attention it deserves.

Hon. Mr. Turgeon: Within the last twenty-four hours we have had before us a bill to amend the Criminal Code. Various objections to provisions of that bill were taken by honourable senators; they were in exactly the same vein as the objection to section 6 of the present bill; yet that bill was sent to committee, was discussed, and will come up for further discussion, I understand, some time tomorrow. Why cannot we take the same course with respect to the present bill? The committee could make any report it deemed fit: it could declare that it had not sufficient time to deal adequately with all the matters contained in the bill.

I admit that I have read the present bill only since the honourable senator from Waterloo began his speech, and I must therefore also admit that I have not a thorough knowledge of what it contains. Section 6 is outstanding; section 5, possibly, is questionable; however, I am ready to listen to or take part in discussion in committee, and I urge that the bill be sent there. I believe that honourable senators would do more to advance an object in which we are all interested—the improving of public sentiment towards the Senate—if, instead of giving the bill the six months' hoist, we sent it to the committee with a view of getting a report.

At the same time, as I have said, I am prepared to vote against section 6, because in my view it contains less of foundation principles than of methods for attaining objectives which are opposed to the constitution which created the Senate. I reiterate however that I would have to oppose a motion to suspend the bill for six months.

Hon. Wishart McL. Robertson: Honourable senators, I cannot effectively rebut the complaint that this legislation has been introduced very late in the session. The fact speaks for itself. But this is not the first time such a thing has happened, and probably it will happen again. Years ago, long before I was a member of this house, similar protests were heard. Undoubtedly they expose a very weak spot in our governmental procedure.

Another weak point, to which I have already referred, is that the whole responsibility for introducing and explaining government legislation in this house is left, officially at least, to one representative, although in the other place the same task is distributed among thirty-two Cabinet ministers and parliamentary secretaries who are versed in every detail of the matters committed to them. It is humanly impossible for any one person to clearly explain

every piece of important legislation in all its ramifications. Without denying that this bill is introduced very late in the session, my inadequate explanation of its contents may be taken to confirm what I have repeatedly said about the burdens which are cast upon one man in this chamber.

If the house should adopt the amendment of my honourable friend, it will thereby preclude itself from obtaining the full information which I believe would be forthcoming in committee. It is the established practice of this assembly to obtain through its standing committees the details of proposed legislation, and I suggest that the practice should not be departed from on this occasion. I might also point out that the mover of the amendment remarked that he had no particular objection to the first part of the bill, which prescribes standards for butter; his main objection was to the contents of section 6.

Hon. Mr. Euler: That contains, to my mind, the principle of the bill, which is what we discuss on second reading.

Hon. Mr. Robertson: It is quite within the province of my honourable friend or of any other honourable senator to move an amendment after the bill has received second reading.

The existing practices in this house will continue, and I make no undertaking that I shall ever be in a position to give detailed information about legislation which originates in the other house. It simply cannot be done. I have availed myself of the experience of honourable senators in this chamber, but one cannot expect them to have detailed information on House of Commons bills, many of which have wide ramifications and involve deep constitutional questions. I think it would be unwise to preclude honourable members from the benefit of receiving detailed information in committee in regard to bills brought before them. In committee the members can deal with legislation as they see fit.

Hon. John T. Haig: Honourable senators, my purpose in rising is to offer the house a suggestion. I am disturbed about the idea of voting against any bill on second reading. I entirely agree with what has just been said by the leader of the government (Hon. Mr. Robertson). If I were in his position I would feel exactly as he does.

Now, I object to clause 6 of the bill.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Haig: Let me make myself clear. I have always voted in this house against the lifting of the ban on the manufacture and sale of oleomargarine. I spoke strongly against this when the issue first came before the Senate, and I need not speak about it again because my views are well known here.

Let me say quite candidly that I am not at all interested in this bill as it affects oleomargarine. I am disturbed, however, about section 6. In that I agree with the honourable member from Cariboo (Hon. Mr. Turgeon). This section does not go all the way to the principle underlying the bill. If food substitutes are being put on the market in this country then, of course, our Food and Drugs Act could be amended to cover that situation completely.

Hon. Mr. King: If the substitutes are injurious.

Hon. Mr. Haig: Yes. I object to section 6 of the bill for the reasons set forth by the honourable senator from De Lorimier (Hon. Mr. Vien). I do not think the British North America Act ever contemplated the prohibition of trade between our provinces.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Such a thing would be disastrous to our country. I am not going to say whether a Liberal or a Conservative policy is involved here, because that is something which does not "cut much ice" in the Senate. What I want to do is to suggest to the honourable senator from Waterloo (Hon. Mr. Euler) that he withdraw his proposal of a six-months' hoist.

It may be said that when we give a bill second reading we are in effect voting for the principle of it. Well, there have been many times when I have not blocked a bill on second reading, but have later had it amended in committee so that it did not look like the same bill at all. I agree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that this is the proper stage at which to discuss the principle of this bill, but I would suggest that we give it second reading now and move to refer it to committee. Then the honourable senator from Waterloo (Hon. Mr. Euler), seconded by the honourable senator from Leeds (Hon. Mr. Hardy), could move that the committee be instructed to strike out section 6 of the bill.

Hon. Mr. Hardy: Why not strike out section 5 of the bill as well?

Hon. Mr. Haig: Section 5 is not quite the same.

Hon. Mr. Vien: Section 3 is the same too.

Hon. Mr. Haig: The vital section is section 6.

Hon. Mr. Vien: Sections 3 and 5 are just as bad.

Hon. Mr. Haig: If my amendment is voted on, it will then be known whether honourable members want the Act amended in such a way that no government will have power to prohibit inter-trade between provinces. I have been greatly impressed by the arguments presented by the honourable senators from De Lorimier (Hon. Mr. Vien) and Toronto-Trinity (Hon. Mr. Roebuck).

Hon. Mr. Lambert: I would draw my friend's attention to section 8. I have a stronger objection to that section than any other, because it makes provision for powers that exceed anything I have ever seen in a bill before.

Hon. Mr. Haig: I do not want to get this house into a tangle. I want it to vote on one issue. There may be other objectionable sections, but if we vote to strike out section 6 it means that we do not want interprovincial trade interfered with. That is all I want to accomplish in my proposal to the house.

Hon. Mr. Bishop: Why not strike it out here?

Hon. Mr. Haig: That is what I want to do, by way of an instruction.

Hon. Mr. Vien: Honourable senators will find the same principle involved in sections 3, 4 and 5.

Hon. Mr. Reid: Hear, hear. The principle is to be found all the way through the bill.

Hon. Mr. Haig: Let us put it this way. If the honourable leader moves second reading, then the honourable senator from Waterloo can get up and move that all power to prohibit interprovincial trade be eliminated from the bill.

Hon. Mr. Marcotte: That would kill the whole bill.

Hon. Mr. Haig: No, it wouldn't.

Hon. Mr. Marcotte: I shall prove that to you in a minute.

Hon. Mr. Haig: I would not vote for section 6, but, of course, if the house does not wish to accept my suggestion I will withdraw it.

The Hon. the Speaker: Honourable senators, I would point out to the honourable leader of the opposition (Hon. Mr. Haig) that the house can not instruct a committee as to what it shall do. Our standing committees are supposed to be free to do what they choose. I do not think that this house can vote on a motion to direct a committee what it should do.

Hon. Mr. Haig: Oh, yes it can. The house can instruct a committee to do anything it wants. It can tell it to cross the "t"s and dot the "i"s. The house is all-powerful. We can instruct the committee to strike out this prohibition clause when considering the bill. However, apparently my suggestion is not meeting with favour, so the issue will not arise.

The Hon. the Speaker: If the honourable gentleman's proposal comes before the house, I shall then give my ruling on it.

Hon. P. H. Bouffard: Honourable senators, I have expressed my opinion about margarine many times. I have said before, and I say again, that the lifting of the ban on the manufacture and sale of oleomargarine has damaged our dairy industry. I think that provinces other than Quebec and Prince Edward Island have suffered greatly by the introduction of margarine. However, each province has the right to say whether or not it wishes to have margarine sold within its boundaries. Eight provinces have decided that they do want it, and I say at once that that is their own business, just as I say that it is the business of Quebec and Prince Edward Island to decide that they do not want to have margarine.

Hon. Mr. Vien: Is the honourable senator sure of that point, in the light of section 121 of the British North America Act?

Hon. Mr. Bouffard: I fear I do not understand my honourable friend's question. I say that every province has the right to decide whether a certain product may be sold or manufactured within its boundaries, and once a province has made a decision on this point no one else has any right to interfere. I am not talking about importation or exportation now; I am simply saying that a province has the right to say what may be manufactured or sold within its own territory. The Ontario legislature, for instance, has decided that margarine may be manufactured or sold within that province, and I claim that that decision is the business of nobody else.

Hon. Mr. Euler: That point is not raised by this bill at all.

Hon. Mr. Bouffard: If my honourable friend will let me continue I am sure that my point will appear, though slowly.

Hon. Mr. Euler: Maybe after a while you will join me.

Hon. Mr. Bouffard: I say that this bill is in effect an amendment to the Dairy Industry Act. A portion of that Act prohibited the importation of margarine into Canada and its manufacture and sale anywhere in the country. The question was referred to the courts, and the Privy Council decided that

parliament had no right to prohibit the manufacture and sale of margarine within any province. So, as I say, I regard this Bill as being, in effect, an amendment to that part of the Act which was held unconstitutional. Since the delivery of the Privy Council's judgment eight provinces have decided to permit the manufacture and sale of margarine within their boundaries. The other two provinces, Quebec and Prince Edward Island, have decided not to permit this. Now, if they have the right to make that decision, what is the objection to our passing a law to implement the provincial legislation?

Hon. Mr. Hugessen: Why should we do that?

Hon. Mr. Bouffard: Why not? Why should the province of Quebec, for instance, have to organize a whole staff of employees to search the border between Quebec and Ontario in an endeavour to find what persons are bringing margarine into Quebec?

Hon. Mr. Euler: Let the province enforce its own laws.

Hon. Mr. Bouffard: It cannot.

Hon. Mr. Euler: Why not?

Hon. Mr. Vien: My honourable friend is arguing for something contrary to section 121 of the British North America Act.

Hon. Mr. Bouffard: I understood very well the argument of my honourable friend from De Lorimier (Hon. Mr. Vien), and I shall come to it shortly, but in the meantime I wish I might be allowed to develop my own point. I cannot see why the federal government, which has a large staff of employees in the Customs and Excise services, should not help Quebec and Prince Edward Island in their efforts to prevent margarine from coming into those provinces. No one could object to that.

Hon. Mr. Hugessen: There is a great deal of objection to that.

Hon. Mr. Bouffard: Well, I cannot see why. That is where my honourable friend and I differ. This bill would empower the federal government to prohibit the shipping of margarine from one province into another. At the present time if an Ontario manufacturer, wholesaler or retailer sends margarine into Quebec, there is no law under which he can be punished, for he is not subject to the law of Quebec.

Hon. Mr. Gouin: That is right.

Hon. Mr. Bouffard: If we in this parliament want to help Quebec and Prince Edward Island to have their laws against margarine respected, we can only do so by providing penalties for persons who send or take margarine into those provinces. Everyone knows that Quebec itself has passed a law prohibiting the importation of margarine into the province for sale, and also the sale of it within the province, but a province cannot fully enforce such a law unless there is a federal law or regulation against importation into that province. A company in Ontario or in any other part of Canada where the manufacture and sale of margarine are permitted knows it cannot be punished for shipping or attempting to ship margarine into Quebec or Prince Edward Island, and so it is likely to do all it can to carry on such business.

Hon. Mr. Hugessen: You are suggesting that a federal statute should provide penalties for persons in Ontario who violate a Quebec law.

Hon. Mr. Bouffard: I say that every province has an absolute right to prohibit the manufacture or sale of certain products within its boundaries. What objection is there to the federal government helping each province to maintain its own rights? Why should parliament stand idly by and do nothing to prevent a manufacturer or retailer in Ontario from shipping margarine into Quebec, when he knows that that is against the law of Quebec? After all, what is the objection to a federal penalty for a man in Ontario who violates a Quebec law? What sympathy should we have for him?

Hon. Mr. Euler: He cannot violate a law that does not apply to him.

Hon. Mr. Bouffard: But it will apply to him if this bill is passed. The senator from Waterloo (Hon. Mr. Euler) pleaded in the Senate and in the other house on numerous occasions for a lifting of the ban on the importation, manufacture and sale of margarine, and at last he succeeded in achieving his object. But it was left to each province to decide whether it would permit the importation, sale and manufacture within its own boundaries. Is he now indifferent as to whether the prohibition against margarine in two provinces is violated or not? Does he think, that a manufacturer or dealer in Ontario, for instance, should be able to ship his product into Quebec, in violation of provincial law, and escape punishment?

Hon. Mr. Euler: My objection is to the proposed restriction on or prohibition of trade between the provinces. That is the essential point.

Hon. Mr. Bouffard: It is not a question of prohibition of trade. The Privy Council decided in effect that every province has the

right to say whether or not margarine may be manufactured and sold within its boundaries. That is a provincial right, is it not?

Hon. Mr. Roebuck: No.

Hon. Mr. Bouffard: That is the decision of the Privy Council in the case of margarine, namely, that each province has the right to decide whether the product is to be manufactured and sold within its boundaries. It is for the province of Quebec to say whether the manufacture of margarine will be allowed there.

Hon. Mr. Roebuck: Does my friend argue that the province of Quebec can abolish trade across the interprovincial border?

Hon. Mr. Bouffard: Not at all; but I say that the Province of Quebec has no right to prevent a manufacturer in Ontario from exporting his margarine into that province. This federal legislation is designed to give the power necessary to prohibit its export to that province. We should have no sympathy with such a manufacturer, and we should not protect him when he is violating the law of another province. The only way that situation can be dealt with is by federal legislation.

Hon. Mr. Hardy: Then this bill, I take it, is for the benefit of Quebec.

Hon. Mr. Bouffard: I point out to the honourable senator that we are now talking about margarine. We have also to consider other substitutes, such as dried milk and ice cream substitutes. These articles are not enumerated here. If the province of Ontario wants to permit the manufacture of these substitutes, that is its own business.

I point out that if Quebec permitted the manufacture of an ice cream substitute, Ontario could object to its sale within that province, thereby protecting its own farmers. I believe that Ontario will some day decide to protect its farmers. If, for instance, Quebec attempted to send into Ontario a product prohibited by that province, I would be the first to advocate the punishment of the man who tried to violate that prohibition. It is a protection that each province should have, and the central government should assist the provinces to accomplish that end. There is no other way of punishing a man who violates the law of a province. No province has the right to prohibit the importation of the products of another province, except through power given it by federal legislation.

If margarine were manufactured in eight of the ten provinces, I do not believe that any senator would suggest that it should not be sold freely within the boundaries of those provinces. Does it occur to anyone's mind that the cabinet would enact an order in council setting up a trade barrier between two provinces such as Manitoba and Ontario, both of which manufacture margarine? I do not think the cabinet would be so foolish as to suggest such a thing. This bill specifies that power shall be given to the cabinet so that a manufacturer from one province can be prevented from exporting to another province a product which is prohibited in that province.

Hon. Mr. Lambert: May I ask my honourable friend a question? Does he think that the government in proposing this legislation, subject to implementation by order in council, is seeking to transfer all interprovincial trade with respect to a butter substitute from the Department of Trade and Commerce to the Department of Agriculture?

Hon. Mr. Bouffard: Not at all. I say that the government wants to prevent the importation from the United States of a large number of substitutes for dairy products. As to margarine, there is no question that it is coming into Canada; there is no legislation to prevent it and other things from coming in. Upon the passage of this bill it will be for the Governor in Council to decide, the advice he receives, whether he will prohibit the importation from the United States of such a product as ice cream substitute. Margarine is not a dairy product, but is made from oil; similarly, synthetic cream is a combination of skim-milk and oil. The importation of these products is of no benefit to Canada; and it will, as I say, be for the Governor in Council to decide whether the dairy industry should be protected in this respect. This legislation would permit the Governor in Council to define and enumerate the products that will be refused importation.

The passage of this bill will, of course, not affect those provinces which choose to manufacture and sell certain substitutes for dairy products within their own boundaries. For example, if Quebec were to decide to allow the manufacture and sale within that province of ice cream made from oil, that would be its own business. At the same time, the Province of Ontario should have a right to determine whether the product should come into that province. The only means by which such interprovincial commerce can be prohibited is by federal legislation.

Hon. Mr. Lambert: Would my honourable friend venture an opinion as to why the provinces do not enforce more strictly the regulations regarding the ingredients and quality of ice cream? He referred to the use of oil in the manufacture of ice cream. That is an extreme example; nobody thinks of

making ice cream out of oil. Why do not the dairy producers themselves insist that ice cream be made with at least a certain percentage of cream—

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Lambert: —instead of being made out of gelatin or custard pudding, as some of it is made today? Instead of focusing all their attention on oleomargarine and other butter substitutes, let the producers create a better standard for their own legitimate products.

Hon. Mr. Bouffard: I am not an expert in agriculture, but I point out to my honorable friend that the federal legislation in this respect was first applied to poultry, livestock and livestock products, fruits, vegetables and eggs; and every province has followed up that legislation, using the same methods of grading as the federal inspectors use. This procedure could apply to the legislation which is now before us. Let the federal government take the lead in promoting wholesome products in Canada, and every province will follow its example. But the provinces cannot protect themselves without proper federal legislation. The dominion, by this bill, is attempting to prevent violations of provincial laws. This legislation is necessary for that purpose.

Let us consider potatoes. They cannot be exported from one province to another, unless they are of certain grades. Of course, there can be no interprovincial trade in liquor. That law was passed by the Dominion Government a long time ago. It is part of the law of the land. The same principle has been followed in respect of wheat. Not many years ago the Senate adopted, in relation to wheat, legislation which is similar in principle to the bill now before us.

Hon. Mr. Euler: It was wrong then too.

Hon. Mr. Bouffard: I do not know whether or not my honourable friend voted for it, but it is certain that a majority of the Senate did so.

Hon. Mr. Hardy: That legislation had equal application to all the provinces.

Hon. Mr. Reid: It is not quite the same law.

An Hon. Senator: It is not the same law, because in one case we deal with wheat and in another, I suppose, with ice cream. But the same principle is there.

Hon. Mr. Bouffard: For example, in the Canadian Wheat Board Act, as amended by chapter 15 of the Statutes of 1947, we read, in section 2, subsection (4):

> The Governor in Council may, by regulation, designate substances produced by processing or manufacturing wheat, either alone or together with any other material or substance, as wheat products for the purposes of this Act.

That provision is pretty similar to the one in this bill for the purpose of conferring on the Governor in Council authority to declare what shall be substitutes for dairy products.

Hon. Mr. Reid: Where can there be found a prohibition on sending wheat from Alberta to British Columbia, if it is desired to do so? Quote the section where that can be found.

Hon. Mr. Bouffard: I will try to find it. Here is section 27 of the Act:

> 27. Except as permitted under the regulations, no person other than the Board shall
>
> (a) export from or import into Canada wheat or wheat products owned by a person other than the Board;
>
> (b) transport or cause to be transported from one province to another province, wheat owned by a person other than the Board;
>
> (c) sell or agree to sell wheat situated in one province for delivery in another province or outside of Canada.

Therefore, although the Canadian Wheat Board Act is different in some respects from the legislation we are dealing with, the principle is much the same.

Hon. Mr. Turgeon: That is because of the international control of the sale of wheat, is it not?

Hon. Mr. Bouffard: It may be.

Hon. Mr. Turgeon: That is the reason.

Hon. Mr. Bouffard: If the government had no right to deal with wheat, it has no right to deal with dairy products; but if it has the right to deal with wheat, it also has the right to deal with dairy products.

Hon. Mr. Roebuck: Will the honourable senator permit me one question? He has spoken at some length, and repeatedly, about the rights of the Province of Quebec to pass any law that it thinks are in its interests. Does the Province of Quebec wish to remain a part of Canada, subject to the laws of Canada, or does it put itself in the category of an independent state?

Hon. Mr. Bouffard: I do not like that remark of my honourable friend. We in Quebec have been just as faithful as the people of any province to the cause of Canadian unity. We, as much as the people of any province, have co-operated with the Government of Canada and with the Government of the United Kingdom. We do not wish to be separated from anyone. We wish to co-operate with the rest of Canada. But we say that if we do not want to have margarine in our province, that is our business, and not the business of Ontario. And I say that if other provinces want to send to the Province of Quebec any books or other matter contrary to the faith of the citizens of that province, the reactions of the citizens of

the Province of Quebec are their own business and not the business of anybody else. I do not think my honourable friend is warranted in talking of separation because the Province of Quebec thinks that the government of Canada should pass a law which protects provincial interests in respect of something on which it has the right to legislate. If Quebec were separated and became an independent country, and thereby cut off from the rest of Canada, it might be that the other provinces would suffer. We do not wish for separation any more than the Province of Ontario or any other part of Canada; neither do we like to be told, every time we claim what is our right, that we want to separate from the rest of Canada. We have no desire for separation, but we believe that our rights should be respected, and that we should be entitled to talk about them without being accused of separatism.

Hon. Mr. Hardy: Is this a debate on the dairy products of Canada, or on whether we should have separation or not?

Hon. Mr. Dupuis: This arose from a question by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck).

Hon. Mr. Bouffard: My honourable friend is quite right. But I do not think the honourable senator from Toronto-Trinity wished to say or do anything offensive to the Province of Quebec. If he was looking for an expression of opinion, I think I have given it to him, and I think I have voiced therein the views of the majority of the people of Quebec. If we do not want to be antagonized, neither do we try to antagonize anyone. But I think we should be able to discuss a bill of this kind without being told that the Province of Quebec, because it has prohibited the sale of margarine within its boundaries, does not want to co-operate with the rest of Canada.

Hon. Mr. Roebuck: My question did not involve any charge against the Province of Quebec. My question implied that it was implicit in the argument of my honourable friend. I did not accuse the Province of Quebec of anything of the kind. It was my friend's argument, not the Province of Quebec, which I suggested was separationist.

Hon. Mr. Dupuis: Honourable senators, I wish to add my views on this subject.

Hon. Mr. Bouffard: I have not finished, but I shall not be long.

Section 6 of the bill does not prevent interprovincial commerce. It is a clause whereby the federal government, as I have stated, will have the right to protect any valid legislation of any province of Canada with respect to margarine, and not only Quebec, but Prince Edward Island has such legislation. So far as substitutes for dairy products are concerned, there may be six or seven provinces which will have legislation similar to that of Quebec. We in Quebec feel it is important that legislation shall be passed to protect the valid legislation of any Canadian province, and that nobody should make this a matter of reproach or try to obstruct the passage of legislation which is necessary and valid. If there is anybody in any province, whether Quebec, Ontario, or elsewhere, who wants to export into another province a product which that province has prohibited by law, dominion legislation which prevents such an operation is, in my opinion, good and commendable; and that is my view of the present bill.

Hon. Mr. Euler: May I ask the honourable senator from Grandville (Hon. Mr. Bouffard) if he will say that the purpose of the bill is what he now implies it to be.

Hon. Mr. Bouffard: From what I know of it that is the purpose of the bill.

Hon. Mr. Euler: The bill does not say so.

Hon. Mr. Bouffard: No. It is impossible to set out everything in a bill. That is why I say that my honourable friend from Waterloo should let the bill be referred to committee, where those who have written the bill and introduced it can be heard. I am sure the honourable gentleman does not want anybody in Ontario to violate the laws of Quebec, Manitoba or Saskatchewan in respect of margarine. If my honourable friend will let the bill go to committee, and if its purpose is not explained to his satisfaction, he can then vote against it in part or in toto. I intend to vote in favour of the bill being referred to committee.

Hon. Ray Petten: Honourable senators, I thought I had long ago lost my capacity for being surprised, but I must confess that I have been very much surprised in this chamber this afternoon. I came here having heard by the grapevine, as most honourable senators have also been informed, that we were in the closing hours of this session of parliament. In addition to being surprised I have passed through the gamut of various emotions—amusement at my own efforts to attract the attention of His Honour the Speaker, alarm as the various speakers have pointed out the pros and cons of this bill, and finally determination to ask at least one question if at all humanly possible. I have prepared a lovely speech containing nothing to which anybody could possibly object; but do not be alarmed honourable senators, the time is so short I have not the slightest intention now of delivering it. There is, however, one question

which I should like to ask the honourable leader of the government, namely, has this bill been referred to the Attorneys-General of the provinces?

Hon. Mr. Robertson: I do not know that I have the necessary information to enable me to answer that pertinent question, but I do know that there have been many conferences with the provinces with respect to this legislation.

In reply to a question as to why the bill was introduced into the House of Commons at such a late date, the Minister of Agriculture had this to say:

> The reason the bill has not been brought in until late in the session is that all parties have been consulted continuously. As will be recalled, this matter was up at the dominion-provincial agricultural meeting last December, and on that occasion we were asked to submit it to the provinces and the dairy organizations right across Canada. That has been done, and the consent of those organizations has been given to this type of legislation.

In answer to an inquiry as to whether there was unanimous agreement among the producers, the minister said:

> So far as I know, there have been no objections to the legislation. It is the only kind of legislation we can have under the circumstances. The legislation we had previously was entirely satisfactory to everyone in the dairy industry and to the various departments of agriculture across the country, but the court decision rendered that type of legislation of no effect.

I do not know that this specifically answers the inquiry as to whether this bill has been referred to the Attorneys-General of the provinces, but I have no further information on the point. My general impression is that the question of establishing national standards for dairy products, and regulating interprovincial movements of these products, is a matter on which the provinces are in agreement. I cannot say that the Attorneys-General have definitely agreed to it, but that is a question which representatives of the Department of Justice and other departmental officials could answer in committee.

Hon. Mr. Petten: I thank the honourable leader for his reply. There is nothing more that I have to say, except that in my opinion sections 5 and 6 of the bill are objectionable, and I could not possibly vote for a bill containing these sections.

Hon. A. Marcotte: Honourable senators, in studying this bill today we are suffering from the same sin that has been committed by the government every session in sending legislation to us at such a late date. We do not even have time to read these bills and ponder over them.

The honourable leader of the opposition (Hon. Mr. Haig) says that he is opposed to section 6 of the bill, but let me point out that there is only one principal involved in the whole measure. The bill is divided into three parts, the first dealing with definitions and the third dealing with administration. The principle of the bill is contained in Part II, and each section of Part II has to do with interprovincial trade. I agree with the contention of the honourable senators from De Lorimier (Hon. Mr. Vien) and Toronto-Trinity (Hon. Mr. Roebuck), and if my honourable friend from Winnipeg (Hon. Mr. Haig) would read sections 4, 5 and 6 he would find that the government is trying to take upon itself a power to which it has no right.

My honourable friend from Grandville (Hon. Mr. Bouffard) said that the provinces of Quebec and Prince Edward Island have no power to punish anyone living elsewhere in Canada who ships margarine into those provinces. Well, that does not give the federal parliament the right to provide a penalty in such cases. You cannot correct one wrong by committing another.

This bill, or at least the portion of it we have been discussing, is absolutely contrary to section 121 of the British North America Act, which was cited by my honourable friend from De Lorimier (Hon. Mr. Vien). I am not in favour of margarine. As my honourable friend from Waterloo (Hon. Mr. Euler) knows, I have been opposed to it all along. I did not speak against his proposal of some three years ago for a reference to the courts on the question of the constitutional validity of part of the Dairy Industry Act, for, as I told him, I did not wish to interfere with his right to get a decision on the point. However, I repeat that I was then, as I am now, opposed to margarine. But that has nothing to do with the bill before us, which would give the federal government power to which it has no constitutional right. That is my view, and that is why I intend to support the amendment.

Hon. Vincent Dupuis: Honourable senators, I wish to make just a few remarks. I shall begin with the last suggestion made by my honourable friend prom Ponteix (Hon. Mr. Marcotte) and others, that we should strike out clauses 4, 5 and 6 of the bill. Parts of sections 4, 5 and 6 deal with export from Canada and importation into Canada of products mentioned therein. Surely these matters are within federal jurisdiction; therefore it seems to me that the only contentious parts of these sections are the parts dealing with shipment or conveyance from one province to another.

Now, the question that confronts me is: What shall I, as a member of this judicial body, do about the bill? I use the expression

"this judicial body" advisedly, for ever since I have had the honour of being a member of this high tribunal I have been convinced that it is my duty to judge objectively, irrespective of party allegiance, any legislation that comes before us. One honourable member made some reference to party politics. Well, party politics have nothing to do with this bill at all. With due respect for the opinion of some honourable members, I believe that this debate is not being influenced in any way by party allegiance. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) knows that I admire him greatly, for many reasons, and perhaps he will not mind my saying that a few minutes ago, when he made a slip about Quebec's separation, he reminded me of a certain song that we sing in French. It is about Marlbrough going to war, and there is one line which goes this way:

Trinity will pass before Marlbrough comes back.

I might parody that line by saying to my friend:

Trinity will pass before Quebec is satisfied with anything less than freedom and liberty.

I think it is well known to honourable members that before I was summoned to this honourable body I was a Liberal to the core, and so I am sure no one will doubt my word when I say that I do not owe allegiance to the party now in power in Quebec, whose political views are diametrically opposed to my own. But in considering this bill, as in considering all other measures that come before us, I try to rise above questions of party politics and to look at the matter from the point of view of the national interest and the maintenance of that liberty which we enjoy under our political institutions—institutions that we are now defending against the tyranny of communism.

Are we members of this high tribunal going to refuse to a province the liberty or freedom to be governed according to its own choice? Surely we are not going to take that stand, even though some people may regard the statute as capricious. I remember that one day our good friend from Churchill (Hon. Mr. Crerar), when speaking in defence of personal freedom, said "I want to be free even to make mistakes, if I so wish". It is for freedom of that kind that we in this chamber should fight unceasingly. If a province, no matter what the party politics of its government may be, decides that such and such a thing should be prohibited within the provincial boundaries, why should any other province prevent that decision from being carried out?

That is one point. Now I wish to say further—

Hon. Mr. Roebuck: Before my honourable friend continues, will he allow me to interrupt him? He will admit, perhaps, that the national interest must sometimes take precedence over local or even provincial interests?

Hon. Mr. Dupuis: Quite right. I agree, and I am glad that my honourable friend raised that point. It gives me an opportunity to say that what is involved here is not a question of general and national interest.

Hon. Mr. Hugessen: Oh, yes.

Hon. Mr. Dupuis: I say it is a question of conflicting views on the value of margarine.

Hon. Mr. Euler: Oh, no.

Hon. Mr. Dupuis: You say "No," but I say "Yes". And, as someone once said, I have a right to my own opinion, even if I "share" it alone.

Some Hon. Senators: Oh, oh.

Hon. Mr. Dupuis: I say it is not in the national interest to allow a right of one province to be interfered with by other provinces. I go further. I should not be surprised if one were to find that the opposition to this measure sprang from a mere handful of people who are interested in the manufacture and sale of margarine. And I ask: If that is true, are we going to be led by an arrogant minority?

Hon. Mr. Haig: Honourable senators, I rise on a point of order. I do not think that any member should charge that any of us here represents some special interest. I will not sit down and take that. I represent no one but the people of Manitoba and of Canada as a whole. I have no interest in any company that manufactures margarine; I do not own a single share of stock in any such company. I would ask the honourable member to withdraw that charge.

Hon. Mr. Dupuis: My honourable friend has misunderstood me. I do not say that we here are influenced by some interests behind the scenes. My point is that some people outside of parliament are hopeful that this bill will not pass.

Hon. Mr. Euler: I think that perhaps I should take offence at the suggestion that has been made, since I have been very active in opposing the ban on margarine.

Hon. Mr. Dupuis: You have permission to be offended.

Hon. Mr. Euler: My honourable friend has suggested that opposition to the bill comes from a very small number of people.

Hon. Mr. Dupuis: I said that I would not be surprised if that were so.

Hon. Mr. Euler: The only possible way that could be shown would be through a member of this house. I am the mover of the resolution asking for the six months hoist. I say to the senator—although I do not think it is necessary, knowing where the charge comes from—that I have never in any way, directly or indirectly, had a personal interest in the manufacture of margarine. I have only had in mind the good of this country.

Hon. Mr. Dupuis: My honourable friend takes this subject too seriously.

Hon. Mr. Euler: Not too seriously.

Hon. Mr. Dupuis: That is not the charge at all.

Hon. Mr. Euler: Then what is it?

Hon. Mr. Dupuis: You read my remarks when they are printed, and you will know.

The Hon. the Speaker: I think the honourable senator from Rigaud (Hon. Mr. Dupuis) should not press the point after the honourable senator from Waterloo (Hon. Mr. Euler) has made his statement. The senator from Rigaud should not impute to the senator from Waterloo any party or sectional interest.

Hon. Mr. Dupuis: With all due respect to Your Honour, I do not wish to imply any motives to my colleague.

Hon. Mr. Hardy: The honourable senator is not dealing with the bill at all.

Hon. Mr. Dupuis: I am dealing with the bill.

Hon. Mr. Hardy: I ask, Mr. Speaker, that he be required at least to keep within the shadow of this bill.

Hon. Mr. Dupuis: Honourable senators, I am dealing with the bill. It has to do with permitting one province to sell a product within another province, and I believe that I am quite in order. If I have not expressed myself clearly enough, I will certainly do so.

Hon. Mr. Hardy: Well, you certainly do not.

Hon. Mr. Dupuis: I am ready to do anything to satisfy my honourable colleagues, but as far as this legislation goes we have to choose between two matters. First, shall we refuse a province freedom to deal with other provinces in certain products, in a country where liberty and freedom are practised? On the other hand—

Hon. Mr. Roebuck: May I interrupt?

Hon. Mr. Dupuis: Let me finish my second point.

Hon. Mr. Euler: There is no point.

Hon. Mr. Dupuis: On the other hand, is the present legislation constitutional? Those are the two points we must decide upon in considering this legislation. For my part, I am in favour of the bill, even if it is brought down on the last day of the session. We are all conversant with the measure which is before us.

Some honourable senators have said that its passage would create a precedent. As the senator from Grandville (Hon. Mr. Bouffard) has said, the federal government controls the sale of many other products the same way.

For all those reasons—

Hon. Mr. Euler: What reasons?

Hon. Mr. Dupuis: —I am in favour of the passage of this bill. It may appear that I am in favour of certain legislation passed by a certain party in my province, but I believe the province should be allowed to govern itself as it sees fit.

Hon. Mr. Roebuck: Now perhaps my friend will permit me to ask a question that is pertinent to a point made earlier in his speech. I do not think for one moment that he wishes to imply that I have any private interest in the manufacture of oleomargarine. Has he read subparagraph (i) of section 6, which includes the words "milk, cream, butter, cheese", and if he has, would he approve of an order in council, at the solicitation of the dairy interests in Ontario, prohibiting the export of those products from the Province of Quebec to Ontario?

Hon. Mr. Reid: That is a good question?

Hon. Mr. Dupuis: Without offering a direct answer to the question, I may say that I am in favour of freedom of trade as between provinces.

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Dupuis: Moreover, any legislation that cannot properly be passed by the federal government would, according to section 121 of the British North America Act, be *ultra vires* on the grounds that it interfered with trade. But in this case, I think that we should at least allow the provinces to manage their own affairs, and the federal government should allow a margin of freedom for the interpretation of legislation by those provinces which do not like oleomargarine.

Hon. Mr. Roebuck: The question has to do with butter, milk and cheese.

Hon. Mr. Dupuis: I see no reason for preventing any province from making its own decisions as to whether certain products should be allowed to be sold within its boundaries. On the question of interprovincial trade, the province should be free to act according to its wishes in any such matter. If anyone in this country is of the opinion that

provincial legislation is unconstitutional, he has the right to submit it to the proper court of justice.

Hon. A. K. Hugessen: Honourable senators, I have a particular reason for intervening at this stage of the debate, but before doing so I should perhaps say a word about my personal position in the house.

When my honourable friend the leader of the government did me the great honour some months ago of asking me to act as deputy leader—an honour which any man would be glad to receive—I accepted with pleasure and humility. I did, however, say to him that in taking the position I did not wish in any way to be restricted in my liberty to deal with legislation as I saw fit. I made particular reference to the question of margarine, and I reserved the right to be completely free in the attitude I would take regarding it. I think the honourable leader will agree that that is my position.

I should like to deal for a few moments with section 6 of the bill, and to indicate the effect it is going to have. That section reads:

> The Governor in Council may by regulation prohibit
>
> (c) sending or conveyance from any province to any other province or from any province to one or more designated provinces.
>
> of any class of products that is designated by the regulations as being
>
> (i) milk—

and so forth, and it goes on to say that the Governor in Council may, by a regulation made under subsection one, designate any class of products as substitutes for a dairy product.

That, of course, is all very bright and general and, as has come out in this debate, it deals with a great number of subjects in addition to margarine though the debate has largely centred around that commodity. The purpose for which this section was introduced in the bill was most clearly stated, in a very brief discussion in the other place, by the Minister of Agriculture. He was asked about the constitutionality of such a provision in regard to the laws of the provinces. Under the rules of the house I cannot, of course, quote him directly, but I can say that he made it perfectly clear that the federal government intended to act under section 6 only in the case of a province which has adopted legislation prohibiting the use of margarine in that province. So we come down to this admitted fact, that section 6 is designed for the purpose of assisting two provinces which have passed legislation prohibiting the sale and use of margarine. I refer to Quebec and Prince Edward Island.

Let me deal with the subject from a slightly different angle than that from which it has been dealt with by any other honourable senator. Let me ask the house to deal with this matter from a practical point of view. As you know, the Government of Quebec prohibits margarine; the Government of Ontario permits it. The boundary between those two provinces extends for many hundreds of miles, practically from the confluence of the Ottawa river with the St. Lawrence, up the Ottawa river, to the Hudson Bay; and virtually the whole of the Quebec side of that boundary happens to be in the senatorial district of Inkerman, which I represent in this chamber.

Hon. Mr. Lacasse: We never thought of that!

Hon. Mr. Hugessen: Let honourable senators be frank with themselves. What is the position today in the city of Hull and in the Gatineau Valley? As every honourable senator knows, thousands upon thousands of people from that area come to Ottawa, do their purchasing here, buy a pound or two of margarine in the stores and take it to their homes. It is true there is a prohibition of the use of margarine in the province of Quebec, but it is not enforced, and it would be impossible of enforcement. Now what are we proposing to do by this section 6? We are asked to enact legislation whereby anybody who imports—say by car, from Ottawa—a pound of margarine into the Province of Quebec is to be subject, first, to an investigation by inspectors, second, to confiscation of the margarine in his home if it is found there, third, to a fine of $500, or imprisonment for six months, or both. That is the prospect which a resident of Hull or of the Gatineau Valley will face if section 6 of this legislation goes through.

Hon. Mr. Bouffard: Why do they not obey the law?

Hon. Mr. Hugessen: Here is another aspect of the proposed legislation. In eight of the ten provinces of Canada the production, sale and consumption of margarine are completely legal. What by this legislation we are asked to do is to make illegal in two provinces what is perfectly legal in the other eight. The resident of Carleton or Russell county can come to Ottawa, buy margarine, go home perfectly happy with his purchase, and consume it. But the man who happens to live across the river, in Hull or Gatineau county, is liable to have his house broken into, his margarine seized, and himself fined and imprisoned. That will be the practical result of this legislation.

Hon. Mr. Dupuis: May I interject a reminder to my honourable friend that during prohibition days the same sort of thing occurred. A man could be arrested on the Hull bridge for carrying liquor in Ontario.

Hon. Mr. Bouffard: The same is true today.

Hon. Mr. Hugessen: I am not prepared to admit that there is any parallel between dealing in margarine and dealing in liquor. As the honourable senator from De Lorimier (Hon. Mr. Vien) pointed out a few minutes ago, the two operations are subject to completely different rules of interpretation.

Theoretically, that is the situation in which my constituents, the inhabitants of Hull and Gatineau Valley, will find themselves. Theoretically they will be exposed to these penalties. I say "theoretically" because I do not think that in practice very much of that will happen. What will happen will be this: you will pass this law and your law will be ignored and flouted by the population.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Hugessen: The position will be the same as that in which this country to some extent, and more particularly the United States, found themselves in the days of prohibition when they attempted to enforce a law which was repugnant to great numbers of people.

Hon. Mr. Lacasse: Also the O.T.A., in Ontario.

Hon. Mr. Hugessen: I do not need to tell my honourable friends what were the results in the United States in that period, when it was the proper thing, the right thing, and the smart thing, to violate and evade the law. An outbreak of gangsterism and crime occurred which has continued from that day to this.

As the honourable senator from Ponteix (Hon. Mr. Marcotte) said this morning in relation to another bill, this is not a matter of money. Nor is it a matter of morals. It is something that affects the ordinary everyday life of thousands and thousands of our decent, honest Canadian fellow citizens, hard-working, law-abiding men and women who live within a few minutes' journey from this chamber. By this legislation you are going to turn them into law-breakers. I think that thought should make the Senate pause before it agrees to section 6.

With regard to the practical position, I do not know that I can support my honourable friend from Waterloo (Hon. Mr. Euler) in opposing the second reading of the bill. I would certainly not vote for it, but I would be willing to let the bill pass on division, on the assumption that when it goes to committee section 6 will be struck out.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Lacasse: When would the bill be reported back?

Hon. Mr. Hugessen: To my honourable friends who have criticized sections 3, 4 and 5, I would point out that these clauses are no more than re-enactments of existing statutory provisions. They do not deal primarily with prohibition of interprovincial trade; they relate in the main to the prescribing and enforcement of standards. I do not particularly object to them. But, for the reasons I have given, I do most seriously and strongly object to section 6. I cannot believe that the other place, during the few minutes which it gave to this bill, or even members of the government, when they were considering it in the rush and hurry of the last days of the session, can have realized that practical results—what will happen if this section should pass into law.

Hon. Mr. Horner: What is left if section 6 is deleted?

Hon. Mr. Hugessen: All the provisions with regard to grading, marketing, and the rest, that are now in the Dairy Industry Act.

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

DOMINION ELECTIONS BILL

SECOND READING

Hon. A. L. Beaubien moved the second reading of Bill 404, an Act to amend the Dominion Elections Act, 1938.

He said: Honourable senators, this is a short bill and does not require a lengthy explanation.

The first section makes a change in the ballot. The Chief Electoral Officer told me today that by folding the bill as I am now doing, and by putting the number on the counterfoil, an impression invariably is left on the face of the ballot. He said that as a result of this procedure over 400 ballots were thrown out at a recent election, although this did not affect the results of the election. Under the amendment each elector shall receive from the deputy returning officer a ballot paper. On the back of this ballot paper the deputy returning officer will have placed his initials so that when the ballot paper is folded they will be seen without unfolding the ballot paper.

Section 2 of the bill has to do with elections in the Northwest Territories. It will be remembered that earlier in the session we passed a bill having to do with the members to the Council of the Northwest Territories. Five of these members are to be appointed by the federal government and three are to be elected. The bill before us provides that the Chief Electoral Officer shall conduct the elections of the members to the Council of the

Northwest Territories on the same basis as he conducts the elections in Canada as a whole.

Honourable senators, as I say, this is a short bill, and I do not think it requires further explanation. It passed the House of Commons unanimously, and as the members of that body are the elected representatives of the country, they are really more directly concerned with this bill than are we, the members of the Senate.

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

THIRD READING POSTPONED

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

Hon. Mr. Beaubien: I move the third reading of the bill now.

Hon. Mr. Haig: Honourable senators, I have been familiar with the contents of this bill for four or five days now, not that I am in the confidence of the government, but because I attended a conference at which the question of the general amendments to the Dominion Elections Act came up. It was the opinion of those attending that conference that these sections affecting the Northwest Territories should be in the Act. I know that the bill was unanimously passed in the other place.

The Hon. the Speaker: Honourable senators, the question is on the motion of the Honourable Senator Beaubien for the third reading of this bill.

Hon. Mr. Roebuck: Honourable senators, this bill was placed in my hands less than five minutes ago. I have never seen it before and have not had an opportunity to read it, yet I am being asked to consent to third reading. If that is not railroading legislation, I do not know what is. Why not let the third reading stand until tomorrow?

Hon. Mr. Beaubien: I shall withdraw my motion.

Hon. Mr. Roebuck: Yes.

The motion was withdrawn.

JUDGES BILL

SECOND READING

Hon. L. M. Gouin moved the second reading of Bill 405, an Act to amend the Judges Act, 1946.

He said: Honourable senators, the object of this bill is threefold. It increases the judges' salaries 20 per cent, except those of the Supreme Court of Canada; increases the number of judges for the High Court of Ontario and for the Superior Court of Quebec, and it has the effect of giving pensions to widows of judges.

According to section 1 of the bill, judges of the Exechequer Court will receive an increase of 20 per cent in their salaries. Section 2 increases the number of High Court judges in Ontario from sixteen to eighteen, and the Ontario Legislature is amending the Ontario Judicature Act to provide for this increase.

Section 3 of the bill increases the number of judges of the Superior Court of Quebec by three. In 1948 Quebec amended its legislation, authorizing the Lieutenant Governor in Council to establish up to six more positions. A corresponding amendment was made to the Judges Act, authorizing salaries for such additional number of judges, not exceeding six, as the Governor in Council might declare. Pursuant to this authority four more offices were established, three for Montreal and one for Quebec City.

Two additional judges were to be appointed after proclamation of the Lieutenant Governor in Council, but this has not yet been done. I mean that these seats on the Bench have in a sense to be created by the province of Quebec. The organization of the courts is of course a provincial matter, but judges are appointed by the Governor General in Council, and their salaries are paid out of moneys voted by parliament.

At its latest session, in 1951, the Quebec legislature modified the provisions of its Courts of Justice Act and authorized the Lieutenant Governor in Council to provide for the appointment of a total of forty-six judges for our Superior Courts. The amending Act adopted in 1948, which I mentioned a few minutes ago, was repealed, and therefore we apparently provide for five additional judges; but actually only three new judges will be appointed in addition to the two whose appointments had already been provided for in 1948 but have not yet been made.

It is contemplated that the five new judges will be appointed to the following districts:

Montreal, 1; Abitibi, Rouyn-Noranda and Temiskaming, 1; St. Francis and Bedford, 1; Hull, Labelle and Pontiac, 2.

Appointment of the extra judge in Montreal will give us a total of twenty-six members of our Superior Court there. It is generally known that the arrears of cases on the roll of the Superior Court in Montreal create a very serious problem; in fact, it takes almost two years from the time an action is begun in that court until it gets down to trial. As a lawyer I consider it is absolutely in the interest of justice to have a larger number of judges in the Province of Quebec.

The salaries of judges in Ontario and Quebec are increased by 20 per cent. Section 3

of the bill increases by the same percentage the salaries of all Superior and County Court judges in the eight other provinces.

I come now to sections 4, 5 and 6, which simplify the procedure to be followed on the granting of a pension or annuity to a judge. Up to the present time it has been necessary not only to pass an order in council but to issue letters patent under the Great Seal, and it is felt that an order in council alone should be sufficient for the purpose.

Section 5 amends section 24 of the Act, which deals with annuities for judges of county courts. They were formerly covered by section 25 of the Act, and had they remained under that section they would not have benefited from the increase in pensions consequential upon the increase in salary. A county court judge who is compulsorily retired or has continued in office for at least thirty years may be granted an annuity of three-fourths of his salary of $6,666.66, or a total of $5,000. If the salaries are increased to $8,000, as proposed, the ordinary annuity of two-thirds of salary will be $5,333.33.

The purpose of section 6, which amends section 25 of the Act, is simply consequential upon the amendment to section 24, which I have just mentioned.

I come now to the last section of the bill, which provides for annuities to widows of judges or, in certain cases to wives of judges. Since August 15, 1944, a judge has been permitted to make an election under which he will receive two-thirds of his pension and his wife will receive one-third of it. Should the wife predecease him, the judge will continue to receive only two-thirds of his pension. The amendment adopted in 1944 did not apply to widows of judges who had died before that date and some of those widows are today in unfortunate circumstances. I am sure that my colleagues who are members of the Quebec Bar know, as I do, of some pitiful cases.

Hon. Mr. Roebuck: The same is true of the Province of Ontario.

Hon. Mr. Gouin: Some of these widows are practically in a state of poverty. Under section 7 of the bill, the new section 26A would enable the Governor in Council to grant to widows of judges who died before August 15, 1944, "an annuity not exceeding two-ninths of the salary provided by Act of parliament for a county court judge at the date the judge died, to continue during her natural life." In other words, the annuity would be at the lowest rate, based on the salary of a county court judge.

Subsection 2 of the new section 26A provides for the widows of judges who retired on pension before August 15, 1944, and who have since died. These widows also will receive an annuity of two-ninths of the salary provided for a county court judge.

Subsection 3 would authorize a judge who retired on pension before the date in question, and who is still living, to elect to divide his pension between himself and his wife. This election was provided for only on August 15, 1944; and there are a number of judges who had retired before that date to which it was not made retroactive. I submit that it is only fair that they be given this privilege, otherwise, when they die their widows will be left with nothing. Provision is also made for the irrevocability of the election; in other words, a judge's decision to divide his pension is final. Provision is made that when the widow of a judge remarries she will lose her right to the pension.

I am sure that all members of this house are fully aware of the necessity for providing adequate remuneration for our judges. Many of them make a sacrifice when they abandon private practice, even with the additional remuneration which this bill would provide. We in this house have the greatest respect for the members of the judiciary. They represent a very noble tradition in this country, and we desire to make sure that their standard of living shall be adequate and dignified. We would also wish to assure them that in their retirement, after years of dispensing justice, they will be given a decent pension. Finally, we want to make adequate provision for their widows.

If any member of the houses desires that the bill be referred to a committee, I shall be glad to so move. Personally, I feel that little can be added to the explanation which I have just given.

Hon. Mr. Haig: Question.

Hon. Mr. Roebuck: There is no need, in my opinion, to refer the bill to a committee. I express my full approval of it.

Hon. Mr. Turgeon: I also approve of it.

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

THIRD READING

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

Hon. Mr. Gouin: Now.

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

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Friday, June 29, 1951

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

THE ESTIMATES

COMMITTEE ON FINANCE—PRINTING OF REPORT

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

That authority be granted for the printing of 1,000 additional copies in English and 200 additional copies in French of the Report of the Standing Committee on Finance on the expenditures proposed by the Estimates laid before parliament for the fiscal year ending March 31, 1952.

The motion was agreed to.

DOMINION ELECTIONS BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 404, an Act to amend the Dominion Elections Act, 1938.

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

CRIMINAL CODE BILL

THIRD READING

Hon. Wishart McL. Robertson moved third reading of Bill 391, an Act to amend the Criminal Code, as amended.

Hon. A. W. Roebuck: Honourable senators, I have already protested against the lateness of the hour at which this most important bill has been brought before the house, and I have indicated my view that it has not received adequate consideration. It is also my view that the matters contained in the measure are not of such urgency that it need be rushed through without full consideration by the house and without time being given to receive some indication of the reaction of the public. However, I presume that it is futile for me to address sentiments of this kind to the house, for no doubt the bill will pass.

Hon. Mr. Beaubien: How do you know?

Hon. Mr. Roebuck: Willy-nilly, it will go through. But each one of us has a duty to the public and to himself, and for my part, I feel that it is my duty to make some comment on the important matters involved in this bill. I say positively that I do not join in all the criticism of the measure that has been expressed, because some of it springs from misinformation; but the fact that criticism exists strengthens my contention that the measure should not have been brought before this house in the dying days of the session. This legislation affects the right, freedom and security of the citizen; it involves British justice and liberty, and that sort of thing, and should not be rushed through. The public should know what we are doing, and have confidence in it. From my touch with the public, I am satisfied that, because of the manner in which this measure has been brought in, everyone has not such confidence.

I shall ask the house to bear with me while I comment on some of the clauses of the bill. To begin with, section 2, at page 4, reads:

Every one who aids, assists, harbours or conceals a person who he knows is a deserter or an absentee without leave from the Canadian forces is guilty of an offence and liable on summary conviction to a fine not exceeding five hundred dollars . . .

By way of marked contrast to the lack of consideration which the bill is receiving, the national defence bill of last session was discussed fully when it was before the house. That measure, which contains what is really the Criminal Code for the armed forces, was studied for days, and every section was thoroughly considered. Indeed, if I remember correctly, we brought in no less than 82 amendments. At that time I expressed the view, and I repeat it now, that a quarrel between the army and a deserter or absentee without leave should be kept within the army. It is an inter-army matter, and it is unfortunate, unnecessary and inadvisable to bring the public into the picture as this bill does, and make guilty the father, mother, brother, sister or friend, if comfort or assistance has been given to a member of the forces who is absent without leave. What I said on the previous occasion did get a little way into the minds of the members of the other house, because the section was amended and very much softened by providing that no such proceeding shall be instituted under the section I have referred to without the consent of the Attorney-General of Canada, a change which improved the section tremendously, because one can rely upon the Attorney-General not to use that section under the circumstances that I have indicated. I think, therefore, that my principle stands that a quarrel between an officer and a man who is away without leave, or deserting, if you like to call it that, should be confined to the army, and not slop over into civil life.

My next comment is with regard to clause 6 of the bill, which sets forth what will be section 84 of the Code. I protest against the making of the Royal Canadian Mounted Police a sacrosanct force. The members of that force are just policemen. The excuse given

for these provisions, which I will read in a moment, is that they have to do with security, and that therefore the force is in some way on a military basis. But the actual fact is that the Royal Canadian Mounted Police now does the local police work for all but two of the provinces of Canada.

The proposed section 84 provides that every one who

(b) aids, assists, harbours or conceals a member of the Royal Canadian Mounted Police whom he knows to be a deserter or absent without leave; or

(c) aids or assists a member of the Royal Canadian Mounted Police to desert or absent himself without leave, knowing that the member is about to desert or absent himself without leave,

is guilty of an offence and liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for six months or to both fine and imprisonment.

Now, can you imagine the outcry that would go forth in Canada if we were to apply this provision to the ordinary police forces of our Dominion? Yet you obligate a member of the Royal Canadian Mounted Police to stay on his job for, five, seven, or ten years, whatever the enlistment period may be, irrespective of the treatment which is accorded him while he is there, and put in jail anybody who assists him if he deserts. It is wrong. The Royal Canadian Mounted Police are a civilian force, and should remain such. We want no SS. Guard in Canada. There is no need to treat these men as though they were a Praetorian Guard to protect the lives of tyrants. They do nothing of the kind. They enforce the civil law of our country in, I understand, a quiet, efficient and very satisfactory way in those provinces where they have been given control, and there is no need to make them a military force, governed by military law and subject to military domination.

Just a comment or two on the proposed section 120 of the Code, which is contained in clause 7 of the bill. This is an attempt to prevent injuries and accidents resulting from the handling by young people of air-guns, firearms, air-pistols and the like. In my judgment the amount of damage done in this way is out of proportion to the value of these instruments involved. I welcome the new provision which restricts the sale of these instruments to young people; but it is confined to those under the age of fourteen and does not go far enough. According to our laws with respect to many things, the age of maturity is sixteen years, and I think that the age in this provision should be sixteen years rather than fourteen. A large part of the damage that is done by young people with these instruments is done by those from, say, fourteen to eighteen. That is the age group which does the most damage.

Hon. Mr. Reid: That is right.

Hon. Mr. Golding: And less than fourteen too.

Hon. Mr. Roebuck: Yes, I include the ones under fourteen; but most of the damage is done by those between the age of fourteen and the voting age of twenty-one. I should have liked to see this provision made to fit the usual age for young persons, the age for instance at which they are callable in the juvenile courts, namely, sixteen. The age of consent is sixteen.

Hon. Mr. Reid: The members of these young gangs are usually between sixteen and eighteen.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Golding: Not all of them.

Hon. Mr. Roebuck: Not all of them, but those who are under fourteen are usually led and tutored by those who are between sixteen and eighteen. That is a minor point, but it illustrates my original statement that this legislation has not been given the consideration that is due to it.

Hon. Mr. Vien: Have any reasons been given why the age should not be eighteen instead of fourteen?

Hon. Mr. Roebuck: No, not that I know of. I have heard of none.

Hon. Mr. Vien: Would the honourable senator be willing to move that this change be made?

Hon. Mr. Roebuck: I am tired of doing that kind of thing simply to have it voted down in this house; but I shall support my honourable friend from De Lorimier (Hon. Mr. Vien) if he desires to move such an amendment.

Section 7 of the bill has to do with the possession of weapons, and I should like to read subsection (3) of the new section 122. It says:

Every one who is an occupant of a motor vehicle in which he knows there is a firearm is guilty of an offence unless some occupant of the motor vehicle has a valid permit in Form 76 or Form 76B relating to that firearm.

Now, then, honourable senators, just imagine climbing into a motor bus and finding that somebody in that vehicle has a pistol in his hip pocket. Under this provision every one in the bus will be guilty of an offence. That is not what is really intended, but that seems to me to be the effect of this provision. I am all for guarding against injury and damage by the illicit use of firearms. I am as afraid of a gun as anybody. I can remember as a boy being taught that it was a sin to point a firearm, loaded or unloaded, at anybody.

We need more care and restrictions in the use of firearms. As we all know, the use of firearms by people engaged in crimes of violence has reached terrible proportions. We can hardly go too far in providing penalties for such cases. But the section we have here is foolish. If a person is in a motor car with another person who has a concealed weapon, or even a weapon that is not concealed, is he to ask him whether he has a permit in Form 76, and if not to get out of the vehicle? The idea no doubt is to catch groups on marauding expeditions, in which only one of the group has a gun but all intend to use it. This section does not cover that kind of case only. This covers the odd case when someone in a vehicle has a firearm and no permit, in which event all the persons in the vehicle at the time are guilty. And the penalty on summary conviction is a fine not exceeding $500 or imprisonment for six months or both fine and imprisonment. I simply suggest that the section has been ill thought-out.

I am in hearty accord with a good many other sections dealing with possession of firearms.

Next I call attention of honourable members to the proposed new section 128, on page 8 of the bill. Paragraph (a) of subsection 2 of this section exempts any person engaged in the business of repairing firearms from the necessity of having a permit to possess firearms. Now, I do not know any more questionable business in Canada than that of repairing firearms. It does seem to me that any man who repairs firearms might very well be required to ask a person who brings a firearms to his place to be repaired whether he holds it under permit or intends to use it for the purpose of marauding on the streets of our cities, holding up banks and so forth.

When I was mentioning a previous section dealing with the Royal Canadian Mounted Police I should perhaps have mentioned also the proposed new section 132A, on page 9 of the bill. Just listen to this.

> Everyone is guilty of an indictable offence and liable to imprisonment for five years who wilfully
> (a) interferes with, impairs or influences the loyalty or discipline of;
> (b) publishes, edits, issues, circulates or distributes any writing that advises, counsels or urges insubordination, disloyalty, mutiny or refusal of duty by; or
> (c) advises, counsels, urges or in any manner causes insubordination, disloyalty, mutiny or refusal of duty by
> a member of the Royal Canadian Mounted Police, the Canadian forces or the naval, army or air forces of a State other than Canada that are lawfully present in Canada.

This section groups the Royal Canadian Mounted Police, a civilian police force, with our military forces and the naval, army or air forces of another country that are lawfully present in Canada, and it places a restriction on the freedom of our people to counsel, advise, urge, or in any manner encourage, the insubordination of any member of this police force. Well, honourable senators, are we living in this fine, free Canada of ours, or in Germany, where the ordinary citizen has to be careful about what he says to a policeman lest he encourage him to be insubordinate to his officers? This section would have been a perfectly good one for Mr. Hitler to have promulgated when he was building up the reputation and power of his S.S. force, but it is utterly out of keeping with this fine civilian nation of ours, where everybody is free to speak his mind and to act as he thinks he should, so long as he does not commit any immoral or other act prohibited by the Criminal Code. We should treat our police force, particularly one that is policing the provinces, in the ordinary way, just as we do the "flat-foot cops" on our city streets. I use that expression in a joking way, for I have the highest respect for the ordinary policeman. He is a very intelligent citizen, a skilled artisan pursuing his occupation efficiently, and usually in a very kindly and good-natured way. We have no finer class of citizens than the policeman of our municipalities, including, if I may say so, the police of my own city of Toronto. We should keep the Royal Canadian Mounted Police a civilian force, and not hedge its members around with restrictions of the kind proposed here, and thereby try to make them look upon themselves as sacrosanct.

Now I wish to refer for a moment to the new subsection (4a) of section 285 of the Act, on page 10 of the bill. This is the subsection that provides a penalty for driving while the ability to drive is impaired. Now, there is nobody in the world who condemns more strongly than I the driving of a motor car by an intoxicated person. I remember one terrible New Year's Eve that we had in Toronto, when several deaths—I forget just how many—were caused by accidents involving drunken motorists. I was Attorney General of the province at the time, and on the day before the next New Year's Eve I published a statement recalling the tragedies of the previous year, and asking the good citizens of Toronto, the reputable business and professional men and others to refrain from drinking or at least from driving after they had drunk. Well, on New Year's Eve I was in a club, and the bottle was passed around. I was invited to join in the celebrating, but I expressed my views in no uncertain way. However, the gentlemen present said: "That's right Roebuck" and

kept passing the drinks around. I asked myself "What is the use of appealing to people to be careful?"

Nobody is more opposed to drunken driving than I am. Yet, honourable senators, listen to this subsection (4a):

> Everyone who, while his ability to drive a motor vehicle or automobile is impaired by alcohol or any drug, drives any motor vehicle or automobile, or has the care or control of a motor vehicle or automobile, whether it is in motion or not, is guilty of an offence . . .

What is meant by the "care or control of a motor vehicle"? In the courts in the immediate past there have been cases where motorists when driving have felt that the liquor they have taken has made them incapable of exercising proper control, and so have pulled over to the side of the road, got out of the front seat and into the back seat, and been found there by the police. The courts have found such motorists guilty of being drunk while in control or care of a motor vehicle, and have sent them to jail. When we were considering this bill in committee the leader of the opposition (Hon. Mr. Haig), who is not present this morning, told me that recently the Manitoba Court of Appeal had refused to support a conviction in circumstances of that kind.

This measure would put the matter of having the care of an automobile on a par with the driving of an automobile. What does the care of an automobile involve? Must a garage operator who has a car under his control and in his care be liable to go to jail if his abilities are impaired? That is surely not what is intended; but that is what is said; and in legislation it is not what is intended by drafters that counts, but what they say. The provisions of this bill would apply whether the car was in motion or not, just so long as it was within an accused person's care and control. The section is most unfortunately phrased.

Hon. Mr. Beaubien: But such a person must be under the influence of liquor or a drug.

Hon. Mr. Roebuck: When his driving ability is impaired by liquor or drug, and he has the care of a motor car. It seems to me the ends of justice would have been met if the rule had been made to apply to a person driving a car. The court of appeal in the Province of Manitoba recently refused to support a conviction under conditions such as this bill provides.

Hon. Mr. Beaubien: Would my honourable friend not agree that a large percentage of the accidents are caused not by drivers who are intoxicated but by those whose facilities are impaired through the use of liquor or a drug?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Beaubien: Then why not put something in the Act that will prevent such people from driving?

Hon. Mr. Roebuck: I welcome the provisions of this measure which extend the present drunken driving provisions to those whose ability to drive has been impaired. That is good; I like it. There may be some difficulty in its administration, but in due season the courts will take care of that, and I look for the success of this legislation in that respect. But that is quite apart from the provision that a man who is sitting in the back seat of an automobile, and has no intention of driving it, may be sent to jail.

Hon. Mr. Beaubien: But he is liable to start it and drive it at any time.

Hon. Mr. Roebuck: Yes, but we are not going to put in jail a whole crowd of people whose ability to drive has been impaired by too free imbibing; the provision should apply only to those who are driving or operating a motor car.

Hon. Mr. Lambert: May I ask my honourable friend if the Criminal Code contains any provision governing practice driving on the streets, as conducted by certain driving agencies? An unfortunate accident occurred in this city the other evening, when a boy of fifteen was being taught to drive.

Hon. Mr. Duffus: That was by his father.

Hon. Mr. Lambert: True; but there are driving agencies that teach people to drive. I notice cars frequently with the name of some driving school on the back. Persons who are being taught to drive are attempting to observe all the courtesies of driving, but they are liable to become confused and, for instance, apply the accelerator instead of the brake. If the Criminal Code is going to put so much emphasis on intoxication, it should not overlook other matters which involve the public safety. To my mind these practice-driving cars are a menace to other drivers and to pedestrians.

Hon. Mr. King: Order!

Hon. Mr. Roebuck: We must be most careful not to discuss the accident which recently took place in this city, for charges have been laid against the parties. There is, however, provision in the Code against careless driving and the provinces legislate on the matter of granting licences, and so on. Undoubtedly these driving agencies, as my friend calls them, are licensed to teach people to drive. In Ontario a special temporary licence is given to enable the uninitiated to learn to drive.

Hon. Mr. Lambert: But the area in which such practice driving shall take place is not set out.

Hon. Mr. Roebuck: No, it is not. Perhaps the municipalities might provide for that. I should not like to live in the area that was selected.

Hon. Mr. Lambert: The racetrack is the place to do it.

Hon. Mr. Roebuck: That may be so; but after all, the learning-to-drive period is something that lasts more than a few days. One could be told in five minutes how to drive, but experience and practice take many months.

I should like, gentlemen, to make reference to section 14 of the bill. This is new law, and therefore should be very carefully drawn. Clause (4d) of subsection 2 of section 14 has to do with the introduction into evidence of the results of a certain analysis. That subsection reads as follows:

> In any proceedings under subsection four or four (a) the result of a chemical analysis of a sample of the blood, urine, breath or other bodily substance of a person may be admitted in evidence on the issue whether that person was intoxicated or under the influence of a narcotic drug or whether his ability to drive was impaired by alcohol or a drug—

The words to which I draw attention are these:

> notwithstanding that he was not, before he gave the sample, warned that he need not give the sample or that the results of the analysis of the sample might be used in evidence.

The technique of analysis of blood samples and other substances is now past the experimental stage; it is approved by judges and not infrequently accepted by juries. But in legalizing the use of evidence derived in this way, I think exemption should be afforded both to the person who refuses to submit to the test—and this we have done—and to the one who, being in a muddled condition, does not object. If we are going to allow a person who has the intelligence to do so to withhold his consent, we ought to see to it that the person who is taken into custody in a condition in which he is unable to defend himself should have similar protection. But this amendment permits the police to get such a man in their custody, to take a sample without the presence of his medical adviser or his lawyer, and then, whether he has been warned or not, to use that sample and the analysis in evidence against him.

Hon. Mr. Beaubien: Is not that done for the protection of the man himself?

Hon. Mr. Howard: Why, certainly.

Hon. Mr. Roebuck: I said, it could be used without his consent. I grant you that it may be used by way of protection as well as for prosecution; but because it can be used in Case A for protection is no reason why it should be used in the opposite way in case B. We have gone just a little too far.

Hoonurable senators will realize, of course, that for many years I have been a defence counsel. Many a time I have seen a prisoner in the box, and I have been impressed with his position, with everything against him—with a steam-roller, so to speak, about to go over him—and I am jealous for his protection in every British right. Not that the criminal should enjoy exemption from the law; I am anxious that he should be brought to justice.

Hon. Mr. Beaubien: May I ask my honourable friend whether he could not make as good a speech if he had been a prosecuting instead of a defending attorney?

Hon. Mr. Roebuck: Well, it is very seldom that I have prosecuted. I have not had very much practice that way. My thoughts and impulses have more often been directed to the defence.

Hon. Mr. Beaubien: But you prosecuted when you were Attorney-General.

Hon. Mr. Roebuck: Well, during that time I directed many prosecutions. I did not personally prosecute a single case, but for three years I was head of the prosecution force of my province. But I guided it. I saw to it, too, that the prosecutors were polite, that they did not bulldoze anybody: I stopped the unseemly joking that went on in our police courts: yes, and I made the magistrates wear proper clothes and maintain decorum in their courts. There were a good many other reforms which I could mention that were made during the comparatively short time I was in control. As far as I know I never invaded the rights of any individual. I have protected the man who was being attacked as zealously as I have enforced the duties of the prosecution. In this amendment we have gone too far. We should provide that evidence obtained under this provision cannot be used without the consent of the accused person, and that if he consents to a test he must be in a condition to intelligently give consent. That would be a reasonable safeguard to surround the use of this new evidence in our courts.

A word or two about the post office sections. I do not know why it is that people in control of departments want to acquire arbitrary power, or powers which may be used oppressively, or—to repeat an expression I have already used—to make their operations sacrosanct. On page 12, in section 16 we find:

> 364. Every one is guilty of an indictable offence and liable to imprisonment for life, or for any term not less than six months, who steals,
>
> (a) a post letter bag; or

(b) a post letter from a post bag or from any post office, or from any officer or person employed in any business of the post office of Canada, or from a mail, or

(c) a post letter containing any chattel, money or valuable securities; or

(d) any chattel, money or valuable security from or out of a post letter.

I am quite willing to admit that special care must be used in protecting the mails against theft. But to do so it is not necessary to "go off the deep end" and talk about sending people to prison for life for a theft of this kind, which would be trifling were it not theft from the mails.

There is another provision to which I object even more than to the penalty provision, I object, because no common-sense judge would go so far as to sentence an offender for life. Hitherto it has been the rule to allow magistrates and judges to use discretion in punishing thefts from the post. Similar discretion is permitted them in cases of theft from private individuals. Many circumstances are connected with every transaction, legal or otherwise, and often a person is charged and convicted of theft from the post when the transaction was trivial, was not regarded as serious at the time by the individual himself, or there were other extenuating circumstances over which the imagination might run riot. So time and time again judges who have had a prisoner before them have felt that the offender should not be sent to jail because, though his hand or his foot may have slipped on the particular occasion, he was not a criminal. But I am told in the Department of Justice that this new amendment is for the very purpose of preventing judges and magistrates from using their discretion. So one finds, in 365A:

Section one thousand and eighty-one does not apply where a person is convicted of an offence under section three hundred and sixty-four or three hundred and sixty-five.

That is, stealing from a postman or somebody employed in the business, or from a bag, or something of the kind. The provisions of the Code which permit the magistrate or judge to give suspended sentence are made inapplicable to offences connected with the post office. So the judge or the jury will face the fact that if an accused is convicted, no matter what weight may be attached to the surrounding circumstances, he must be committed to jail for not less than six months.

Since time immemorial parliaments have enacted legislation which has been outrageously cruel because they have not had the victims before them. They have viewed these things impersonally, and it has not been until these cruel measures have actually come before the courts where the victims, their wives and their children have been present, and all the circumstances have been disclosed, that the common sense of twelve good men and true has caused them to refuse to carry out the parliamentary dictates. That will be the case in this very instance. I sat in court many times as a young man. I remember one judge who was very generous indeed in handing out five, seven and ten year sentences, and I saw juries draw back and refused to put prisoners in his hands, and bring in acquittals when they were unjustified on any other ground than the attitude of the judge. I have seen excessive sentences in a court moderated by the reluctance of juries to convict as charged. That is one of the wonderful attributes of juries.

Here we are asked to do the very same thing that other parliaments have done; not to the excessive degree that one can find in history, but along the same line of withdrawing from the judge the right to exercise the milk of human kindness. It is taking away consideration and common sense, and providing that technically when a man is guilty he must be sent to jail for six months. Am I not right when I say that this bill has not been given the consideration it deserves? Can anyone say that it has undergone the public discussion that should be given to all important measures? It is absolutely wrong to bring this kind of legislation to us in the dying days of a session.

I refer now to page 15 of the bill, and I read the following under the heading of "Acts Prejudicial to Security".

509A. (1) Every one who does a prohibited act for a purpose prejudicial to

(a) the safety or interests of Canada;

What are the interests of Canada? Are they the interests of sections of Canada, all the people of Canada, or the Government of Canada? I do not know; possibly they are all those things. The section goes on:

(b) the safety or security of the naval, army or air forces of any State other than Canada that are lawfully present in Canada—

There are two things mentioned in the section: the interests of Canada and the interests of the armed forces of Canada or of the armed forces of any State in Canada lawfully.

—is guilty of an indictable offence and liable to imprisonment for ten years.

What is a prohibited act which is prejudicial to the interests of Canada? The definition given in subsection 2 of this section is as follows:

(2) In this section 'prohibited act' means any act or omission that—

Note that it even includes omissions.

(a) impairs the efficiency or impedes the working of any vessel—

That is a dandy piece of legislation to use in a case of a strike on our lakes.

—vehicle—

You must not interfere with my motor car. That is a prohibited act, and I may send you to jail for ten years.

—aircraft, machinery, apparatus or other thing...

Any plant would qualify under this. It would cover any act or omission that impairs the efficiency or impedes the working of any plant in any town, city, or elsewhere.

The section goes on:

(b) causes property, by whatsoever it may be owned—

That would include my automobile.

—to be lost, damaged or destroyed.

—is liable to imprisonment for ten years.

That is new legislation which is terrible and drastic, and it has not been given any real consideration whatsoever. I warrant that it has not been approved by the Attorneys-General of the provinces. I warrant that it has never been laid before the Law Society for the consideration of informed men. It has been dreamed up in the back offices of our Justice Department by young men hired to do this kind of work. We, of course, shall pass it. I know that what I am saying is futile because the bill is well on its way to being passed, but I want to put myself on record as being opposed to this kind of drastic, reckless, ill-thought-out legislation of a prohibitory and dominating character.

If anybody wants an illustration of what has happened to this Act let him observe what I have in my hand. This is a copy of the bill that came from the House of Commons. One whole page has been eliminated. I do not know why. Here is another section which has been eliminated. When we were considering this bill in our committee on Banking and Commerce the officials of the department had half a dozen amendments which they asked us to put into the bill, which of course we did. It just illustrates the lack of care with which this work has been done. It has been carried out either too rapidly or with too much secrecy; it has had too little publicity and it has come to us far too late in the session to be given real consideration. Well, go ahead and pass it!

Hon. Mr. Marcotte: Honourable senators, I move the adjournment of the debate until later in the day.

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

CANADA DAIRY PRODUCTS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 403, an Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products, and the motion in amendment of Hon. Mr. Euler,—That the said bill be not now read a second time but that it be read a second time this day six months.

Hon. Thomas Reid: Honourable senators, in rising to take part in this debate I do so as one who from a practical standpoint is conversant with the trials and tribulations of farmers—I am still a member of the Fraser Valley Milk Producers Association. I am not unmindful of the plight of farmers in many instances. I know of their hard work and long hours, and I am sure that many union workers in our cities would never consent to work so long and so hard as our farmers do. However, it is not altogether reasonable to contrast farm work with work in a city, for, as those of us who have lived and worked on farms know, farming is a way of life which has compensations that are not obtainable by urban dwellers.

I want to join in a protest which has been voiced by other members against legislative measures—especially measures like this and the Criminal Code Bill—being sent over to the Senate in the dying days of the session.

When I was appointed a senator and came here from the House of Commons, I heard it stated on numerous occasions that it was the duty and the responsibility of the Senate to review hasty legislation—to give a second look at it, so to speak. But I say without fear of successful contradiction that the bill we are about to read the second time and the one that we were discussing previously, the Criminal Code Bill, have not been given a second look or scarcely a glance by many members of this chamber.

Hon. Mr. Duffus: What about the Judges Bill?

Hon. Mr. Reid: I was not present when the Judges Bill was passed, but if I had been here I would have opposed it. I hope you opposed it, although I would be surprised if you did. Perhaps that will hold you for a while. If it does not, I will elaborate a bit.

Ever since 1922, when I was first elected to public office, I have taken the stand that it was my duty while in office to represent the people. I know that some persons do not agree with that principle. I have always taken the matter seriously; and I have always been, as I am today, as good a Liberal as any other senator or any member of the House of Commons.

Now I come to the bill. I disagree, of course, with the suggestion made by the honourable senator from St. Jean Baptiste (Hon. Mr. Beaubien).

Hon. Mr. Beaubien: I did not expect the honourable member to agree with me.

Hon. Mr. Reid: You knew I would not, from long experience.

Hon. Mr. Beaubien: Yes.

Hon. Mr. Reid: I have no apology to make. I am very glad that I have disagreed with you.

Hon. Mr. Beaubien: I am glad too.

Hon. Mr. Reid: My conscience is clear on that. Now, if you want a general debate, I will begin one.

Hon. Mr. Howard: You are not in the House of Commons now.

Hon. Mr. Reid: The "family compact" in the Senate does not bother me at all. I have a duty to perform and I am going to perform it. After all, I can speak about this bill as a farmer, and not many who have discussed it can say that. I mean, I can speak as a farmer from British Columbia, not from Quebec.

Hon. Mr. Bouffard: What difference is there?

Hon. Mr. Reid: There appears to be quite a bit of difference.

Hon. Mr. McDonald: Other farmers here may not agree with you.

Hon. Mr. Bouffard: I do not think the senator from New Westminster (Hon. Mr. Reid) knows very much about the farmers of Quebec. He ought to come down to that province some time.

Hon. Mr. Reid: I have been down there. I think I can show wherein this measure would react to the disadvantage of the farmers of Quebec.

Hon. Mr. Bouffard: I do not think you gave the bill a "second look".

Hon. Mr. Reid: I certainly did, and a third look.

Hon. Mr. Robertson: I suggest that the honourable senator be allowed to continue his speech.

Hon. Mr. Reid: I will take on anybody, one at a time, but I do not want half a dozen jumping on me all at once. However, if anybody wishes to inject heat into this matter, I will take him on.

Hon. Mr. Beaubien: Go ahead and make your speech.

Hon Mr. Reid: I will make my speech. You keep quiet too.

I say to honourable senators that it would be of no avail to send this bill to committee. My reason for saying that is that what we are concerned about is the principle underlying the bill, not the details. Can we get any enlightenment on the principle from departmental officials?

Hon. Mr. Roebuck: No.

Hon. Mr. Reid: The only person who could discuss the principle with us is the Minister of Agriculture or some other member of the cabinet. We do not care whether inspectors or other officials say this or that about how the bill would work; the thing that we are concerned about is the principle of granting to the federal government power to prohibit the shipment between one province and another of not only butter substitutes, but butter itself and milk and ice cream and sherbet. That is the power that will be given to the government if this bill goes through, as I have no doubt it will, for I see the forces marshalled here.

Hon. Mr. Beaubien: I resent that remark, Mr. Speaker. There is no marshalling of anybody here. I suggest that the honourable gentleman should be confined to an expression of his views on the bill, and not be allowed to imply that someone else is acting improperly.

Hon. Mr. Reid: I will let the remark stand.

The Hon. the Speaker: If a ruling is required, I would point out that the remark was not addressed to any honourable member in particular.

Hon. Mr. Reid: That is right, Mr. Speaker. Thank you.

If the bill is sent to committee the Minister of Agriculture will not be present to discuss with us the subject in which we are interested. The Department of Agriculture will be represented by officials only, and from them we cannot get any answer on that question at all.

The Honourable the Chief Government Whip (Hon. Mr. Beaubien) said, I think, that the low price of butter was caused by something or other having to do with margarine and other butter substitutes.

Hon. Mr. Beaubien: No; by low production.

Hon. Mr. Reid: Well, I have travelled through a great deal of Ontario, as well as through my own province of British Columbia, and I have taken occasion to talk to farmers, so I can speak from personal contacts that I have made in two provinces. Here is what I have found. Because of the scarcity of farm labour and the high wages that have to be paid to the men available, plus the high cost of cattle feed in some quarters of the country, large numbers of dairymen have been selling their herds for big prices,

principally to American buyers, who in their attempts to meet the unprecedented demands for beef in the United States have been paying as much as $350 for a heavy grade cow. It has been pointed out to me that, if this dangerous trend continues much further in my own province, we shall have to import milk from some other province or from across the line.

The honourable senator from Cariboo (Hon. Mr. Turgeon) took exception to section 6 of the bill. I have read over the bill—not hastily; not once or twice, but a number of times—and looking upon it from a practical point of view I express the opinion that the entire bill is predicated on sections 5 and 6; that the whole bill has been brought in for one specific purpose—to give the government of the Minister of Agriculture power to prohibit certain classes of dairy products or other foods from passing from one province to another. I say that if that were not the purpose we never would have seen this bill here. Can any honourable member successfully refute that statement?

I find the bill somewhat ambiguous, in that in sections 5 and 6 power is given to the Governor in Council to act, while in section 7 it is given to the minister.

I have every sympathy with the farmers who, after raising certain products, find themselves in competition with the products of other provinces and with substitutes. I cannot be accused of speaking on behalf of the promoters of margarine, because I favoured the ban on its manufacture and sale.

I note by section 6 of the bill that power is given to prohibit the conveyance from one province to another of the following articles: milk, cream, butter, cheese, condensed milk, evaporated milk, powdered milk, dry milk, ice cream, malted milk or sherbet. Now, those are not substitutes; they are the genuine articles. In the province from which I come we make very little butter, but we have a big market for fluid milk and powdered milk. I am just wondering whether the passage of this bill would mean that such a product as powdered milk, which is manufactured in British Columbia—and which we think is the best obtainable—would be banned from shipment to other provinces. He would be a poor man indeed, who did not stick up for his own province; so I am wondering what will happen to our powdered milk?

Hon. Mr. Roebuck: It will be barred.

Hon. Mr. Reid: The real danger from this measure is that what may apply to dairy products may be extended to other articles. For instance, the poultrymen in British Columbia last year—before the Manchester disease disseminated their flocks—were faced with heavy imports of eggs from Alberta and Saskatchewan. They appealed to the provincial authorities, and also to me, to see if the sale of these eggs in British Columbia could not be prohibited. But what will happen when this bill passes? Will the Senate of Canada refuse to give to the poultrymen the same protection it would give to the dairy farmers? And what about the apple growers? We know that British Columbia ships apples into every other province; it has even supplied apples to the university in the Annapolis Valley.

Hon. Mr. McDonald: After the Annapolis Valley apples were gone.

Hon. Mr. Reid: The statement made by the university was that they were still available. I recall the controversy that took place at that time: the students were being chided for purchasing British Columbia apples when Nova Scotia apples were available. I can foresee legislation of this nature being extended so as to prevent the flow of British Columbia apples to any other province; and in turn I can see the fishermen of that province asking that Newfoundland fish be shut out, regardless of price. The western fishermen may well ask, "Why should this province be getting kippered herring and smoked codfish from Newfoundland, when we can catch lots of fish in the Pacific Ocean"? I do not think the Newfoundland fishermen get the same financial return as the B.C. fishermen do with the help of their unions. I say to honourable senators, no matter what sympathies they may have for the farmers, that this bill brings in a principle that will have a far-reaching effect.

I never thought I would see the day when the House of Commons would so easily give up freedom of trade between the provinces. Now the Senate, the house that is supposed to protect provincial rights and public opinion, receives this measure in the dying days of the session. I suppose there is a majority in this house today who will vote for the measure, but I warn them what the passage of this bill will mean. The province of Ontario, for instance, will be entitled to protection from the importation of British Columbia powdered milk. When the demand comes for such an extension of the principle of this bill, I hope honourable senators will remember my warning that this measure is bound to bring friction amongst the peoples of the various provinces. Surely we have enough friction in Canada without raising tariff barriers.

Perhaps some lawyer will tell me it is wrong, but let me give my own interpretation of the effect of this bill. We in British Columbia, for example, import potatoes from Washington and California at certain seasons of the year. The farmers can do nothing about it, and the government does not choose

to interfere with a tariff arrangement with another country. But if the dairy farmers have a right to be protected, the potato growers have the same right, and if this bill should pass we would have the situation of Canadian-grown potatoes being refused entry into British Columbia while Washington potatoes were allowed to come in. Surely that is discrimination, and is not in the interests of Canada as a whole.

We hear a great deal these days about private enterprise; but let me pass on a newspaper despatch which recently came to me from my province, telling about a certain farmer who was fined for selling not poor milk, but milk that was too good. The fact is that in that province one cannot even give his friend a sack of potatoes or other vegetables without special permission. The regulations which prevent the marketing of vegetables except through a marketing board helped the farmers for a time, but today they are in dire straits. Farmers are often carried away at meetings by smooth talkers. I recall that some three years ago a farmers' organization on the Pacific coast wrote and told me that if I did not vote for the abolition of the open market for oats and other grains all the members of the organization would vote solidly against me. I pointed out to them: "You boys are just being told a little story, which sounds good, about the open market".

What has taken place? Today wheat is handled under a federal board, and in our province the poultryman, the dairyman and the stockman are paying more for grain than they ever paid before. It is useless to make complaint, because these prairie boards, of course, are out to get every last cent for the farmer. I mention this to illustrate the point I am endeavouring to make, that often there is a tendency to ask for something which looks good at the time without considering what it may lead to. Hence I have no compunction at all in rising this afternoon to protest strongly against these concessions, which I prophesy—and I do not lightly make predictions—will lead to demands from every section of agricultural producers,—the poultrymen of British Columbia, who do not want eggs brought in from any other province; the potato-growers, who object to the importation of potatoes from Alberta; the vegetable-growers, who dislike competition from any other province; and an association in which I am interested, which may well say, "We do not want butter from Ontario and Quebec".

Hon. Mr. Roebuck: What about the manufacturers? May it not extend to manufactured products?

Hon. Mr. Reid: I am not quite sure.

Hon. Mr. Roebuck: It is the next step.

Hon. Mr. Reid: By this bill great power is given to the minister. It is a vicious principle, and I foresee a difficult time for the government when it is clothed with powers to set up trade barriers, and must either consent to or turn down requests from egg men, poultry men, apple men, and every other group or organization that objects to competition from some other province. I will do all I can to help the people of British Columbia and of all Canada to fight unfair competition from abroad. I am particularly interested in the farmers. God knows the industrialists have received plenty of protection. But if barriers are to be erected between the provinces at the behest of pressure groups which demand from the minister protection against the producers from some other province, I believe the result will be considerable friction, especially with the great consuming public.

Apart from section 5, I am concerned about the power to be conferred on inspectors. An inspector may walk into a plant and impound not only the product but the machinery by which it is made.

I think these powers are too sweeping. So I make no apology for speaking on this bill, although I realize that probably the stage is all set for it to be put through. My objection to this legislation is strengthened by the feeling that at some future time it may react against the interests of the farmers. I am not quite sure, but the possibility is there.

Another pertinent objection, I believe, is that the bill covers before us at a time when the Minister of Agriculture has vacated the scene; and I am wondering who can tell us what is the real purpose of this legislation. I do not believe that any official can supply the right answers.

Hon. J. H. King: Honourable senators, I shall not take more than a few moments. I do not suppose anyone will question my loyalty to and admiration for the present government, but I am distressed and disappointed that that government has presented this bill,—

Some Hon. Senators: Hear, hear.

Hon. Mr. King: —which bears the innocent title, "An Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products." A beautiful title, covering everything we have been doing, for years, in the interests of the public of Canada. But as you go through the bill you run into a joker, covered up. I am astonished that members

of this government should attempt to disguise, under a bill bearing the title I have read, the joker we find among these sections.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: I do not deny that the bill includes amendments to the Dairy Industry Act which may be both important and useful. But these are not the object of the bill. The purpose of the bill is to give to a group of men who are entrusted with executive administration the power to regulate trade between the provinces. Surely we in this chamber cannot accept anything of that kind. For weeks we have discussed the position and duties of the Senate as one of the component bodies of parliament, and I maintain that as senators we should not delegate to any group which may happen to be the executive and governing group the right from time to time by order in council to regulate the trade, interprovincial and international, of this country.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: I am deeply distressed that the government has presented us with a bill of this character. My confidence is shaken more especially because what I complain about is sought to be done under cover of a bill dealing with dairy products. All of us are interested in the dairy industry; all of us want to see it thrive. Has the dairy industry ever been in a better position than it is today?

Hon. Mr. Roebuck: Never.

Hon. Mr. King: Is the dairy industry capable of producing, even for 70 to 80 cents a pound, all the butter that Canadians can consume? Some of us recall what happened two or three years ago in Alberta, when a bunch of hoodlums, supposedly acting in the interests of the dairy industry, seized the milk and cream which farmers were bringing in from the range to sell, and dumped it on the road, and it was only by police intervention that these actions were stopped.

I am a heavy butter eater. Years ago you could get as much butter as you wished in restaurants, but today you do not get enough to satisfy your needs. I have never heard these men who represent the dairy industry—these pressure groups which come to Ottawa, and which express themselves so vigorously in the press—say one word about the opportunity which exists for them to increase the sale of their butter in our hotels and restaurants. Probably they are wise in not saying anything because they are not producing sufficient butter for our people. The Minister of Agriculture had to import some millions of pounds to take care of our own consumers.

We are indebted to the honourable senator from De Lorimier (Hon. Mr. Vien) for having discussed yesterday the constitutional aspects of this bill. He dealt with the court rulings which have recently been handed down. Now, the purpose of this bill in the light of those rulings is to satisfy a pressure group, and that is the dangerous sort of thing we are coming to in this country. I refer to delegations telling the government that their wishes are primary and must be given consideration above everything else. If we consent to this bill we will only be opening the door to other groups who are just as important as the dairy group. And let us not forget that the dairy group is only one small branch of agriculture. Like other businesses today, agriculture has become specialized. In driving through the country one notices the large farm buildings, stables and fine cattle herds, giving evidence of the wealth of the farmer who is engaged in the dairy business today.

My good friend from Cariboo (Hon. Mr. Turgeon) who is known as a peacemaker, said yesterday that while he would not vote for this bill he thought it should be referred to committee. What is the value of doing that? Why should a bill which is ambiguous, and for which no real need has been proclaimed, be given second reading and sent to committee at this late hour when our honourable leader (Hon. Mr. Robertson) is awaiting word from the Prime Minister to terminate our business for this session?

Hon. Mr. Lambert: Hear, hear.

Hon. Mr. King: Under the rules of the Senate it is quite proper for any member who feels that a bill is harmful to the interests of the public to move, seconded by another honourable senator, that the bill be given what we call a six-months' hoist. This is a drastic and rare method which is only employed when there is substantial reason for it. His Honour the Speaker has been most generous in allowing honourable senators to extend the discussion on this bill, but he now has before him a motion which supersedes the motion of the honourable leader (Honourable Mr. Robertson) for the second reading of this bill.

It is said that horse meat is now being sold in Vancouver. This should provide a fine market for the horse breeders of Alberta and Saskatchewan, but what is to prevent the cattle ranchers of British Columbia from coming to Ottawa and claiming that because of importation of horse meat from the ranches of Alberta and Saskatchewan there should be restriction on the importation of horse meat into their province. That is only an illustration, but it comes under this bill.

If this bill is passed it will destroy our interprovincial trade; it will wreck confederation and this dominion of ours; so let us not hastily rush into this matter. I am not going to be a peacemaker and support the second reading of this bill. I am going to vote against it because I certainly think that section 6 presents a danger and embarrassment to the trade of Canada and will not serve any useful purpose.

Some Hon. Senators: Hear, hear.

Hon. Iva C. Fallis: Honourable senators, I do not intend to delay the house, but I wish to state my position on the motion of the honourable senator from Waterloo (Hon. Mr. Euler) to give this bill the six-months' hoist. I think I can make my position clear in less than two minutes.

I am supporting the motion of the honourable member from Waterloo for two reasons. In the first place, I do not think it matters at all in connection with this bill whether or not I am in favour of the manufacture and sale of margarine. To my mind that is not the issue involved in this bill.

Hon. Mr. Euler: No, it is not.

Hon. Mrs. Fallis: In my opinion the issue is the principle of establishing, as the previous speaker so ably put it, interprovincial tariff barriers between our provinces. I am opposed to the bill for that reason alone, and I am not going into the question of margarine at all.

Any indication I might have had about this matter was completely dispelled this morning after hearing the remarks of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) with regard to Bill 391, an Act to amend the Criminal Code. It is time the Senate took a stand about bills coming to us so late in the session, when we have only a few hours left in which to deal with them. After all, who should be the judge of how much time we in the Senate should take in dealing with legislation? I for one am prepared to stay here for another week—

Hon. Mr. Reid: Hear, hear.

Hon. Mrs. Fallis: —if there is worth-while discussion to be continued on these measures. In my sixteen years in this Senate there have been more than twenty sessions, and at the conclusion of each one we have had the same experience that we are going through now. At the conclusion of every session we have had protests and more protests, but they have never been of any avail. Nothing is ever done to improve the system, and the end of next session will be similar to the end of this one.

I am an advocate not of rushing bills through at the last minute, but of taking all the time we need to consider them. If the House of Commons happens to finish one, two or three days before we do, well and good. That has nothing to do with us.

So for the two reasons that I have stated—first, that I am opposed to the principle of the bill, which would establish provincial barriers; and secondly, that I am against important legislation being hurried through this house in the last minutes of the session —I wholeheartedly support the amendment to give this bill the six months' hoist.

Some Hon. Senators: Question.

Hon. Norman P. Lambert: Honourable senators, I should like to make way for the taking of the vote now, but I wish to associate myself with those who are opposed to this bill, and I can do so very briefly.

A bill, like a chain, is no stronger than its weakest link; and in my opinion three clauses of the bill render it as a whole an impossible piece of legislation. It seems to me that to come to that opinion all one need do is read paragraph (b) of clause 2 of the bill—the paragraph defining "dairy product"—and apply it to clause 6. It will then be seen that if the bill is passed the government will have power to prevent me or anyone else in Ontario from importing from the neighbouring province of Quebec such products as peanut butter and maple butter—and I may say, incidentally, that a certain section of a family with which I am intimate would at any time prefer maple butter to creamery butter or margarine or anything else as a spread on bread. So that is one reason why I object to the bill.

From the broader point of view, I think that the passing by the federal parliament of a measure which in its essence is narrow class legislation, for self-centred special privilege, is contrary to every conception and principle on which our federal system was established. More than 60 per cent of the present population of this country can be described definitely as non-agricultural, people who live in urban communities and are employed by the major industries that are distinct from the industry of agriculture. The interests of all those people would be hurt by passage of this measure.

In addition, a considerable percentage of the people in the agricultural industry itself would be prejudicially affected by passage of the bill. I can speak from personal knowledge of the dairy industry, for I myself am directly interested in it in a small way; I supply all the butter and other dairy products used in my own house, and in some other houses as well. Let me say here that any-

one who is sufficiently interested in the matter can provide butter for himself quite easily.

However, I do not believe that enough people will go into the producing of butter to bring about impoverishment of the dairy industry. Nor do I think that that industry is languishing because of the consumption of butter substitutes. If the facts were honestly analyzed it would be found, I think, that such factors as transportation and labour costs have had a great deal more than anything else to do with the economic condition of the industry.

Reference to substitutes brings up a very vital economic principle. From time immemorial human beings have exercised the right of discovering and using substitutes for articles that have become too costly or out of reach. This bill would deny to our people the exercise of that fundamental economic right. If the principle of this bill were to be generally adopted we might be presented some day with a bill providing that for the protection of persons engaged in the breeding, raising and sale of horses, farmers shall be prohibited from using tractors and any other mechanical implements designed to replace horses.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Lambert: Similarly, we might have a bill for the protection of churn manufacturers, prohibiting dairymen from purchasing or using separators. The principle that human beings shall be free to establish their own habits in the use of substitutes for any products is as fundamental as life itself. This bill takes the very reactionary position that for all time the people of Canada may, if the government so decides, be denied the use of a substitute for butter.

Who can tell what butter substitutes ingenious men of science might develop in their laboratories next year? Are we to pull down the curtain on all intelligence by denying the economic principle of freedom to use substitutes, simply to satisfy one entrenched class interest in this country?

When I say that, I have reference to a certain intimation that was made during the debate that this measure followed a recent conference in Ottawa of representatives of the various provincial departments of agriculture and of a federal department. A similar conference is held here every year, its purpose being to review the condition of agriculture and to assess advisable policies as to production and so on for the coming year. The honourable leader on this side (Hon. Mr. Robertson) suggested, and I know, that the policy decided upon at the recent conference reflected the point of view of the National Dairy Council and the Canadian Federation of Agriculture, and it is upon that policy that this measure has been formulated. Personally I object to being a party to any sort of special pleading of that kind, and for that reason I am going to support the motion to give the bill the six months' hoist.

Some Hon. Senators: Hear, hear.

Hon. Cyrille Vaillancourt: Honourable senators, I shall be very brief. After the remarks that have been made by the senator from Toronto-Trinity (Hon. Mr. Roebuck) and the senator from New Westminster (Hon. Mr. Reid), I do not know whether a member from Quebec will be permitted to express his point of view. We should speak not only for our own province, but for the whole of Canada; we are all Canadians, and we love our country as well as our province.

I have three points to make in answer to the proposals of the senator from Kitchener.

Hon. Mr. Beaubien: Waterloo; he only lives in Kitchener.

Hon. Mr. Vaillancourt: I am not a lawyer, so when I want legal assistance I go to a lawyer, put my case before him and get his advice. If I go to a second lawyer, he may express the opposite point of view on the same set of facts. The subject may then come before the courts, and one side will win and the other lose. The matter may be appealed to the Supreme Court of Canada, and on it goes. Whether I am right, I cannot always be sure, but I do my best to see the light.

If the laws respecting agricultural markets are sound, then this bill is all right. My friend from Ottawa (Hon. Mr. Lambert) said that he could buy maple butter in Ontario. I would point out to him that my maple products cannot be sold in Ontario unless they are properly graded and marked; and British Columbia apples cannot be marketed in Quebec unless they are in accordance with marketing regulations. That has been the law for the past thirty years. And now we are questioning the principles behind it. Why are we doing that? Is it because of the introduction of margarine? For my part, that is only one item, and should not be taken too seriously. It must be remembered that if this bill passes, the people who will administer the law are not entirely foolish; they will apply the law with judgment, and the minister involved will properly supervise it.

Again, I say that I am not a lawyer, but I try to reach my own conclusions. The senator from Waterloo (Hon. Mr. Euler) said that Canada has general agreements whereby

she may sell her products throughout the world, but I point out that the United States has signed an agreement prohibiting importation of butter except with special permission.

The senator suggested that the sales tax of 8 or 10 per cent on margarine should be removed, to make the product more readily available to the poor consumer. Well, honourable senators, let me put on the record a table showing the costs of the ingredients of margarine as of last winter and as of today, and compare those figures with the price of margarine some months ago and its price today. This is the table:

Type of Oil	Cents per pound Feb., 1951	June, 1951
Cottonseed Oil	24.5	.15
Soybean Oil	21.1	.14
Coconut Oil	24.3	.13
Peanut Oil	27.0	17.25

In spite of the above figures, the price of margarine is higher today than it was in February. Poor consumers! Happy manufacturer!

Hon. Mr. Euler: It is still a lot cheaper than butter, is it not?

Hon. Mr. Vaillancourt: This is my last point. Much is said about margarine and what it has done for the poor working man. Take, for instance, a family of six, which by using three pounds of margarine a week instead of three pounds of butter will save roughly 60 cents. But what does that same family pay for meat? It must spend $3 or $4 a week for meat because Canadian cattle are being sold south of the border. Yet last week meat in the United States was cheaper by 10 or 15 cents a pound than it was in Canada. Indeed, honourable senators, there are some things so strange that no one can explain them. But one reason that meat is so scarce is that the farmers cannot get a market for their milk, and so cattle are disappearing. Soon we will not only not have butter, but we will not have meat.

My honourable friend from Grandville (Hon. Mr. Bouffard) spoke yesterday about protecting Quebec. We want to protect the farmers all across the country, for they are the builders of our nation.

My last words are: Farmers, kill the cattle before margarine kills you!

Hon. L. M. Gouin: Honourable senators, I am quite prepared to make my few remarks now, but I do not see how we can possibly dispose of the bill before lunch-time. I move, therefore, that the debate be adjourned.

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

The Senate adjourned during pleasure.

At 3 p.m. the sitting was resumed.

Hon. L. M. Gouin: Honourable senators, I will try to be as brief as possible and to consider quite objectively the bill which is now before us. I do not intend to argue the case either against or for margarine. What I want to do is to throw a little more light on the subject. I want to see the whole truth, whether or not it appears to justify my own attitude.

Our colleague from Kennebec (Hon. Mr. Vaillancourt) referred to the differences of opinion which exist so habitually between lawyers, and to the constitutional aspect of the question. On this latter point, I wish to advert to the remarks which were made by the honourable senator from De Lorimier (Hon. Mr. Vien), on the decision in the Margarine Case, and which our colleague from Grandville (Hon. Mr. Bouffard) intended to answer, but did not have time to refer to as he had to reply to the remarks made by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) concerning the possibility of an eventual separation of the Province of Quebec from Confederation

The decision in the Margarine Case, as was stated by our honourable colleague from De Lorimier, is to be found in 1950, 4 Dominion Law Reports, page 689. That case relates clearly and simply to the manufacture and sale of margarine within a province. At the moment we are dealing with quite a different problem: the bill is intended, rightly or wrongly, to regulate international and interprovincial trade.

I am of opinion that parliament has indubitable jurisdiction, under section 91 of the British North America Act, the clause relating to the regulation of trade and commerce, to regulate trade with foreign countries and from one province to another. I do not want to take much time on this point, but those who are interested will find a very clear review of the matter in the report of the reference made to the Supreme Court of Canada in Re Natural Products Marketing Act, 1936, 3 Dominion Law Reports, pages 625 and following.

I come now to section 121 of the British North America Act, cited by my honourable friend from De Lorimier, which provides for the free entry into one province of the products of another. But the interpretation of the word "free" in this provision has been given the meaning "free from customs duty". That point was decided by the Privy Council in Atlantic Smoke Shops Ltd. vs. Conlon, 1943, 4 Dominion Law Reports, pages 92 and 93. The noble Lords make their own the remarks which had been made by the Supreme Court of Canada in the case of Gold Seal Limited vs. Dominion Express

Company and Attorney-General for Alberta, which are reported at volume 62 Dominion Law Reports at pages 67 and 68, and in volume 62 Supreme Court Reports, page 439. I will quote from the remarks made in this case by Mr. Justice Duff:

> The phraseology adopted, when the context is considered in which this section 121 is found, shows, I think, that the real object of the clause is to prohibit the establishment of customs duties affecting interprovincial trade in the products of any province of the union.

Similar remarks were made by Mr. Justice Anglin and by Mr. Justice Mignault.

I come now to the merits of the matter. Because, in my opinion, the bill is *intra vires*, or constitutional, does not mean that it is good legislation. Some of my colleagues, of course, are in favour of it. That is their right; and I sincerely hope that every member of the Senate will continue to show toleration towards his colleagues. As a resident of Quebec I would not say that the good people of my province are unanimous on the question of margarine. I myself have always taken the position that the dairy industry was entitled to every reasonable measure of what I will term the defence of its legitimate interest. In the past I thought it my duty to vote against the bills introduced on the subject of margarine, because I believed that their consequences to agriculture would be harmful.

I represent the district of Chateauguay and Huntingdon, which certainly has some of the finest dairy farms in all of Canada. Let us review the dairy situation. I remember the days last winter when it was very difficult to secure even a half pound of butter in Montreal. I cannot possibly imagine that margarine caused this condition, because the sale of that product is still prohibited everywhere in my province. I do not jump to conclusions, therefore, when I hear conditions in the dairy industry described as being unsatisfactory. I think that during the next session we may very well make a specific inquiry into Canada's agricultural conditions, and our dairy industry in particular. I appreciate, just as much as any senator from the rural parts of Canada does, how absolutely vital our dairy industry is to the welfare of our people, particularly our children. But this is not a sufficient reason to ask us to adopt an important bill like this so late in the session.

I am aware that some of the provisions contained in this bill are already contained in existing legislation. I have carefully read every amendment in connection with the Dairy Industry Act, and I have come to the conclusion that the bill before us goes much further than anything embodied in that Act. I am in favour of establishing national standards for dairy products in the matter of export. I also admit that the Canadian Parliament has jurisdiction over interprovincial trade, but I want to be sure that our country remains united and that we do not adopt any measure which would have the effect of disintegrating the Canadian confederation.

Honourable senators, I could not possibly accept section 6 of the bill unless it were proven to my satisfaction that these provisions which give extremely wide powers to the Governor in Council to make regulations concerning dairy product substitutes, are reasonable. I take the same position as my honourable colleague from Inkerman (Hon. Mr. Hugessen). I think his suggestion that the bill be given second reading on division and then be referred to committee is a reasonable one. If acceptable amendments were made in committee, the bill could then be returned to the house and be given third reading; but if the bill came back to us in its present form, I for one would consider it my duty to vote against it.

Some Hon. Senators: Question.

Hon. J. A. Godbout: Honourable senators, I have taken so little of the time of this house during this session that I think I should have the right to say a word about this vital question. It is important not only to the future of supposed pressure groups, but to the future of our country at large.

There are two question under discussion. One of them is this: Is this bill *ultra vires* or is it not? This question is not one for me to decide, but I know that most members of this honourable house have supported quite a number of measures which have been based on exactly the same principle. Be it only a question of constitutionality, I think it is well to do openly what the provinces would be compelled to do themselves. I happened to be the Minister of Agriculture in Quebec when it was thought to be absolutely necessary to create a dairy commission in every province of Canada. To protect the public generally, the consumer as well as the dairy interests, it was thought necessary to fix a price for milk that would satisfy both the producers and the consumers. I am not going to talk about Quebec, Ontario, British Columbia or any other province in particular. I am a Canadian and the interest of my country is foremost in my heart. As I say, every province thought it necessary to fix the price to the consumer and to the producer. But how could any province fix the price to be paid in another province? It was arranged that for milk delivered in Quebec, say, irrespective of where it was bought, the producer should be paid a price

equal to that which would be paid to a producer in the province where it was sold. We had the assistance of counsel, pretty well-known lawyers. Every other province did the same thing. It would have been much better if at that time the federal parliament had passed enabling legislation, like the bill before us, to help the provinces do openly what they were doing by a "back-door" procedure. The people of this country prefer to have their public business conducted in a straightforward fashion rather than by devious methods. That is why I am in favour of this bill.

I have heard some people refer to the farmers of this country as a pressure group. Well, I would like anybody in this house to indicate to me any class of the population which, in proportion to what it represents in the economic and social life of the country, has exerted less political pressure than the farmers, and in particular the dairy farmers. I say to honourable members that our future depends on the dairy farmers of this country. Half a million people are directly engaged in the basic industry of dairy farming. It is a basic industry not only because it furnishes nourishment to the population, but because it provides to those engaged in it a way of life. Further, the best classes of our people come from the farms. This is so, not because dairy and other farmers are naturally better people than citizens in other occupations, but because life on the farm brings people into direct contact with elemental realities and gives them a little time to think seriously about such things as some of the new theories that are being circulated everywhere. A sound farming class is, I say, the best protection against what we all fear above everything else.

The farmer must be protected, and if we do not protect him now Canada will later on find itself in the unenviable position at present occupied by some other countries—one of which, England, is well known to most members here. About one hundred years ago England had to face the problem we are facing now. Industry was developing very rapidly, and agriculture was relatively so unimportant to her economic life that she forgot to take care of it. Today England has to do for the protection of agriculture twenty times what Canada is doing. I mention this because I would not like to be a party to tearing down something that our sons will find it necessary to rebuild. The example of England should cause every member of this house to reflect on the present situation in Canada.

Dairy farmers are operating now with a very narrow margin of profit. In fact, I contend that no farmer who produces milk with the help of his sons and pays them the wage to which they are entitled can make a profit. The main reasons why some farmers are able to put aside a little money are: First, that they do not spend much; and secondly, that they do not pay a proper wage to their sons who work on the farm. That policy is not sound for the farmers, nor is it sound for the country at large. I believe that if we continue a little longer our neglect of the farmers of this country they will be leaving the farms for the cities in even larger numbers than they are doing now, and many of them, instead of being an asset to the country's economic life, will, by overcrowding our urban centres, be in danger of becoming a burden upon the country. I think the farmers need the protection which this bill will give them.

It has been said by those who advocate the use of margarine that that substitute for butter is considered by doctors to be not poisonous—but we have not been given the names of the doctors who came to even that conclusion. Of course, no opponent of margarine ever contended that it was poisonous. What we say is that it is not as nutritious as butter, that it will not help to build up a generation so physically strong as those generations that have made this country what it is today. I do not think this bill gives any more protection than dairy farmers need to enable them to survive economically.

Parliament has passed laws to protect poultry producers, laws to protect producers of fruit and vegetables, and laws to classify fruits and vegetables that are shipped from one province to another. Those laws have proved the best incentive to farmers to improve their produce. For instance, farmers in Quebec complained against the competition they had to face from potatoes that are shipped in by New Brunswick and Nova Scotia producers. The reason for the keen competition is that, as the potatoes are shipped in from an outside province they have to be classified and graded according to federal regulations. Again, a Quebec farmer cannot sell a bushel of apples in Ontario unless they also are classified according to federal regulations. When farmers from the Maritime provinces were capturing the Montreal market with their classified produce, Quebec farmers decided that the only way to meet the competition was by classifying what they themselves produced and brought to the market. I could go on and give many more instances showing that compulsory grading leads to improvement in the produce offered for sale.

All that is being asked in this bill is that the federal parliament authorize the government to pass regulations requiring that dairy products passing from one province to

another be graded. Producers of margarine would like to have it appear as much as possible like butter, and certainly it is important that these products should be distinguished in some way so that people will know what they are buying.

Hon. Mr. Roebuck: My honourable friend is a lawyer—

Hon. Mr. Godbout: No, I am not.

Hon. Mr. Roebuck: I was under a misapprehension. Nevertheless, perhaps he will permit me to ask him a question. Does he draw a distinction between laws regulating commerce and laws, like the measure before us, which would prohibit commerce? Sections 5 and 6 of the bill would authorize the Governor in Council to prohibit the shipment of certain classes of goods from one province to another.

Hon. Mr. Godbout: The federal authority undoubtedly has the right to prohibit the entry of goods from another country into Canada. It is equally certain that the provinces have authority to prohibit the bringing or sending of goods into their own territory. Some provinces—not Quebec alone, but Prince Edward Island as well—have made it illegal to bring in margarine for sale. Note what I say, honourable gentlemen; tomorrow nine provinces will prohibit this trade. They have been given authority to control produce within their own jurisdictions, and it is for the federal authorities to support them. I prefer to deal with these problems in the open, and to settle them properly. We have the authority to do just that, and to protect the farming industry of the future. By doing so we will be protecting a class of society which is the backbone of the country.

Let us look for a moment, honourable senators, at the change today taking place in England. A hundred years ago that country thought industrial activity was much more important than agriculture, but today it is coming back with measures that will extend to agriculture twenty times as much encouragement as Canada is giving to that industry. I would not like to place on my sons the burden of rebuilding the agricultural industry of this country; I would much prefer to protect it while it is still buoyant.

Hon. Mr. King: I should not interrupt the debate at this time, but perhaps I will be permitted to ask a question. First, may I say what a pleasure it is to hear the honourable gentleman from Montarville (Hon. Mr. Godbout) speak. He should take part in debates more often. He has dealt with the control that provincial governments have over merchandise, not only agricultural products. Does he think that it is proper to put within the control of the executive of the federal government, not of parliament, the interprovincial trade which exists between the provinces of Canada?

Hon. Mr. Roebuck: Including potatoes.

Hon. Mr. Godbout: I think on occasions it is necessary for the federal authority to delegate its power to a more flexible body than parliament. Let us take, as an illustration, the Act affecting poultry producers. Obviously, the sessions of legislatures in the various provinces and the annual session of parliament do not always coincide; there is, therefore often a lapse of six months during which regulations have to be enacted by order in council. The federal authority has provided regulations affecting the trade in poultry products. Provincial regulations differ. For instance, Ontario can sell to Quebec what it may not sell to Manitoba, because the legislation in that province is different. For that reason it is necessary that the government should be allowed to pass regulations to take care of changing conditions.

Hon. Mr. King: You are in favour of flexibility?

Hon. Mr. Godbout: I have confidence in the Department of Agriculture of this country, and I think power should be given to pass orders in council to take care of changing conditions when parliament is not in session. I am in favour of law and order, and the authority of parliament—and I have given much to that cause—but I think there are peculiar circumstances when a body more flexible than parliament must act for it, and under its authority.

Hon. Mr. Howard: Question!

Hon. W. D. Euler: Honourable senators—

The Hon. the Speaker: Honourable senators will understand that the remarks of the mover of the amendment will conclude the debate.

Hon. Mr. Euler:—I presume that it is the privilege of the mover of the motion for the six months' hoist of this bill to say a few words about the course of the debate. It is not my intention to speak at any length, but I should like at the outset to comment on the trend of the discussion.

None of us, I am sure, have any prejudices against farmers and dairymen, and none of us object to the proper classification and grading of farm products. To the extent that the bill provides for such grading, we are not opposed to it. I do not even wish to mention again the question of margarine. I would hope that that question is to some extent settled, but I hope that the people

in every province of Canada will some day have the benefit of consuming coloured margarine.

Hon. Mr. Roebuck: And without a sales tax.

Hon. Mr. King: If they wish to consume it.

Hon. Mr. Euler: Yes, if they wish it. I for one would not lift a little finger to prevent the people of any province from consuming and enjoying this wholesome and comparatively inexpensive food.

At this point I want to note a remark of the honourable senator from Montarville (Hon. Mr. Godbout), a former premier of Quebec, who, in reflecting on the healthfulness or wholesomeness of margarine, damned it by saying "It is not a poison." I am afraid he is completely out of touch with modern thought if he does not know that the highest medical authorities in the United States, Canada and other countries have stated that margarine is as wholesome and nourishing as butter. I could not allow the honourable senator's remark to go without contradiction. He also said something about "pressure groups" being behind this legislation. I do not know whether they are or not, but I have not much doubt that the Minister of Agriculture received at least a little pressure, and I suppose that he did not need a great deal of pressure, to induce him to bring in this legislation. If my honourable friend is looking for an example of a pressure group in action, I think I can give it to him. When the Supreme Court decided in effect that the sale of margarine in this country was entirely legal, the manufacturers immediately produced a coloured brand. In passing, I might tell my honourable friend the leader of the government (Hon. Mr. Robertson) that this supply of margarine came on the market within three weeks after the prohibitory law was declared unconstitutional, and not three years afterwards, as he predicted would be the case.

Hon. Mr. Robertson: Conditions change.

Hon. Mr. Euler: Although the Premier of Ontario said that he was not going to interfere with the colour of margarine, for some reason or other—and I am quite sure it was through pressure from some quarter—he had a law enacted to prohibit the colouring of margarine; and his exemple was followed in all the other provinces. I assert that there was a pressure group behind that action; and I will also say that that term describes very well the Federation of Agriculture.

However, I did not rise for the purpose of discussing the question of margarine. It is not the chief and vital factor in this bill or in this debate. The issue goes much deeper. Of course I am and always have been interested in the question of margarine, and as I said yesterday, I have taken a great deal of satisfaction in the fact that its manufacture and sale are legal in most of the Canadian provinces. But as regards this bill, margarine comes only incidentally into the picture. My objection to the bill rests entirely on what I regard as its vital principle: that it would give authority to the executive to restrict—no, more than that—to prohibit trade between the provinces. That is contrary to the spirit at least, of the constitution of this country.

Hon. Mr. Roebuck: And the letter.

Hon. Mr. Euler: I think it most reprehensible that parliament, as far as the Commons is concerned—perhaps also as far as the Senate is concerned—is ready to surrender a power which should never go out of the hands of parliament itself. That is my chief objection to the bill.

In that connection I may have gone a little farther afield than was my original intention; so I want to make it clear that my opinions about margarine have nothing to do with my motive in proposing my amendment or in making this speech. Nothing in this bill is devised to prevent the manufacture of margarine in Ontario or any other province. But I have already voiced a suspicion, the reality of which was acknowledged yesterday when my honourable friend from Grandville (Hon. Mr. Bouffard) said that what was wanted under this bill was the right to prevent the people of Hull and vicinity from coming to Ottawa, buying a few pounds of margarine and taking it home for the benefit of their families. My honourable friend was very frank about it. I suspected all along some motive of that kind: that was the only reason I mentioned the matter of margarine at all.

This debate, as I see it, has presented four more or less outstanding features. First, the greater number of those who have spoken expressed themselves as, in whole or in part, against the principle to which I have just referred, that is, interference by the federal government in trade between the various provinces. Second, those who supported the bill—and I think I must include the last speaker—spoke entirely from a provincial and not a national standpoint.

Hon. Mr. Vaillancourt: No, sir.

Hon. Mr. Euler: Third, the course of the discussion has confirmed my suspicion that clause 6 is definitely designed to restrict the use of margarine in certain parts of the country, and that it may be used, and I suspect will be used if the bill becomes law, to limit production, and sale in other provinces. Fourth—and this, it seems to me, is

the important point—those who advocate this legislation have paid very little attention to the fact that the bill makes it possible, not to restrict, not to regulate, but to prohibit interprovincial trade, one of the basic principles of confederation.

The Minister of Agriculture, who is an old colleague of mine, is the father of this bill. I know him, or at least I used to know him, pretty well. I have a very high regard for his ability, though very little liking for his policies. I think my honourable friend from Edmonton (Hon. Mr. MacKinnon) will agree with me that the minister's persistence is as great as his success in getting what he wants; and he knows what use he will make of the powers available to him under this bill. It may be said that he cannot do anything except by order in council, which means except with the consent of the members of the cabinet. But those who have been in the cabinet of this country know that when a minister brings in an order in council to cabinet, what he wants generally goes through: other ministers very, very seldom offer any opposition. If restriction is imposed in the case of Quebec, I would not be at all surprised if the Minister of Agriculture, knowing his antagonism to margarine, were at some future date to forbid the people of Saskatchewan, Alberta, British Columbia and the Maritime Provinces having this product, unless the margarine industries themselves were established in those provinces. He might not do that, but I would not be at all certain that he could not be induced to do it.

Hon. Mr. Beaubien: The provinces can manufacture margarine now, can they not?

Hon. Mr. Euler: Certainly, but they cannot deny the right of anyone to take the product from one province to another. The manufacturers of margarine are largely concentrated in Ontario, and they can send their product anywhere in Canada, except to Quebec and Prince Edward Island. If the Minister of Agriculture decided, however, not to let margarine into the province of Saskatchewan or Alberta or British Columbia—

Hon. Mr. Golding: You do not want to insinuate anything like that?

Hon. Mr. Euler: I am not insinuating anything.

Hon. Mr. Golding: I think you have more confidence than that in the minister. I have anyway.

Hon. Mr. Euler: I do not say this with any disrespect to the Minister of Agriculture, but my friend has more confidence in the policies of that gentleman than I have.

Hon. Mr. Farquhar: That is not very nice talk.

Hon. Mr. Euler: I want to re-emphasize that I would reject this bill because it is a direct attack on the rights of the provinces to sell to each other. That is the vital principle involved here.

The suggestion has been made, by a number of those who have taken part in this debate—in good faith, I think—and by a number of others to whom I have spoken, that they are opposed to the principle of section 6 of the bill; but at the same time they have said that they would like the bill to go to committee where amendments could be made to it. I should like to remind honourable members that you cannot send a bill to committee without it first having been given second reading.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: And you cannot give a bill second reading without endorsing its principle.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: Therefore, if you give the bill second reading you endorse its principle, and I am sure that those gentlemen who have said to me that they are opposed to the principle of section 6 would hardly want to endorse the principle of this legislation by consenting to its second reading.

I am directly opposed to the principle of the bill, and to the bill itself, because it is shot throughout with all the implications that we find in section 6. The first part of the bill deals with grading, classification, and so on. I have no objection to that. But in clauses other than clause 6 there are implications of the same thing that we find in clause 6.

It is for these reasons that I think it was perfectly logical for me to move the six-months' hoist and to ask you to reject the bill in its entirety. I do not question the good faith of anyone, including the members of the government, but I think the bill is thoroughly vicious in principle. As such, especially as it comes to us in the dying moments of the session, it ought to be rejected. If you send it to committee, as probably you will, it will at best come back in an emasculated form to which probably the government and the Commons will object. If they do, what will happen in these last days of the session? I repeat the question we have heard so often: What is the hurry with regard to this bill?

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: For some twenty-five years now we have operated pretty well under the Dairy Industry Act, even though we have not always agreed with all its sections, particularly the one dealing with oleomargarine. Surely there is not going to be any great harm done to the interests of the public if we let the present Dairy Industry Act continue to operate until parliament meets again in the fall. I suggest to the leader of the government (Hon. Mr. Robertson) that he consider dropping the bill now.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: Perhaps everyone will not admit it, but I think it is clear that this is an imperfect and ill-conceived bill. In fact, it was really not considered at all in the House of Commons, and it reached us only three days ago. What possible harm can come to the Canadian people if this bill is dropped now, on the understanding that when parliament meets again three months hence the government will bring down a bill which will be well considered, and which, if passed, will be free of the defects contained in the present bill. I most earnestly commend this suggestion to the leader of the government.

Some Hon. Senators: Question.

The amendment of Hon. Mr. Euler was negatived on the following division:

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The Hon. the Speaker: Honourable senators, the question is now on the motion of the Honourable Senator Robertson that this bill be now read a second time. Is it your pleasure to carry the motion?

Hon. Mr. Robertson: Before the question is decided, I should like to say that I have followed the debate on this matter with the greatest interest. I have been impressed by the fair presentation of arguments by honourable members, but I am bound to say that I was a little disappointed that the mover of the amendment (Hon. Mr. Euler) seemed to go out of his way to question the motives and good intentions of the Minister of Agriculture. It is the duty and responsibility of that minister to advance whatever measures he considers to be in the interests of agriculture, and I think it fair to assert that he has served the people of this country to a higher degree than any of his predecessors in office.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: I regret that my honourable friend from Waterloo should have found it necessary to cast these general aspersions on the Minister, and I do not think that by so doing he added to the excellent arguments he previously advanced.

Hon. Mr. Euler: Honourable senators, I claim the privilege of denying unreservedly that I questioned the motives of the Minister of Agriculture. What I said was that I did not agree with most of his policies.

Hon. Mr. Marcotte: I wish to emphasize what the honourable leader (Hon. Mr. Robertson) has said about the Minister of Agriculture. I come from the same province as the minister, and although we have been bitter political opponents he is a very dear friend of mine. I admire him and I know his love for agriculture. I know what he wishes to do, but it has no bearing on the principle involved in this bill. I hope the government will do in this case what it has done in other cases and refer the principle of this bill to the Supreme Court of Canada for a ruling.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: Honourable senators, I move that this bill be referred to the Standing Committee on Natural Resources. It has been suggested to me that this bill should properly be referred to the Committee on Banking and Commerce. I would point out, however, that I had already called a meeting of the Committee on Natural Resources in the expectation that the bill receive second reading. Nevertheless, I have no intention of going against the wishes of the house in this matter.

Hon. Mr. Lambert: Honourable senators, I was the person who made this suggestion to the leader. When the bill was introduced several days ago the leader said, I believe, that if it received second reading he would

refer it to the Standing Committee on Natural Resources. Immediately after he made the suggestion the honourable senator from Leeds (Hon. Mr. Hardy) drew attention to the fact that this bill would more properly be sent to the Committee on Banking and Commerce. In fact, I think that during the absence of our leader the same suggestion was made earlier in reference to other bills by the deputy leader (Hon. Mr. Hugessen). I think that in the later part of each session it has been the practice to send bills to the Banking and Commerce Committee because it is more representative, and that this committee has handled bills which strictly speaking would ordinarly be dealt with by other committees.

I maintain that this bill deals with what are essentially matters of trade and commerce, and that it has nothing whatsoever to do with the primary functions of the Department of Agriculture.

Furthermore, the Committee on Banking and Commerce is appropriately interested in any questions having to do with interprovincial trade.

My third point is that the personnel of the Banking and Commerce Committee is more representative of the members who have taken part in the debate than is that of the National Resources Committee. If the bill is sent to the Natural Resources Committee and a vote is taken on it there, at least eight senators who have opposed the bill in the debate will be prevented from voting in committee.

Hon. Mr. Godbout: How many members of the Natural Resources Committee are in favour of the bill?

Hon. Mr. Lambert: I do not know. I am simply pointing out that eight members of the Banking and Commerce Committee who have spoken against the bill are not members of the Natural Resources Committee, and so would be unable to vote there. On the other hand, a number of members of the Banking and Commerce Committee have spoken in favour of the bill and as they are not on the Natural Resources Committee, they also would be denied a vote.

I maintain that in order to continue the customary practice of referring bills in the closing hour of the session, and also to permit a more representative expression of opinion in the committee, this bill should be referred to the Committee on Banking and Commerce.

The Hon. the Speaker: Honourable senators, the question is on the motion of the Honourable Senator Robertson, that the bill be referred to the Standing Committee on Natural Resources. Is it your pleasure to adopt the motion?

Some Hon. Senators: Carried.

Some Hon. Senators: On division.

The Hon. the Speaker: The motion is agreed to, on division.

CRIMINAL CODE BILL

THIRD READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the third reading of Bill 391, an Act to amend the Criminal Code.

Hon. Arthur Marcotte: Honourable senators, it is getting so late and our time is so short that I will make my remarks very brief and keep them to the point. Reference to the Senate *Hansard* of Wednesday, June 27, page 706 will show that I reserved my right to propose amendments to this bill after it was reported back from committee. The honourable the deputy leader (Hon. Mr. Hugessen) then said:

> You undoubtedly will have that right.

I now wish to exercise that right by proposing the following amendment:

> That the bill be not now read a third time as amended, but that it be further amended as follows:
>
> Page 11, lines 30 to 33: Strike out the words "notwithstanding that he was not, before he gave the sample, warned that he need not give the sample or that the results of the analysis of the sample might be used in evidence", and substitute therefore the following: "provided that he has been properly warned that he need not give the sample and that the results of the analysis of the sample may be used in evidence against him."

This amendment is seconded by the honourable senator from Gloucester (Honourable Mr. Veniot.)

Honourable senators, before I deal with my amendment may I say just a few words about other parts of the bill? If we were not so short of time I would protest once more against the practice of sending so important a bill as this over to the Senate in almost the last minutes of the session. However, things being as they are, I will make no further protest along that line just now.

I am fully in accord with the criticism expressed by the senator from Toronto-Trinity (Honourable Mr. Roebuck) of several sections of the bill. I refer particularly to subsection (2) of the proposed new section 120, on page 4, which authorizes a peace officer to seize any firearms which he finds in the possession of a person whom he believes to be under the age of fourteen. Now,

anyone who reads the newspapers or listens to the radio knows that almost every day there are reports of crimes being committed by young men of sixteen or seventeen. It is quite common to read of these young people committing or attempting to commit burglary, for instance, and often they are armed. But I do not think we have so far had any cause for believing that boys under fourteen are likely to engage in this kind of criminal activity. Under the Juvenile Delinquents Act most provinces regard children under sixteen as minors, and in certain provinces even children up to eighteen are so classified. Honourable members will recall that in a recent discussion I stated my intention to propose next session that the definition of a minor under the Juvenile Delinquents Act be made uniform in all provinces.

I wish to mention one other point that was dealt with by the senator from Toronto-Trinity. Subsection (2)(a) of the proposed new section 128, on page 8 of the bill, exempts persons in the business of repairing firearms from the requirement to have a permit for arms in their possesion. If no change is made in this provision and the proprietor of a repair shop does not have to be shown a permit by anyone who brings in a firearm for repairs, then any criminal will be quite within the law in taking a gun for which he has no permit to such an establishment for repairs.

If we were not so near to the end of the session I would criticize other sections of the bill. But in the circumstances I will content myself by going now to my amendment to the proposed new subsection (4)(d) of section 285 of the Act, which provides for the chemical analysis of the blood, and so forth of persons charged with driving a motor vehicle while under the influence of alcohol or drug. The subsection reads as follows:

> In any proceedings under subsection four or four (a) the result of a chemical analysis is of a sample of the blood, urine, breath or other bodily substance of a person may be admitted in evidence on the issue whether that person was intoxicated or under the influence of a narcotic drug or whether his ability to drive was impaired by alcohol or a drug, notwithstanding that he was not, before he gave the sample, warned that he need not give the sample or that the results of the analysis of the sample might be used in evidence.

Honourable senators, I have been practising law in the courts of Saskatchewan for nearly forty years, and in that time I have been connected with a good many cases brought under the Criminal Code. As the years have passed by, I have been more and more impressed by the fact that we are getting away from British principles of law. I was born in the Province of Quebec and am familiar with the laws of that province. I later migrated to the province of Saskatchewan, and am familiar with the laws of that province, so I have been able to compare the laws of the two provinces. Frankly, I am a great admirer of British institutions and the principles enunciated in the criminal law, that a man is presumed innocent until proven guilty, and that he may not make a statement or confession as to his guilt unless he has first been warned that it may be used in evidence against him.

Let us consider what may happen under the provisions of the present bill. A man may be drugged by his friends as a joke. Oh, let us say that three people stop at a restaurant and two order liquor and the other takes tea. The tea drinker may unknowingly be drugged by his companions and then be placed behind the wheel of an automobile which is presumed to be in his care. You will note that the section provides that whether or not the car is in motion, it is presumed to be in his care and he is responsible for it. The unfortunate victim is then arrested, conducted to the police station, and without any warning of the consequences a sample is taken of his blood or urine. This, to my way of thinking, is not in accordance with the principles of British justice and the application of criminal law as I know it, and it is obvious that unless such a sample is taken at the proper time it is of no value.

I read in the *Montreal Gazette* this morning that the Minister of Justice had been congratulated upon having removed from this bill the provisions referring to what is called the tapping of wires. Let him withdraw the section providing that, without proper warning, some part of a human may be tapped, and then he may properly be congratulated.

Honourable senators, I have moved the amendment before the house because I am opposed to the obtaining of convictions by requiring an accused person to do something he knows nothing about and over which he has no control. The proposal to use against him evidence obtained in such a way is contrary to all the best principles of criminal law, as I know them. I do not think that is a just way to treat an accused person.

During my years of practice I have always respected and been on good terms with the police officers of my province. At the same time I despise the use of spotters a device that is contrary to all principles of British law. The amendments which have been creeping into the Code have allowed such practices to become all too common.

I think it is a shame that at the end of the session we are cursed by such poor attendance. When measures are being considered which merely involve the expenditure of money a poor attendance may be excused: but today we are dealing with amendments affecting the liberty of the subject. We who are lawyers should take enough interest in a measure of this nature to attend and discuss it fully.

I repeat my protest against the unjust proposal that a person may be taken into custody and subjected to certain tests when, he is *non compos mentis*.

Hon. Mr. Roebuck: I move the adjournment of the debate.

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

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Saturday, June 30, 1951

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

THE ROYAL ASSENT

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

CANADA DAIRY PRODUCTS BILL

REPORT OF COMMITTEE

Hon. J. A. McDonald, Chairman of the Standing Committee on Natural Resources, presented the report of the committee on Bill 403, an Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Natural Resources to whom was referred the Bill 403, An Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products, have in obedience to the order of reference of 29th June, 1951, examined the said bill, and now beg leave to report the same with the following amendment:

1. Page 5, line 36: delete "or" and substitute "and".

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

Hon. Mr. Robertson: Now, I move concurrence in the report.

Hon. Thomas Reid: Before the report is concurred in I am raising a point of order affecting the rules of the chamber. It is true I am not an old member of this house; but I noted that when the bell had been rung yesterday for the taking of the vote, and after the doors were closed, at least five honourable members came in. I would like to know whether it is a rule of this house that after the doors are closed a senator cannot enter the chamber and vote. I know that that is the rule in the House of Commons. The result of the vote would have been different had that rule been observed. If it is not in force in the Senate I should like to know it.

The Hon. the Speaker: I might point out to the honourable senator that in this matter the rules of the Senate and of the House of Commons are the same. If any honourable senator while seated in this chamber notices an occurrence such as has been reported by the honourable senator from New Westminster (Hon. Mr. Reid), he should at once advise the Chair, and the Chair will then make a decision on the point. I think the honourable senator is a little late with his remarks.

Hon. Mr. Reid: I won't be late next time, then. I am warning you of that. I am always here in time for a vote.

The motion was agreed to, and the amendment was concurred in.

MOTION FOR THIRD READING POSTPONED

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

Hon. Wishart McL. Robertson: It had been my intention at once to move third reading of this bill, but in deference to the wishes of one or two honourable senators who are not now present and who wish to speak on the motion, I am willing to delay it for five minutes or so, and allow the next order to be proceeded with.

The Hon. the Speaker: The motion is postponed.

CRIMINAL CODE BILL

THIRD READING

The Senate resumed from yesterday the adjourned debate on the motion for the third reading of Bill 391, an Act to amend the Criminal Code, as amended, and the motion in amendment of the Honourable Senator Marcotte, seconded by the Honourable Senator Veniot, that the bill be not now read a third time but that it be further amended as follows:

Page 11, lines 30 to 33. For the words "notwithstanding that he was not, before he gave the sample, warned that he need not give the sample or that the results of the analysis of the sample might be used in evidence" substitute therefor the following: ": Provided that he has been properly warned that he need not give the sample and that the results of the analysis of the sample may be used in evidence against him."

Hon. Mr. Robertson: I note, honourable senators, that apparently there is nobody here to resume the debate.

The Hon. the Speaker: Those in favour of the amendment will please say "content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those opposed to the amendment will please say "non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion the "non-contents" have it.

Honourable senators, the question is now on the motion of Honourable Senator Robertson for the third reading of this bill. Is it your pleasure to carry the motion?

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

CANADA DAIRY PRODUCTS BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 403, an Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products.

Hon. J. H. King: Honourable senators, I have a motion that I would like to move. It is as follows:

That the said bill be not now read a third time, but that it be further amended as follows:

1. Pages 3 and 4, being lines 22 to 45, both inclusive, of page 3, lines 1 to 6, both inclusive, of page 4: Strike out clause 6, and renumber the subsequent clauses accordingly.

Honourable senators, I do not propose to delay the house very long. We seem to be in a great hurry. I was late for prayers, Mr. Speaker, and was not here when the order for consideration of the committee's report was called. I greatly appreciate, therefore, the gracious action of my leader (Hon. Mr. Robertson) in asking that the order be not proceeded with at once.

I am not a consumer of margarine or any other butter substitute, but I do not think it is expedient that the Government of Canada —I say the government, not parliament— should at this time give to the executive the right to prohibit the transportation of various commodities between the provinces of this country. It is true that under arrangements with the various provinces certain federal legislation has been passed—the Food and Drugs Act, for instance—for the purpose of ensuring that only non-injurious foods, drugs, and other such commodities, should be offered for sale to the public.

I am not a member of the Standing Committee on Natural Resources, which considered this bill yesterday afternoon, but I attended the committee's meeting, and the Minister of Justice satisfied me that constitutionally the government had the right to present this bill to parliament.

Hon. Mr. Golding: Hear, hear.

Hon. Mr. King: We representatives of the people are practical men and women, and we know that undoubtedly an effort has been made to circumvent the law, as it was understood, and as it has been declared by the courts not only by the courts of Canada but by the Privy Council. However, I do not wish to develop that phase.

The provinces of Quebec and Prince Edward Island have passed prohibitory laws applying to certain products. In doing so they were within their rights. The question is whether it is expedient that at this time we should interfere with what has been considered the proper exercise of a provincial right. I think it inexpedient that we at this time should give power, not to parliament but to the executive, to prohibit the transportation of numerous products from one province to another. Power has been given, under the Act as we understand it, to prohibit marketing of products which are not of the class and kind that people should trade in. But section 6 of the bill goes far beyond that, and I do not think the Senate of Canada, with its relatively small attendance this morning, should consent to delegate to the executive of this government—or any other governments that may follow—the right to prohibit by order in council the conveyance of products from one province to another. I contend, and I emphasize this, honourable senators, that there should be no hurry in passing this bill. I note from the Official Report of Debates of the other place, that there was very little discussion of this section in that house. Why then should we not delay its consideration so that the elected representatives of the people may have another opportunity of expressing themselves upon it? It has been indicated that parliament will adjourn today and reassemble on October 9 next. That is only three months away.

Hon. Mr. Reid: They have not won yet.

Hon. Mr. King: Surely honourable senators will see fit to adopt my motion to delete section 6 from the bill, so as to allow a fuller consideration of it when parliament reconvenes in October.

Hon. Gustave Lacasse: Honourable senators, I should like to say briefly that I wholeheartedly support the amendment proposed by the senator from Kootenay East (Hon. Mr. King.) I would also point out at this time that I am paired with an honourable senator from Quebec, and shall therefore have to refrain from voting. Had I been able to vote, I should have voted against the passage of the bill and for the amendment.

I am not a member of the committee which considered this measure, but I attended its

meeting last night. A very important question, in my opinion, was asked by a senator from Newfoundland, namely, whether the attitude of the various provinces has been determined by the federal government but, unfortunately, it was not answered. It is very important that the Senate should know this, but that question remains unanswered. As we all know—particularly my friend the former premier of Quebec (Hon. Mr. Godbout)—Provincial elections have been won, and lost, on the question of provincial autonomy. That is a most delicate question in the province of Quebec. I am prompted to ask, therefore, whether the present premier of that province is so eager and so impatient to have the federal government interfere with a prerogative of his own province that he would support the passage of this bill?

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Lacasse: I wonder whether that is the case.

Hon. Mr. Reid: That is a good point.

The Hon. the Speaker: Honourable senators, it would appear to me that the remarks of the honourable senator from Essex (Hon. Mr. Lacasse), are beyond the scope of the amendment now being discussed. Furthermore, I would call the attention of the honourable senator to the fact that the rules do not permit him, after a bill has been reported from committee, to direct the attention of the house to what has or has not been said in the committee.

Hon. Mr. Lacasse: I abide by the ruling of His Honour the Speaker. But perhaps I will be permitted to reiterate my two points, which I think are in order. First, I support wholeheartedly the stand taken by the senator from Kootenay East (Hon. Mr. King); and second, I shall have to refrain from voting by reason of the fact that I am paired with an honourable senator from Quebec.

Hon. Mr. King: Honourable senators, my friend who has just spoken has brought to my mind a fact that I had intended to mention in my remarks. I am paired with the honourable senator from Kennebec (Hon. Mr. Vaillancourt), and I shall of course abide by that arrangement and refrain from voting.

The Hon. the Speaker: The question, honourable senators, is on the motion of Honourable Senator King, seconded by Honourable Senator Lambert,

That the said bill be not now read a third time, but that it be further amended as follows:

1. Pages 3 and 4, being lines 22 to 45, both inclusive of page 3 and lines 1 to 6, both inclusive, of page 4: Strike out clause 6, and renumber the subsequent clauses accordingly.

Those in favour of the amendment will please say "content"?

Some Hon. Senators: Content.

The Hon. the Speaker: Those opposed to the amendment will please say "non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion the "non-contents" have it.

The question is now on the motion for the third reading of the bill. When shall the bill, as amended, be read the third time?

Hon. Mr. Robertson: I move that the bill be read a third time now.

The motion was agreed to, and the bill, as amended, was read the third time, and passed, on division.

BUSINESS OF THE SENATE

Hon. Wishart McL. Robertson: Honourable senators, the supplementary estimates are here, but I would prefer to deal with them when the Appropriation Bill is before us. I move that the house adjourn during pleasure, to reassemble at the call of the bell at approximately 12.30. I do not know when the supply bill will be received, but I would ask honourable senators to remain in the precincts so that the sittings may be resumed as soon as the bill is here.

The Senate adjourned during pleasure.

The sitting was resumed.

Hon. Mr. Robertson: Honourable senators, I have ascertained that there is no likelihood that the supply bill will reach us before 2 o'clock. How much later it will be I cannot say, but I thought that the honourable senators whom I asked to stand by should be officially advised, so that they may govern themselves accordingly. I hope that when we reassemble, those who have so faithfully attended the sessions until this stage will again be present.

I move that this house adjourn during pleasure, to reassemble at the call of the bell, not before 2 o'clock this afternoon.

Hon. Mr. Reid: Before we adjourn may I, a comparative newcomer, be permitted to make a suggestion? In looking around the chamber I observe that the attendance has fallen to a point where there is a danger of not having a quorum. Would it not be well, for the purpose of assuring a better attendance, to make some revision of the rules? The idea has occurred to me that the rule which permits of fifteen days' absence

during a session should be amended so as not to apply during the final ten days. A quorum of the Senate consists of fifteen members. As only seventeen are present, the muster is barely sufficient for our business; and it is not right that only a few of us should remain, in the endeavour to carry on the proceedings of parliament here.

Hon. Mr. Robertson: Needless to say, I am quite willing to consider any suggestion that is presented by a member of this chamber. I cannot speak too highly of the devotion of a group of our colleagues, who session after session have remained "faithful to the end". I notice that that group is largely represented this morning. I commend them for their sense of responsibility in this matter. This was referred to yesterday by the honourable member from Ponteix (Hon. Mr. Marcotte), and I take this opportunity to emphasize his remarks. It may be that there are others among the membership who can so arrange matters as to continue their attendance in the closing days of the session.

Hon. Mr. Reid: Hear, hear.

The Senate adjourned during pleasure.

The sitting was resumed.

APPROPRIATION BILL No. 4

FIRST READING

A message was received from the House of Commons with Bill 406, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1952.

The bill was read the first time.

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of the bill.

He said: Honourable senators, this is the fourth Appropriation Bill that we have had this session, and the third providing for moneys necessary to meet the expenses of the public service of the financial year ending March 31, 1952. It will be recalled that Appropriation Bill No. 1 covered interim supply for the two-month period ending May 31, plus additional proportions of certain special items. The total was $421,303,355.75. Appropriation Bill No. 2 covered the end-of-the-year further supplementary estimates for 1950-51, and Appropriation Bill No. 3 was for interim supply for the month of June, plus additional proportions of certain special items. The total under this bill was $208,274,991.25. Therefore the total interim supply previously voted for 1951-52 was therefore $629,578,347.

The total sum asked for by this bill is $2,048,147,247. This amount is made up of the balance of the Main Estimates remaining unappropriated at this time, $1,852,975,067, plus $195,172,180 provided in the further supplementary estimates tabled in the other place on June 23. Honourable senators will of course realize that to these amounts appropriated by parliament must be added the amount authorized by statute, in the sum of $1,145,099,211, bringing the total of the expenditures authorized by this bill, by supplementary estimates and by statutes to the sum of $3,822,824,805. The form of this bill follows in all respects that of the Supply Bills which have come to us at the end of previous sessions.

Section 1 is the short title.

The purpose of section 2 is to provide the balance of the Main Estimates after deducting amounts which have already been voted under Appropriation Act No. 1 and Appropriation Act No. 3 earlier in the session. This balance, which I have already mentioned, amounts to $1,852,975,067. Details of Main Estimates items are set out in Schedule A of the bill.

Section 3 votes further items of supplementary estimates totalling $195,172,180, the details of which are found in Schedule B, extending from pages 34 to 49 of the bill. This amount of roughly $195 million is to a great extent made up of a few large items in the estimates. One of these, totalling $10,500,000, is for freight assistance on Western feed grains and extension of the provisions of this policy to the end of the current year.

Another major item is an amount of $50 million for defence production, to provide capital assistance for the construction, acquisition and so forth, of capital equipment or works by private contractors. An amount of $25 million is included for grants or loans to governments of countries in South and South-East Asia. Under the Department of Finance there is a sum of $7,100,000 to provide grants to universities and equivalent institutions. This is in line with one of the recommendations contained in the report of the Massey Commission. A further item, of $14 million, represents the government's contribution to the Permanent Forces Pension Fund under the Department of National Defence. The sum of $50 million is also provided under Loans, Investments and Advances for Defence Production, to increase the amount of the Defence Production Revolving Fund which is provided for under the Defence Production Act passed during this session of parliament.

These six items that I have enumerated, totalling slightly more than $156 million, or 80 per cent of the total of $195,172,180, constitute the Further Supplementary Estimates. The remaining sum of roughly $39 million is comprised of a large number of smaller items, enumerated in the Further Supplementary Estimates which are before honourable senators.

Section 4 of the bill before us is the usual authority for the Governor in Council to raise by way of loan sums not exceeding $500 million, which may be required from time to time throughout the year for general purposes. It may be recalled that last year this borrowing power was increased in amount from $200 million to the present amount of $500 million.

Section 5 provides that the usual accounts will be submitted in detail to the House of Commons.

I am a little more at ease, honourable senators, in presenting to this house—for its approval—I hope, such a staggering figure in comparison with those I have presented other years, because of our adoption of a system under which the Finance Committee has been able to inquire into the estimates earlier in the session. I am pleased that through this committee honourable senators have been afforded an opportunity to examine the items which go to make up this staggering total. I submit the bill for the favourable consideration of the house.

Hon. Iva Fallis: Honourable senators, I find myself tonight in the position of one who has had greatness thrust upon her, in that I have been assigned, temporarily of course, the responsibility of acting as leader of my party.

Hon. Mr. Robertson: Your party could not have made a better choice.

Hon. Mrs. Fallis: It has not been the custom in the past for this house to review in detail the estimates and appropriations which come down in the dying moments of the session. For that precedent I am very thankful, for I shall not be expected to enter into a discussion of the details of the items at this time.

The honourable leader of the government has referred to the work which has been done by the Finance Committee during the past session. May I point out that when the report of that committee was presented to this house it was unanimously acclaimed as being satisfactory to all. I think I could not do better, at this late hour in the session, therefore, than to read a paragraph from the report. It is as follows:

> Your committee suggests that the government should keep to the lowest point possible all capital expenditures of every kind excepting those essential to defence, to provide the minimum of housing necessary and those expenditures that are normally directed to increasing the production of goods and services required by the Canadian people. Where expenditures are made on any of the items, including defence spending, efficiency and economy consistent with attaining the end in view should be the watchwords guiding them.

If the government, during the days that lie ahead, complies with the suggestions contained in that paragraph of the report, the members of the opposition in this house will be content.

Some Hon. Senators: Hear, hear.

Hon. J. H. King: Honourable senators, may I say a word of congratulations to the acting leader of the opposition in this house? I think the government is fully conscious that we in Canada must conserve our assets by conserving our expenditures. Although the leader has announced tremendous expenditures, I think all of us here realize that the House of Commons, whose members represent the people, have considered these estimates very carefully, and I believe the Senate will accept them.

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

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

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

ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, I move that when the Senate adjourns today, it stand adjourned until Tuesday, October 9, 1951, at eleven o'clock in the forenoon.

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable R. L. Kellock, the Deputy of His Excellency the Administrator, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Administrator was pleased to give the Royal Assent to the following bills:

An Act to amend The Emergency Gold Mining Assistance Act.

An Act to vary the Manitoba Natural Resources Agreement.

An Act respecting an Income Tax Agreement between Canada and Sweden, signed at Ottawa on the sixth day of April, 1951.

An Act respecting a Succession Duty Convention and Protocol between Canada and France, signed at Paris on the sixteenth day of March, 1951.

An Act respecting an Income Tax Convention between Canada and France, signed at Paris on the sixteenth day of March, 1951.

An Act respecting Industrial Loan and Finance Corporation.

An Act respecting Canadian Pacific Railway Company.

An Act respecting Canadian Slovak Benefit Society.

An Act to incorporate Co-operative Fire and Casualty Company.

An Act to incorporate The Missisquoi and Rouville Insurance Company.

An Act respecting Canadian National Railways and to authorize the acquisition of the railway of The Quebec Railway, Light and Power Company.

An Act to vary the Alberta Natural Resources Agreement.

An Act to vary the Saskatchewan Natural Resources Agreement.

An Act respecting the construction of a line of railway by Canadian National Railway Company from Sherridon to Lynn Lake, in the province of Manitoba.

An Act to amend the Supreme Court Act.

An Act to incorporate The Ukrainian Catholic Episcopal Corporation of Saskatchewan.

An Act respecting the Canada Post Office.

An Act to amend The Income Tax Act.

An Act respecting Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations.

An Act to incorporate The Great Lakes Reinsurance Company.

An Act to amend The Veterans' Business and Professional Loans Act.

An Act respecting Benefits for Members of the Canadian Forces.

An Act to amend the Pension Act and change the Title thereof.

An Act to amend The Veterans Insurance Act.

An Act to amend The Returned Soldiers' Insurance Act.

An Act respecting Grants to Municipalities.

An Act respecting The Trust and Loan Company of Canada.

An Act to provide for Allowances for Blind Persons.

An Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways System during the calendar year 1951, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

An Act to amend The Federal District Commission Act, 1927.

An Act to amend The Judges Act, 1946.

An Act to amend The Prairie Farm Rehabilitation Act.

An Act to provide for Old Age Assistance.

An Act to amend The Dominion Elections Act, 1938.

An Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products.

An Act to amend the Criminal Code.

An Act for the relief of Ellen Agnes Evans Boisvert.

An Act for the relief of Muriel Bruce Higgins Greenleaf.

An Act for the relief of Real Levesque.

An Act for the relief of Mary Ruth Langlois Michael.

An Act for the relief of Betty Roseman Feigelman.

An Act for the relief of Rachel Aizer Forman.

An Act for the relief of Romeo Paradis.

An Act for the relief of Joseph Arthur Neveu.

An Act for the relief of Kathleen Harrington Courcy.

An Act for the relief of Anna Goralczyk Jurewicz.

An Act for the relief of Colette Clement Carrieres.

An Act for the relief of Bertha Barbara Bishop Wheatley.

An Act for the relief of Carl Marius Nielsen.

An Act for the relief of Doris Eileen Rowe Brenan Stavert.

An Act for the relief of Gertrude Job Fraser.

An Act for the relief of Ruth Fishman Wynn.

An Act for the relief of Beatrice Vida Harriett Hunnisett Glenday.

An Act for the relief of Salfeda Busko Williams.

An Act for the relief of Margaret Isobel Barnett.

An Act for the relief of Thelma Rosenberg Schwarz Bard.

An Act for the relief of Rollande Cecile Larocque Duquette.

An Act for the relief of Etta Smolkin Shapiro.

An Act for the relief of Jeanne Wigdor Millman.

An Act for the relief of Capitola Jodoin Ranger.

An Act for the relief of Gaston Deguire.

An Act for the relief of Jean Troster Fink.

An Act for the relief of Rae Goldstein White.

An Act for the relief of Phyllis Eileen Paris Gibson.

An Act for the relief of Lorraine Colville Watson Anderson.

An Act for the relief of Edward Stanley Darby.

An Act for the relief of Bernard Kenneth McCormack.

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An Act for the relief of Marie Madeleine Clemence McKenzie Caron.

An Act for the relief of Meinerth Aage Arsvold Wick.

An Act for the relief of Myrtle Louise Vassel Evans.

An Act for the relief of Margo Clare McManus McKeown.

An Act for the relief of Eli Wilson Jewer.

An Act for the relief of Beulah Nellie Elliott.

An Act for the relief of Terez Baranyai Jekkel, otherwise known as Therese Baranyai Jekkel.

An Act for the relief of Andrew Krilyk.

An Act for the relief of Harold Dimond Parsons.

An Act for the relief of Peter Seniw.

An Act for the relief of Dorothy Agnes Bell Bissonnette.

An Act for the relief of Gertrude Banner Jones.

An Act for the relief of Selma Schenker Wyler.

An Act for the relief of Frances Helen Shulman Cohen.

An Act for the relief of Agnes Mary Binnie Bullock.

An Act for the relief of Marie Rose Berthe Bernard Greco.

An Act for the relief of Paul Emile Leblanc.

An Act for the relief of Taras Pieluch.

An Act for the relief of Joyce Margaret Wright Roxburgh.

An Act for the relief of Elsie Mary Harrop Cameron.

An Act for the relief of Anna Kirk Rosborough Finlayson.

An Act for the relief of Marie Madeleine Pauline Parent Bjarnason.

An Act for the relief of Mona Patricia Kiddie Heaney.

An Act for the relief of Irmgard Magdalena Hetzel Lichenstein.

An Act for the relief of Anna Boronow Walter.

An Act for the relief of Ann Smith Couldrey.

An Act for the relief of Phoebe Ross Kidd.

An Act for the relief of Alice Ann Gordon Lewis.

An Act for the relief of Evelyn Serchuk Desjardins.

An Act for the relief of Vivian June Pomeroy Walker.

An Act for the relief of Vivian Edna Bartlett Tribe.

An Act for the relief of Jeannine Lafleur Leatherdale.

An Act for the relief of Bertram Kenneth Kidman.

An Act for the relief of Louis Elie Yon.

An Act for the relief of Doris Mary Thompson Lummis.

An Act for the relief of Estelle Tetreau Latour.

An Act for the relief of Mona Fern Barton Kirkman.

An Act for the relief of Addie Jane Monica Wright Brock.

An Act for the relief of Evelyn Maria Bianchi Lippiatt.

An Act for the relief of Leon Simon Marchand.

An Act for the relief of Ruth Helen Findlay Paterson Priestman.

An Act for the relief of Ilse Helen Kneutgen Jorgensen.

An Act for the relief of Howard Wesley Bartlett.

An Act for the relief of Stephanos Katinoglou.

An Act for the relief of Yetta Handler Meller.

An Act for the relief of Raymond Landry.

An Act for the relief of Lloyd William Lane.

An Act for the relief of Lovannez Chartrand Dinelle.

An Act for the relief of Sophie Kotsos Moscoutis.

An Act for the relief of Mae Kert Sigman.

An Act for the relief of Sarah Jane Greeley Smith.

An Act for the relief of John Cook Donaldson.

An Act for the relief of Cecily Chandler Troop.

An Act for the relief of Doris May Thompson Ewaldt.

An Act for the relief of Laurette Trudel Charland.

An Act for the relief of William Stevenson Greenshields.

An Act for the relief of Clare Kent Gerrie Jorgensen.

An Act for the relief of Beatrice Watson Bell.

An Act for the relief of Marion Cruickshank MacArthur.

An Act for the relief of Annie Mendelson Teitelbaum.

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An Act for the relief of Doris Auclair Gingras.

An Act for the relief of Georges Paquin.

An Act for the relief of Marion Agnes Kelsch Cleghorn.

An Act for the relief of Marie Laure Jacqueline Patenaude Racine.

An Act for the relief of Muriel Edna Glass Fryer.

An Act for the relief of Emma Laronde Bell, sometimes known as Emma DeLaronde Bell.

An Act for the relief of Birute Elena Vaitkunaite Akstinas.

An Act for the relief of George Keith Henderson.

An Act for the relief of Joseph Alfred Sabourin.

An Act for the relief of Sarah Kamichik Coviensky.

An Act for the relief of Yvette Marsan Valiquette otherwise known as Marie Fernande Yvette Marsan Valiquette.

An Act for the relief of Margaret Elizabeth McIntyre Williams.

An Act for the relief of Mildred Ann Sinclair Allen.

An Act for the relief of Gabrielle Robert Mallette.

An Act for the relief of Archibald Kenneth MacLean.

An Act for the relief of Marion Evelyn Peak Collins.

An Act for the relief of John Brock Short.

An Act for the relief of Joseph Duchesne.

An Act for the relief of Eugenie Marjorie Ross Finley.

An Act for the relief of Helen Marion Peacock Rondeau.

An Act for the relief of Ruth Mary Halsey Shaw.

An Act for the relief of Rodolphe Boisjoly.

An Act for the relief of Theresa Verna Brisson Humphreys.

An Act for the relief of Dorothy Shapiro Ram.

An Act for the relief of Ivy Grace Barnsdale Moore.

An Act for the relief of Dorothy Chaffee Caduc.

An Act for the relief of Flora Muriel Crane Keane.

An Act for the relief of Opal Jean Ellis Pike.

An Act for the relief of Elphege Fournier.

An Act for the relief of Marie Elizabeth Rose Ange Cousineau Brousseau.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1952.

The House of Commons withdrew.

The Honourable the Deputy of the Administrator was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, October 9, 1951, at 11 a.m.

THE SENATE

Tuesday, October 9, 1951

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

HIS MAJESTY THE KING

EXPRESSION OF GOOD WISHES

Hon. Wishart McL. Robertson: Honourable senators, before His Honour the Speaker ordered a moment ago that the doors be opened, he led us all in our usual prayers, including the one for the health and well-being of His Majesty the King.

We have each one of us been so relieved at the constant good news of the King's progress towards a speedy recovery since the grave surgical operation which he underwent two weeks ago, that I am sure we would all wish His Honour the Speaker to convey to His Majesty, with the expression of our respectful duty and of our loyal devotion, our gratification at his constant progress towards recovery, and our sincere good wishes.

I venture to propose, with your permission, that we now give public expression to those sentiments by rising and singing together God Save the King.

The Senators thereupon rose and sang "God Save the King".

PROROGATION OF PARLIAMENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 11.30 a.m. for the purpose of proroguing the present session of Parliament.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

The Right Honourable Thibaudeau Rinfret, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to close the Fourth Session of the Twenty-First Parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The people of Canada, in common with His Majesty's subjects elsewhere, were deeply concerned that the state of the King's health made a surgical operation necessary, and they rejoice at the rapid progress of the King's recovery.

My ministers are gratified that the world situation did not require the resumption of the session before the date originally set when you concluded your deliberations in June. The international situation continues nevertheless to give constant concern to the government.

In Korea, despite prolonged discussions, it has not yet been possible to arrange a cease-fire, and hostilities are continuing. To this United Nations' action to defeat aggression, our Canadian forces are making an effective contribution.

Since you adjourned, the state of war with Germany has been terminated by proclamation, and normal diplomatic relations have been established with the Federal Republic of Germany. A treaty of peace has been signed with Japan which you will be asked to approve at a forthcoming session.

While hostilities have been confined to restricted areas, the government is convinced that general peace can be assured only by the continued build-up of the combined strength of the free nations.

To this end, my ministers welcomed the holding in Ottawa of the most recent meeting of the Council of the North Atlantic Treaty Organization. Certain of the recommendations of the council will require to be considered at a future session.

Arrangements are now under discussion with India and Pakistan for certain projects to be financed from the contribution you approved to the Colombo Plan for Co-operative Economic Development in South and South East Asia.

You also made provision for a Canadian contribution to the United Nations relief and rehabilitation program in Korea.

At the outset of the session, you enacted a measure to vest in the Governor in Council additional powers which might be necessary to ensure adequate defence preparations to meet the emergency arising out of the present international situation.

The legislation to establish the Department of Defence Production has been implemented and the new department is in full operation.

Agreements are being worked out with the provincial governments to implement the measure you enacted to provide for federal contributions for the payment of old age assistance to those in need between sixty-five and seventy years of age, Registration is being proceeded with for universal contributory pensions to persons over seventy years of age to facilitate administration when the necessary legislation has been enacted.

You also enacted a separate measure respecting allowances for blind persons; as well as several measures extending the benefits of the Veterans' charter, and providing for an increase in pensions to certain groups of veterans and their dependents.

You authorized the provision of grants to universities and equivalent institutions of higher learning.

The requirement of the fiat in the case of Petitions of Right has been abolished.

The Indian Act was completely revised and the new legislation is now in operation. The Post Office Act was also extensively revised.

Other measures were enacted respecting grants to municipalities; the regulation of consumer credit; the grading of dairy products; the construction of a

railway from Sheridan to Lynn Lake in the province of Manitoba; and the bequests of Laurier House and Kingsmere.

Among other measures, you amended the Canadian Citizenship Act; the Supreme Court Act; the Prairie Farm Rehabilitation Act; the Federal District Commission Act; the Dominion Elections Act; the Judges Act; the Northwest Territories Act; the Yukon Act; the Central Mortgage and Housing Corporation Act; the National Housing Act; the Foreign Exchange Control Act; the Canadian Wheat Board Act; the Emergency Gold Mining Assistance Act; and the Criminal Code.

Your approval was given to agreements between Canada and France, and Canada and Sweden respecting income tax and to a convention between Canada and France respecting succession duties.

Members of the House of Commons:

I thank you for the provision you have made for the public services and for defence obligations on a scale unprecedented in time of peace.

Honourable Members of the Senate:

Members of the House of Commons:

Our people will, I am sure, continue to pray for the complete restoration of the health of the King and for the blessing of Divine Providence upon our nation and the forces of our own and other nations who are striving to maintain the rule of law in the relations between nations.

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