

Canada

Debates of the Senate

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE MAURICE BOURGET,
SPEAKER

1963

FIRST SESSION, TWENTY-SIXTH PARLIAMENT
12 ELIZABETH II

The Session was opened on May 16, 1963
and was prorogued on December 21, 1963

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

28906-6—A

THE MINISTRY

According to Precedence

December 21, 1963

The Right Honourable Lester Bowles Pearson, M.P.	Prime Minister
The Honourable Lionel Chevrier, M.P.	Minister of Justice and Attorney General
The Honourable Paul Joseph James Martin, M.P.	Secretary of State for External Affairs
The Honourable William Ross Macdonald	Minister without Portfolio and Leader of the Government in the Senate
The Honourable John Whitney Pickersgill, M.P.	Secretary of State of Canada
The Honourable Paul Theodore Hellyer, M.P.	Minister of National Defence
The Honourable Walter Lockhart Gordon, M.P.	Minister of Finance and Receiver General
The Honourable Mitchell Sharp, M.P.	Minister of Trade and Commerce
The Honourable Azellus Denis, M.P.	Postmaster General
The Honourable George James McIlraith, M.P.	Minister of Transport
The Honourable William Moore Benidickson, M.P.	Minister of Mines and Technical Surveys
The Honourable Arthur Laing, M.P.	Minister of Northern Affairs and National Resources
The Honourable Maurice Lamontagne, M.P.	President of the Queen's Privy Council for Canada
The Honourable John Richard Garland, M.P.	Minister of National Revenue
The Honourable Lucien Cardin, M.P.	Associate Minister of National Defence
The Honourable Allan Joseph MacEachen, M.P.	Minister of Labour
The Honourable Jean-Paul Deschatelets, M.P.	Minister of Public Works
The Honourable Hedard Robichaud, M.P.	Minister of Fisheries
The Honourable J. Watson MacNaught, M.P.	Solicitor General
The Honourable Roger Teillet, M.P.	Minister of Veterans Affairs
The Honourable Judy LaMarsh, M.P.	Minister of National Health and Welfare
The Honourable Charles Mills Drury, M.P.	Minister of Industry and Minister of Defence Production
The Honourable Guy Favreau, M.P.	Minister of Citizenship and Immigration
The Honourable John Robert Nicholson, M.P.	Minister of Forestry
The Honourable Harry Hays, M.P.	Minister of Agriculture
The Honourable Rene Tremblay, M.P.	Minister without Portfolio

23906-6—B

PARLIAMENTARY SECRETARIES

To the Prime Minister	Alexis Caron, M.P. John Davis, M.P.
To the Minister of Justice	Donald S. Macdonald, M.P.
To the Secretary of State for External Affairs	John B. Stewart, M.P.
To the Secretary of State of Canada	Yvon Dupuis, M.P.
To the Minister of Finance	Edgar J. Benson, M.P.
To the Minister of Trade and Commerce	Jean-Luc Pepin, M.P.
To the Postmaster General	G. Roy McWilliam, M.P.
To the Minister of Transport	Jean-Charles Cantin, M.P.
To the Minister of Northern Affairs and National Resources	John N. Turner, M.P.
To the Minister of Labour	James A. Byrne, M.P.
To the Minister of Public Works	Hubert Badanai, M.P.
To the Minister of Veterans Affairs	Chesley W. Carter, M.P.
To the Minister of National Health and Welfare	Stanley Haidasz, M.P.
To the Minister of Citizenship and Immigration	John C. Munro, M.P.
To the Minister of Agriculture To the Honourable Rene Tremblay	Bruce S. Beer, M.P.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

Clerk of the Privy Council and Secretary to the Cabinet	R. G. Robertson
Assistant Clerk of the Privy Council	A. M. Hill

SENATORS OF CANADA

ACCORDING TO SENIORITY

December 21, 1963

THE HONOURABLE MAURICE BOURGET, SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
RALPH BYRON HORNER	Blaine Lake	Blaine Lake, Sask.
WALTER MORLEY ASELTINE, P.C.	Rosetown	Rosetown, Sask.
JOHN WALLACE DE B. FARRIS	Vancouver South	Vancouver, B.C.
ADRIAN K. HUGESSEN	Inkerman	Montreal, Que.
NORMAN P. LAMBERT	Ottawa	Ottawa, Ont.
ARTHUR LUCIEN BEAUBIEN	Provencher	St. Jean Baptiste, Man.
ARISTIDE BLAIS	St. Albert	Edmonton, Alta.
CHARLES BENJAMIN HOWARD	Wellington	Sherbrooke, Que.
SALTER ADRIAN HAYDEN	Toronto	Toronto, Ont.
NORMAN MCLEOD PATERSON	Thunder Bay	Fort William, Ont.
LÉON MERCIER GOUIN	De Salaberry	Montreal, Que.
THOMAS VIEN, P.C.	De Lorimier	Outremont, Que.
WILLIAM RUPERT DAVIES	Kingston	Toronto, Ont.
GORDON PETER CAMPBELL	Toronto	Toronto, Ont.
WISHART MCLEA ROBERTSON, P.C.	Shelburne	Truro, N.S.
CYRILLE VAILLANCOURT	Kennebec	Lévis, Que.
THOMAS ALEXANDER CRERAR, P.C.	Churchill	Winnipeg, Man.
WILLIAM HORACE TAYLOR	Norfolk	R. R. 3, Brantford, Ont.
FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat, Alta.
VINCENT DUPUIS	Rigaud	Montreal, Que.
CHARLES L. BISHOP	Ottawa	Ottawa, Ont.
JOHN JAMES KINLEY	Queens-Lunenburg	Lunenburg, N.S.
CLARENCE JOSEPH VENIOT	Gloucester	Bathurst, N.B.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John, N.B.
GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson, N.B.
JEAN-MARIE DESSUREAULT	Stadacona	Quebec, Que.
PAUL HENRI BOUFFARD	Grandville	Quebec, Que.
JAMES GRAY TURGEON	Cariboo	Vancouver, B.C.
STANLEY STEWART MCKEEN	Vancouver	Vancouver, B.C.
JAMES WILLIE COMEAU	Clare	Comeauville, N.S.
THOMAS H. WOOD	Regina	Regina, Sask.
THOMAS VINCENT GRANT	Montague	Montague, P.E.I.
ALEXANDER BOYD BAIRD	St. John's	St. John's, Nfld.
THOMAS REID	New Westminster	New Westminster, B.C.
J. WESLEY STAMBAUGH	Bruce	Bruce, Alta.
GORDON B. ISNOR	Halifax-Dartmouth	Halifax, N.S.
MICHAEL G. BASHA	West Coast	Curling, Nfld.
MARIANA BEAUCHAMP JODOIN	Sorel	Montreal, Que.
MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton, N.B.
ALLAN L. WOODROW	Toronto Centre	Toronto, Ont.
FREDERICK GORDON BRADLEY, P.C.	Bonavista-Twillingate	Bonavista, Nfld.
WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford, Ont.
LEONARD DAVID SWEEZEY TREMBLAY	Lauzon	St. Malachie, Que.
SARTO FOURNIER	De Lanaudière	Montreal, Que.
JOHN J. CONNOLLY	Ottawa West	Ottawa, Ont.
NANCY HODGES	Victoria	Victoria, B.C.
DONALD CAMERON	Banff	Edmonton, Alta.
DAVID A. CROLL	Toronto-Spadina	Toronto, Ont.
THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto, Ont.
FRED A. MCGRAND	Sunbury	Fredericton Junction, N.B.
CALIXTE F. SAVOIE	L'Acadie	Moncton, N.B.
DONALD SMITH	Queens-Shelburne	Liverpool, N.S.
HAROLD CONNOLLY	Halifax North	Halifax, N.S.
FLORENCE ELSIE INMAN	Murray Harbour	Montague, P.E.I.
HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal, Que.
CHARLES GAVAN POWER, P.C.	Gulf	St. Pacôme, Que.

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

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
RHEAL BELISLE	Sudbury	Sudbury, Ont.
PAUL YUZYK	Fort Garry	Winnipeg, Man.
ORVILLE HOWARD PHILLIPS	Prince	Alberton, P.E.I.
MAURICE BOURGET (Speaker)	The Laurentides	Lévis, Que.
LOUIS P. GÉLINAS	Montarville	Montreal, Que.
ROMUALD BOURQUE	De la Vallière	Outremont, Que.

See Index for Senators deceased during Session

SENATORS OF CANADA

ALPHABETICAL LIST

December 21, 1963

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ASELTINE, WALTER M., P.C.	Rosetown	Rosetown, Sask.
BAIRD, A. B.	St. John's	St. John's, Nfld.
BASHA, MICHAEL G.	West Coast	Curling, Nfld.
BEAUBIEN, ARTHUR L.	Provencher	St. Jean Baptiste, Man.
BEAUBIEN, L. P.	Bedford	Montreal, Que.
BELISLE, RHEAL	Sudbury	Sudbury, Ont.
BISHOP, CHARLES L.	Ottawa	Ottawa, Ont.
BLAIS, ARISTIDE	St. Albert	Edmonton, Alta.
BLOIS, FRED M.	Colchester-Hants	Truro, N.S.
BOUCHER, WILLIAM A.	Prince Albert	Prince Albert, Sask.
BOUFFARD, PAUL H.	Grandville	Quebec, Que.
BOURGET, MAURICE (Speaker)	The Laurentides	Lévis, Que.
BOURQUE, ROMUALD	De la Vallière	Outremont, Que.
BRADLEY, F. GORDON, P.C.	Bonavista-Twillingate	Bonavista, Nfld.
BROOKS, A. J., P.C.	Royal	Sussex, N.B.
BUCHANAN, JOHN A.	Edmonton	Edmonton, Alta.
BURCHILL, G. PERCIVAL	Northumberland-Miramichi	South Nelson, N.B.
CAMERON, DONALD	Banff	Edmonton, Alta.
CAMPBELL, G. PETER	Toronto	Toronto, Ont.
CHOQUETTE, LIONEL	Ottawa East	Ottawa, Ont.
COMEAU, J. W.	Clare	Comeauville, N.S.
CONNOLLY, HAROLD	Halifax North	Halifax, N.S.
CONNOLLY, JOHN J.	Ottawa West	Ottawa, Ont.
CRERAR, T. A., P.C.	Churchill	Winnipeg, Man.
CROLL, DAVID A.	Toronto-Spadina	Toronto, Ont.
DAVIES, W. RUPERT	Kingston	Toronto, Ont.
DESSUREAULT, J.-M.	Stadacona	Quebec, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DUPUIS, VINCENT	Rigaud	Montreal, Que.
FARRIS, J. W. DE B.	Vancouver South	Vancouver, B.C.
FERGUSSON, MURIEL McQ.	Fredericton	Fredericton, N.B.
FLYNN, JACQUES, P.C.	Rougemont	Quebec, Que.
FOURNIER, EDGAR	Madawaska-Restigouche	Iroquois, N. B.
FOURNIER, SARTO	De Lanaudière	Montreal, Que.
GÉLINAS, LOUIS P.	Montarville	Montreal, Que.
GERSHAW, F. W.	Medicine Hat	Medicine Hat, Alta.
GLADSTONE, JAMES	Lethbridge	Cardston, Alta.
GOUIN, L. M.	De Salaberry	Montreal, Que.
GRANT, THOMAS V.	Montague	Montague, P.E.I.
GROSART, ALLISTER	Pickering	Ottawa, Ont.
HAIG, J. CAMPBELL	River Heights	Winnipeg, Man.
HAYDEN, SALTER A.	Toronto	Toronto, Ont.
HNATYSHYN, JOHN	Saskatoon	Saskatoon, Sask.
HODGES, NANCY	Victoria	Victoria, B.C.
HOLLETT, MALCOLM	Burin	St. John's, Nfld.
HORNER, R. B.	Blaine Lake	Blaine Lake, Sask.
HOWARD, CHARLES B.	Wellington	Sherbrooke, Que.
HUGESSEN, A. K.	Inkerman	Montreal, Que.
INMAN, F. ELSIE	Murray Harbour	Montague, P.E.I.
IRVINE, OLIVE L.	Lisgar	Winnipeg, Man.
ISNOR, GORDON B.	Halifax-Dartmouth	Halifax, N.S.
JODOIN, MARIANA B.	Sorel	Montreal, Que.
KINLEY, JOHN J.	Queens-Lunenburg	Lunenburg, N.S.
LAMBERT, NORMAN P.	Ottawa	Ottawa, Ont.
LEFRANÇOIS, J. EUGÈNE	Repentigny	Montreal, Que.
LEONARD, T. D'ARCY	Toronto-Rosedale	Toronto, Ont.
MACDONALD, JOHN J.	Queens	R.R. 9, Charlottetown, P.E.I.
MACDONALD, JOHN M.	Cape Breton	North Sydney, N.S.
MACDONALD, W. ROSS, P.C.	Brantford	Brantford, Ont.
McCUTCHEON, M. WALLACE, P.C.	Gormley	Toronto, Ont.
McGRAND, FRED A.	Sunbury	Fredericton Junction, N.B.
McKEEN, STANLEY S.	Vancouver	Vancouver, B.C.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
McLEAN, A. NEIL	Southern New Brunswick	Saint John, N.B.
MÉTHOT, LÉON	Shawinigan	Trois Rivières, Que.
MOLSON, HARTLAND DE M.	Alma	Montreal, Que.
MONETTE, GUSTAVE	Mille Isles	Montreal, Que.
O'LEARY, CLEMENT A.	Antigonish-Guysborough	Antigonish, N.S.
O'LEARY, M. GRATTAN	Carleton	Ottawa, Ont.
PATERSON, NORMAN McL.	Thunder Bay	Fort William, Ont.
PEARSON, ARTHUR M.	Lumsden	Lumsden, Sask.
PHILLIPS, ORVILLE H.	Prince	Alberton, P.E.I.
POULIOT, JEAN-FRANÇOIS	De la Durantaye	Rivière du Loup, Que.
POWER, C. G., P.C.	Gulf	St. Pacôme, Que.
QUART, JOSIE D.	Victoria	Quebec, Que.
REID, THOMAS	New Westminster	New Westminster, B.C.
ROBERTSON, JOHN A.	Kenora-Rainy River	Kenora, Ont.
ROBERTSON, WISHART McL., P.C.	Shelburne	Truro, N.S.
ROEBUCK, ARTHUR W.	Toronto-Trinity	Toronto, Ont.
SAVOIE, CALIXTE F.	L'Acadie	Moncton, N.B.
SMITH, DONALD	Queens-Shelburne	Liverpool, N.S.
SMITH, SYDNEY J.	Kamloops	Kamloops, B.C.
STAMBAUGH, J. WESLEY	Bruce	Bruce, Alta.
SULLIVAN, JOSEPH A.	North York	Toronto, Ont.
TAYLOR, AUSTIN C.	Westmorland	Salisbury, N.B.
TAYLOR, WILLIAM H.	Norfolk	R.R. 3, Brantford, Ont.
THORVALDSON, GUNNAR S.	Winnipeg South	Winnipeg, Man.
TREMBLAY, LEONARD D. S.	Lauzon	St. Malachie, Que.
TURGEON, GRAY	Cariboo	Vancouver, B.C.
VAILLANCOURT, CYRILLE	Kennebec	Lévis, Que.
VENIOT, CLARENCE J.	Gloucester	Bathurst, N.B.
VIEN, THOMAS, P.C.	De Lorimier	Outremont, Que.
WALKER, DAVID J., P.C.	Toronto	Toronto, Ont.
WELCH, FRANK C.	Kings	Wolfville, N.S.
WHITE, GEORGE S.	Hastings-Frontenac	Madoc, Ont.
WILLIS, HARRY A.	Peel	Toronto, Ont.
WOOD, THOMAS H.	Regina	Regina, Sask.
WOODROW, ALLAN L.	Toronto Centre	Toronto, Ont.
YUZYK, PAUL	Fort Garry	Winnipeg, Man.

SENATORS OF CANADA

BY PROVINCES

December 21, 1963

ONTARIO—24

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

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

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

NEW BRUNSWICK—10

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

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

BRITISH COLUMBIA—6

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

MANITOBA—6

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

SASKATCHEWAN—6

THE HONOURABLE		
1 RALPH BYRON HORNER	Blaine Lake	Blaine Lake.
2 WALTER M. ASELTINE, P.C.	Rosetown	Rosetown.
3 THOMAS H. WOOD	Regina	Regina.
4 WILLIAM ALBERT BOUCHER	Prince Albert	Prince Albert.
5 ARTHUR M. PEARSON	Lumsden	Lumsden.
6 JOHN HNATYSHYN	Saskatoon	Saskatoon.

ALBERTA—6

THE HONOURABLE		
1 ARISTIDE BLAIS	St. Albert	Edmonton.
2 FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat.
3 J. WESLEY STAMBAUGH	Bruce	Bruce.
4 DONALD CAMERON	Banff	Edmonton.
5 JAMES GLADSTONE	Lethbridge	Cardston.
6 JOHN ALEXANDER BUCHANAN	Edmonton	Edmonton.

NEWFOUNDLAND—6

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

THE SENATE

Officers and Chiefs of Principal Branches

Clerk of the Senate and Clerk of the Parliaments	JOHN F. MACNEILL, Q.C., B.A., LL.B.
Law Clerk and Parliamentary Counsel	E. RUSSELL HOPKINS, B.A., LL.B.
First Clerk Assistant	ALCIDE PAQUETTE, B.A.
Gentleman Usher of the Black Rod	C. R. LAMOUREUX, D.S.O.
Assistant Gentlemen Usher of the Black Rod	ALFRED FORTIER, E.D., C.D.
Chief Clerk of Committees	HARVEY ARMSTRONG
Chief Treasury Officer	J. W. DEAN
Editor of Debates and Chief of Reporting Branch	GRAYDON HAGEN
Chief of Minutes and Journals (English)	Miss ISHBEL M. HUTTON
Chief of Minutes and Journals (French)	PAUL LAROCQUE
Postmaster	HENRI AUBRY
Supervisor of Stenographic Service (English)	Miss M. EDITH WRAY
Supervisor of Stenographic Service (Bilingual)	Miss GERMAINE FOREST
Chief of Stationery Branch and Furniture Control Officer	HUGH E. MCCULLOCH
Chief of Joint Distribution Office	W. R. GRAY
Chief of Protective Service	JOHN C. PHIMISTER
Manager of Parliamentary Restaurant	W. PENTECOST

Parliamentary Reporters

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

(French) J. R. Langlois, Aurèle Chenier

TRANSLATORS

Bureau for Translations

Department of Secretary of State

Chief of Debates Division ..... DENYS GOULET

LIBRARY OF PARLIAMENT

Parliamentary Librarian	ERIK J. SPICER, B.A., B.L.S., M.A.L.S.
Associate Parliamentary Librarian	GUY SYLVESTRE, M.A.

CANADA

Debates of the Senate

OFFICIAL REPORT

Thursday, May 16, 1963

OPENING OF FIRST SESSION TWENTY-SIXTH PARLIAMENT

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

The Senate met at 10 a.m.

NEW SENATOR INTRODUCED

The Clerk of the Senate: Honourable senators, I have the honour to inform the Senate that I have received a certificate from the Secretary of State of Canada showing that

Maurice Bourget, Esquire

has been summoned to the Senate.

Hon. Maurice Bourget, of Lévis, Quebec, was introduced between Hon. Mr. Macdonald (Brantford) and Hon. Mr. Vaillancourt, and presented Her Majesty's writ of summons, which was read by the Clerk Assistant, and took the legally prescribed oath, which was administered by the Clerk.

The Clerk of the Senate: Honourable senators, I have the honour to inform the Senate that the Honourable Maurice Bourget has made and subscribed the declaration of qualification required of him by the British North America Act, 1867, in my presence, as the Commissioner appointed to receive and witness the said declaration.

SPEAKER OF THE SENATE

READING OF COMMISSION APPOINTING HON. MR. BOURGET

Hon. Maurice Bourget, having taken the Clerk's chair, rose and said:

(Translation):

Honourable senators, I have the honour to inform you that a Commission has been issued under the Great Seal, appointing me Speaker of the Senate.

(Text):

The said Commission was then read by the Clerk.

The Hon. the Speaker then took the Chair at the foot of the Throne, to which he was conducted by Hon. Mr. Macdonald (Brantford) and Hon. Mr. Brooks, the Gentleman Usher of the Black Rod preceding.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
Ottawa

16th May, 1963

Sir,

I am commanded to inform you that the Honourable J. R. Cartwright, M.C., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber to open the Twenty-Sixth Parliament of Canada on this day, Thursday the 16th May, 1963 at 10.30 a.m.

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

The Honourable
The Speaker of the Senate.

NEW SENATORS

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

Hon. David James Walker, P.C.
Doctor Orville Howard Phillips

NEW SENATORS INTRODUCED

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

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

Hon. David James Walker, P.C., of Toronto, Ontario, introduced between Hon. Mr. Brooks and Hon. Mr. Willis.

Hon. Orville Howard Phillips, of Alberton, Prince Edward Island, introduced between Hon. Mr. Brooks and Hon. Mr. MacDonald.

The Hon. the Speaker informed the Senate that the honourable senators named above had made and subscribed the declaration of qualification required by the British North America Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

The Senate adjourned during pleasure.

Hon. J. R. Cartwright, M.C., Deputy of His Excellency the Governor General, having come and being seated,

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

Who being come,

The Hon. the Speaker said:

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable John R. Cartwright, Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk.

The Hon. the Speaker said:

Honourable Members of the Senate:

Members of the House of Commons:

I have it in command to let you know that His Excellency the Governor General does not see fit to declare the causes of summoning the present Parliament of Canada until a Speaker of the House of Commons shall have been chosen, according to law; but this afternoon at the hour of three o'clock His Excellency will declare the causes of his calling this Parliament.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
Ottawa
16th May, 1963

Sir,

I have the honour to inform you that His Excellency the Administrator of the Government will arrive at the Main Entrance of the Parliament Buildings at 3.00 p.m. on this day, Thursday the 16th May, 1963, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the Twenty-Sixth Parliament of Canada.

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

The Honourable
The Speaker of the Senate

On motion of Hon. Mr. Vaillancourt, the Senate adjourned until 2.45 p.m.

SECOND SITTING

The Senate met at 2.45 p.m., the Speaker in the Chair.

The Senate adjourned during pleasure.

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

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

The House of Commons being come,

Their Speaker, the Hon. Alan Macnaughton, said:

May it please Your Excellency,

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

If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to

their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The Hon. the Speaker of the Senate answered:

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

SPEECH FROM THE THRONE

His Excellency the Administrator was then pleased to open the First Session of the Twenty-Sixth Parliament with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

I welcome you to the first session of the Twenty-Sixth Parliament of Canada.

I am honoured today to act for His Excellency the Governor General, whose place in the respect of the Canadian people is second only to that of Her Majesty the Queen and whose early recovery to full health is sincerely wished by us all. I know that all members of this Parliament would wish to join in expressing to Her Majesty the sentiments of loyalty which were recently conveyed to her by the Prime Minister.

You are deliberating the course of our country in times of great change throughout the world. These are times that test old virtues. They are times that open up new opportunities. Familiar ways of thought and action are becoming less certain guides. Many old paths are no longer open to us. The task before us is to seek out, with wisdom and imagination, those new paths that will lead us surely forward.

As Canadians we can work with hope. Our country has a proud history. Now there are expanding opportunities open to us. But they depend on our overcoming serious problems. It is only with courage and perseverance and hard work that we will achieve the better life that is within our power, for ourselves and for our children.

Our progress is the work of all the people. In a free country, we are all responsible. The determination of my Ministers is that the Government through its policies will contribute the leadership, the purpose, the decision that are its responsibilities to the people.

The character and strength of our nation are drawn from the diverse cultures of people who came from many lands to create the Canada that is ours today. The greater Canada that is in our power to make will be built not on uniformity but on continuing diversity, and particularly on the basic partnership of English-speaking and French-speaking people. My ministers are determined that the partnership shall be truly equal. For that high purpose they are establishing, in consultation with the governments of the provinces, a commission charged to study, thoroughly but urgently, how the fundamentally bicultural character of Canada may best be assured and the contribution of other cultures recognized.

To make us a more united people, the Government will in all things strive to strengthen and to give new direction to our Canadian confederation. It will foster the spirit of co-operative federalism, fully respecting the rights of the provinces while safeguarding and extending the equality of opportunity which properly belongs to all Canadians in all parts of our country. In these purposes, as in others, my ministers will seek frequent consultation with the governments of the provinces.

The principles of Canadian external policy are those of the United Nations Charter, to maintain peace with justice and respect for human rights and fundamental freedoms; and to promote the welfare of all peoples by international co-operation. My ministers will seek solutions to international problems by diplomacy and negotiation. In particular, my ministers will strive to lessen international tensions and halt the arms race by seeking measures of controlled disarmament, including a treaty to end nuclear tests under reasonable safeguards.

Meantime, my ministers believe that there is no alternative to the maintenance of the defences of the free nations as a deterrent to war. In particular, a strong North Atlantic Treaty Organization, including adequate defence on the North American continent, remains essential to Canada's security. For this purpose, the armed forces of Canada should have available the modern weapons necessary to perform effectively the defensive tasks which Canada has undertaken in the alliance. Next week, we will take pleasure in

welcoming to Ottawa the Ministerial Council of the North Atlantic Treaty Organization. My Government is convinced that on the foundation of the present alliance a true community of the Atlantic peoples will one day be achieved.

In recent weeks the Prime Minister has had friendly and constructive discussions with the Prime Minister of the United Kingdom and with the President of the United States of America. By such visits and other means the Government will continue to improve political and economic relationships with other countries. It is my ministers' intention to assist in enhancing the unique value of the Commonwealth partnership in international relations.

Canada's economic progress is vitally dependent on vigorous economic expansion throughout the world. We must expect continuing rapid changes in international trading relationships, changes that face Canada both with problems of adjustment and with new opportunities. My ministers believe that the nations can best achieve economic progress through policies that steadily reduce the barriers limiting trade. It is equally important to pursue active policies for the economic development of the newer nations, for the expansion of trade in primary commodities at reasonably stable prices, and for the improvement of international payments.

Canada will take a constructive part in trade and other economic negotiations. In order to increase employment and production in Canada, it is the purpose of my ministers to expand Canada's export trade, to strengthen our payments balance with other countries, and to ensure increasingly high confidence in our economy and currency.

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

Provision will be made to assist labour and management to make manpower adjustments required by technological and other industrial changes. The special assistance for technical training will be extended in co-operation with the provinces.

Other measures will be put before you to assist in increasing production and employment in Canada.

You will be asked to provide for the early establishment of a Department of Industry, which will foster industrial expansion and provide a central point to which industry can look for consultation, stimulus and assistance. It will be proposed that, within the new Department, there will be established an Area Development Agency. This agency will work with the provincial governments and other organizations to co-ordinate programs for parts of the country where, because of chronic unemployment, a special thrust for development is needed.

Amendments to the Atlantic Development Board Act will be proposed, to strengthen the Board and to provide for a capital assistance fund through which it can promote basic projects in the Atlantic region.

You will be asked to establish a Municipal Development and Loan Board, through which municipalities may obtain, with the approval of the provinces, loans and grants to carry out projects which will increase employment and improve services. Amendments to the National Housing Act will also be proposed.

A measure will be placed before you to establish a Canada Development Corporation, by means of which Canadians can more readily direct their savings to the building of new Canadian industries and to increasing the Canadian ownership of existing industries, which is one of the important objectives of the Government.

A measure will be placed before you to establish an Economic Council of Canada, in order to assist the Government, industry and labour to develop means of ensuring in Canada the highest possible levels of employment, of efficient production, and of sustained growth for our economy.

My ministers will pursue constructive policies for the development of Canada's great resources for the benefit of Canadians.

The Government will undertake discussions with the government of British Columbia and with the United States, aimed at securing action on the development of the Columbia River.

A new Department of Agriculture Act will be placed before you, to provide for two ministers in order that the needs of agriculture in both eastern and western Canada may receive closer attention. My ministers will institute new programs to make farming as a whole more stable and more prosperous. They will strive to expand markets for Canadian farm products both at home and abroad, with special attention to dairy products.

The Government is initiating consultation with the provinces to work out a program for national fishery development. My ministers intend to secure the establishment of a twelve-mile limit for the use of the Canadian fisheries, taking proper account of treaty and historic rights.

You will be asked to continue the existing payments to the railways, pending the approval of long-term measures concerning

transportation. You will be asked to provide additional assistance for the completion of the Trans-Canada Highway.

My ministers have undertaken to establish a comprehensive system of contributory pensions. The new pensions will be co-ordinated with the existing provisions for old-age security, for the purpose of enabling all Canadians to retire in security and with dignity. While the arrangements required for this great advance in the social security of our people are necessarily complex, the legislation submitted to you will be designed to make the new pension plan operative as soon as possible.

Legislation on unemployment insurance is under consideration and in the meantime you will be asked to ensure that the fund is sustained to meet the claims on it.

The redistribution of electoral districts is overdue. You will be asked to authorize the establishment of a commission to undertake this important task.

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

Members of the House of Commons,

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

You will be invited to establish a special Committee of the House to examine defence problems.

It will be proposed that the Standing Committee on Privileges and Elections review the Canada Elections Act.

You will be asked to agree to the establishment of a Committee on Procedure, over which the Speaker will preside, with the aim of strengthening Parliament and making it more effective.

Honourable Members of the Senate,

Members of the House of Commons,

In addition to the measures already specified, you will be asked to consider other legislative proposals.

May Divine Providence guide you in your deliberations.

The House of Commons withdrew.

His Excellency the Administrator was pleased to retire.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

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

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION NEXT SITTING

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

When shall it be taken into consideration?

(Translation):

Hon. Cyrille Vaillancourt: I have the honour to move, seconded by Hon. Mr. Hugessen, that the Speech of His Excellency the Administrator, delivered from the Throne to the two houses of Parliament, be taken into consideration at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. Mr. Vaillancourt: Honourable senators, with leave of the Senate, I move, seconded by Hon. Mr. Hugessen, that the Senate adjourn until Tuesday, May 21, at 8 o'clock in the evening.

(Text):

Motion agreed to.

The Senate adjourned until Tuesday, May 21, at 8 p.m.

THE SENATE

Tuesday, May 21, 1963

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

Prayers.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate the report of the Parliamentary Librarian to the First Session of the Twenty-Sixth Parliament, 1963.

Ordered: That the report do lie on the Table.

DOCUMENTS TABLED

Hon. W. Ross Macdonald: Honourable senators, I desire to table a number of reports. The list is a lengthy one consisting of six pages, each page containing about four or five reports. Would honourable senators allow me to dispense with the reading of the list?

Hon. A. J. Brooks: Agreed.

The following documents were then tabled:

Report of the Board of Transport Commissioners for Canada for the year ended December 31, 1962, pursuant to section 31 of the Railway Act, chapter 234, R.S.C., 1952. (English text).

Copies of Statutory Orders and Regulations published in the Canada Gazette, Part II, of Wednesday, February 13 and 27, March 13 and 27, April 10 and 24 and May 8, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Consolidated Index and Table of Statutory Orders and Regulations published in the Canada Gazette, Part II, for the periods January 1, 1955 to December 31, 1962, and January 1, 1955 to March 31, 1963. (English and French texts).

Report of the Governor of the Bank of Canada, and Statement of Accounts certified by the Auditors, for the year ended December 31, 1962, pursuant to section 27(3) of the Bank of Canada Act, chapter 13, R.S.C., 1952, as amended 1953-54. (English and French texts).

Report of the Master of the Royal Canadian Mint, for the year ended December 31, 1962, pursuant to section 21 of the Currency, Mint and Exchange Fund Act, chapter 315, R.S.C., 1952. (English text).

Report of the Superintendent of Insurance for Canada—Co-operative Credit Societies, for the year ended December 31, 1961. (English text).

Report on the Administration of the Public Service Superannuation Act, Parts I and II, for the year ended March 31, 1962, pursuant to section 34, chapter 47, Statutes of Canada 1952-53, and section 49, chapter 64, Statutes of Canada, 1953-54. (English and French texts).

Report of the Superintendent of Insurance for Canada—Loan and Trust Companies, for the year ended December 31, 1961, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English text).

Report of the Superintendent of Insurance for Canada—Small Loans Companies and Money-Lenders licensed under the Small Loans Act, for the year ended December 31, 1961. (English text).

Report of the Superintendent of Insurance for Canada—Volume III Annual Statements of Life Insurance Companies and Fraternal Benefit Societies, for the year ended December 31, 1961, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English text).

Report on the Operations under Part II of the Export Credits Insurance Act, for the year ended March 31, 1963, pursuant to section 27 of the said Act, chapter 105, R.S.C., 1952. (English text).

Report on Prairie Farm Rehabilitation and Related Activities, for the year ended March 31, 1962, pursuant to section 12 of the Prairie Farm Rehabilitation Act, chapter 214, R.S.C., 1952. (English text).

Report on Activities under the Prairie Farm Assistance Act, for the crop year ended July 31, 1962, pursuant to section 12 of the said Act, chapter 213, R.S.C., 1952. (English and French texts).

List of Apportionments and Adjustments of Seed Grain, Fodder for Animals and Other Relief Indebtedness, for the period from September 28, 1962, to May 16, 1963, pursuant to section 2 of An Act respecting Certain Debts due the Crown, chapter 51, Statutes of Canada, 1926-27. (English text).

Statement concerning Refunds under the Refunds (Natural Resources) Act, for the period September 28, 1962, to May 16, 1963, pursuant to section 3 of the said Act, chapter 35, Statutes of Canada, 1932.—Nil return.

Copy of Ordinances, chapters 1 to 8, made by the Commissioner in Council of

the Northwest Territories, assented to on January 24, 1963, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C. 1952, as amended 1953-54, together with a copy of Order in Council P.C. 1963-260, dated February 14, 1963, approving same. (English text).

Report on Activities under the Maritime Marshland Rehabilitation Act for the year ended March 31, 1962, pursuant to section 9 of the said Act, chapter 175, R.S.C., 1952. (English text).

Report of the Department of National Health and Welfare, for the year ended March 31, 1962, pursuant to section 10 of the Department of National Health and Welfare Act, chapter 74, R.S.C., 1952. (French text).

Report of Expenditures and Administration in connection with the Unemployment Assistance Act, for the year ended March 31, 1962, pursuant to section 9 of the said Act, chapter 26, Statutes of Canada, 1956. (English and French texts).

Report of the National Harbours Board, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1962, pursuant to section 32 of the National Harbours Board Act, chapter 187, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of Park Steamship Company Limited, for the year ended December 31, 1962, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English text).

Report of the Cornwall International Bridge Company, Limited, for the year ended September 30, 1962, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Canadian National (West Indies) Steamships, Limited, for the year ended December 31, 1962, pursuant to section 85(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Canadian National Railways Securities Trust for the year ended December 31, 1962, pursuant to section 17 of the Canadian National Railways Capital Revision Act, chapter 311, R.S.C., 1952. (English and French texts).

Report of the Canadian National Railways for the year ended December 31, 1962, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

Report of Trans-Canada Air Lines for the year ended December 31, 1962, pursuant to section 29 of the Trans-Canada Air Lines Act, chapter 268, R.S.C., 1952. (English and French texts).

Report to Parliament of the Auditor on the Accounts of the Canadian National Railway System for the year ended December 31, 1962, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

Report to Parliament of the Auditor on the Accounts of Trans-Canada Air Lines for the year ended December 31, 1962, pursuant to section 29 of the Trans-Canada Air Lines Act, chapter 268, R.S.C., 1952. (English and French texts).

Report entitled: "Department of Transport—Annual Record of Operations, 1961-62". (English text).

Statement of work performed and expenditures made as of December 31, 1962, respecting the construction by the Canadian National Railway Company of certain terminal facilities in the vicinity of the City of Montreal, pursuant to section 11 of the Canadian National Montreal Terminals Act, chapter 12, Statutes of Canada, 1929. (English and French texts).

Statement of work performed and expenditures made as of December 31, 1962, together with estimated expenditures for 1963, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the City of Toronto, pursuant to section 10 of the Canadian National Toronto Terminals Act, chapter 26, Statutes of Canada, 1960. (English and French texts).

Statement of work performed and expenditures made as of December 31, 1962, together with estimated expenditures for 1963, under authority of chapter 7, Statutes of Canada, 1960-61, respecting the construction by the Canadian National Railway Company of a railway line from mile 72.6, Kiask Falls Subdivision, to Mattagami Lake Mines, Township of Galinee, in the Province of Quebec, pursuant to section 8 of the said Act. (English and French texts).

Report of work performed and expenditures made as of December 31, 1962, together with estimated expenditures for

1963, under authority of chapter 56, Statutes of Canada, 1960-61, respecting the construction by the Canadian National Railway Company of a line of railway from a point near Grimshaw, in the Province of Alberta, in a northerly direction to Great Slave Lake in the Northwest Territories, pursuant to section 9 of the said Act. (English and French texts).

Report of work performed and expenditures made as of December 31, 1962, together with estimated expenditures for 1963, under authority of chapter 9, Statutes of Canada, 1962, respecting the construction of a line of railway in the Province of Alberta by Canadian National Railway Company from Whitecourt to the property of Pan American Petroleum Corporation, pursuant to section 8 of the said Act. (English and French texts).

Report of work performed and expenditures made as of December 31, 1962, under authority of chapter 13, Statutes of Canada, 1962, respecting the construction and operation on behalf of Her Majesty of a line of railway in the Province of Quebec between Matane and Ste. Anne des Monts, pursuant to section 6 of the said Act. (English and French texts).

Capital and Operating Budgets of the Canadian National Railway Company for the year ending December 31, 1963, pursuant to section 37 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955, together with copy of Order in Council P.C. 1963-266, dated February 19, 1963, approving same. (English text).

Capital Budget of Trans-Canada Air Lines, for the year ending December 31, 1963, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1963-255, dated February 14, 1963, approving same. (English text).

Capital Budget of the National Harbours Board, for the year ending December 31, 1963, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1963-143, dated January 29, 1963, approving same. (English text).

Report of the St. Lawrence Seaway Authority, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1962, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on the Industrial Relations and Disputes Investigation Act, for the year ended March 31, 1963, pursuant to section 68 of the said Act, chapter 152, R.S.C., 1952. (English text).

BANKRUPTCY ACT

BILL TO AMEND—FIRST READING

Hon. Mr. Macdonald (Brantford) presented Bill S-2, to amend the Bankruptcy Act.

Bill read first time.

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

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

EXPORT AND IMPORT PERMITS ACT

BILL TO AMEND—FIRST READING

Hon. Mr. Macdonald (Brantford) presented Bill S-3, to amend the Export and Import Permits Act.

Bill read first time.

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

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

NEWFOUNDLAND SAVINGS BANK ACT, 1939

BILL TO REPEAL—FIRST READING

Hon. Mr. Macdonald (Brantford) presented Bill S-4, to repeal The Newfoundland Savings Bank Act, 1939.

Bill read first time.

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

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

ONTARIO HARBOURS AGREEMENT BILL

FIRST READING

Hon. Mr. Macdonald (Brantford) presented Bill S-5, to approve an agreement between

the Government of Canada and the Government of the Province of Ontario respecting public harbours.

Bill read first time.

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

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Hon. Mr. Brooks: May I ask the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) when these bills received first and second reading in the other place?

Hon. Mr. Macdonald (Brantford): The last bill that I presented was considered in the House of Commons last session, received second reading there, was sent to committee and was reported back from committee, but Parliament was dissolved before there was an opportunity to complete consideration of it.

Is the honourable Leader of the Opposition (Hon. Mr. Brooks) interested in the other bills?

Hon. Mr. Brooks: Perhaps a similar explanation might be given with regard to them.

Hon. Mr. Macdonald (Brantford): With respect to Bill S-2, to amend the Bankruptcy Act, honourable senators will recall that that bill was considered by this house. My friend, the present Leader of the Opposition, will recall that he presented the bill to the Senate, that some substantial amendments were made to it in committee, that it was reported back to the Senate and received third reading here. Then it was sent to the other house, but the dissolution of Parliament prevented further consideration of the bill in that house.

The bill that I have presented to the house today is the bill as amended by the Senate, and honourable senators will be familiar with it. The other two bills, respecting the Export and Import Permits Act and The Newfoundland Savings Bank Act, I believe, have not been considered by either house. They will be considered in due course.

Hon. Mr. Aseltine: Were they on the Order Paper of the other house when dissolution took place?

Hon. Mr. Macdonald (Brantford): I am not sure whether they were or not. They may have been. I was too occupied keeping myself up to date on what was on the Order Paper in the Senate to know what was before the other house. I have put these bills on the Order Paper for second reading next Thursday because, in accordance with the rules, forty-eight hours must elapse before they can receive consideration; however, I doubt if they will be considered on that day. I understand the honourable Leader of the Opposition has intimated that I should give some information about the business of the house this week.

Hon. Mr. Brooks: I should like to ask for some information as to these bills, and whether they are in the same terms as the bills that were before the other house, or if they are new bills.

Hon. Mr. Macdonald (Brantford): I have explained Bill S-2, to amend the Bankruptcy Act, and the Bill S-5, to approve an agreement between the Government of Canada and the Province of Ontario respecting Public Harbours. I do not know if the other two bills have been considered by the other house. However, it is unlikely that any of the bills will be considered by this house this week.

It has been suggested, subject to the pleasure of honourable senators, that tomorrow should be occupied by the mover and seconder of the address in reply to the Speech from the Throne, and that on Thursday the Leader of the Opposition may wish to speak. I understand that he will let us know about that tomorrow. It would seem that those matters will occupy the balance of this week. Whether I will speak the following Tuesday or whether we will consider one of these bills on that day, I will intimate to the house at the end of this week.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. Mr. Macdonald (Brantford) moved, seconded by Hon. Mr. Vaillancourt:

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

Motion agreed to.

COMMITTEE OF SELECTION

APPOINTMENT

Hon. Mr. Macdonald (Brantford) moved, seconded by Hon. Mr. Vaillancourt:

> That pursuant to Rule 77, the following senators, to wit: the Honourable Senators Aseltine, Brooks, Choquette, Fergusson, Lefrancois, Macdonald (Brantford), Macdonald (Cape Breton), Monette, Reid, Smith (Kamloops) and Taylor (Norfolk) 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.

Hon. Mr. Brooks: Can the honourable leader tell us when the committee will have its first meeting?

Hon. Mr. Macdonald (Brantford): The honourable Leader of the Government has asked when the committee—

Some Hon. Senators: Oh, oh.

Hon. Mr. Macdonald (Brantford): I mean, the honourable Leader of the Opposition has asked—

Hon. Mr. McCutcheon: You are bound to do it once.

Hon. Mr. Macdonald (Brantford): I am beginning to feel at home on this side. The honourable Leader of the Opposition has asked when the committee will sit. In order to proceed with all convenient speed I would suggest that the committee sit immediately after the house rises this evening. It will then be able to bring in its report tomorrow.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 22, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Department of Public Works for the year ended March 31, 1962, pursuant to section 34 of the Public Works Act, chapter 228, R.S.C., 1952. (English and French texts).

Copy of a letter dated May 15, 1963, addressed by the Prime Minister of Canada to the Premiers of the provinces, concerning bilingualism and biculturalism, together with a copy of the proposed terms of reference to a Royal Commission on Bilingualism and Biculturalism. (English and French texts).

BILINGUALISM AND BICULTURALISM

PROPOSED COMMISSION OF INQUIRY—DOCUMENTS PRINTED AS APPENDIX

Hon. A. J. Brooks: Honourable senators, I wonder if it would be possible to have the letter from the Prime Minister to the premiers of the provinces and the proposed terms of reference, which have just been tabled, inserted in *Hansard*. If so, I would be glad to second a motion of the Leader of the Government (Hon. Mr. Macdonald, Brantford) to that effect.

Hon. W. Ross Macdonald: I will be glad to move, seconded by the honourable Senator Brooks, that a copy of the letter, together with the terms of reference, appear as an appendix to *Hansard*.

Motion agreed to.

For text of letter and terms of reference see Appendix "A", p. 21.

FINANCE CHARGES (DISCLOSURE) BILL

FIRST READING

Hon. David A. Croll presented Bill S-6, to make provision for the disclosure of information in respect of finance charges.

He said: Honourable senators, this bill is identical to the one that the house endorsed in principle during the Twenty-Fifth Parliament, and I am taking this opportunity to express the hope that within a very short time this bill can be sent to committee, where its predecessor was stymied when the last Parliament was dissolved.

Bill read first time.

28906-6—2½

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

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

Motion agreed to.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

Hon. William H. Taylor presented the report of the Committee of Selection.

The Clerk Assistant (reading):

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

Some Hon. Senators: Dispense.

For text of report see Appendix "B" pp. 22-24.

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

Hon. Mr. Taylor (Norfolk): Honourable senators, I move that the report be considered at the next sitting.

Motion agreed to.

(Translation):

NORTH ATLANTIC TREATY ORGANIZATION

INQUIRY WITH RESPECT TO MEMBER COUNTRIES

Hon. Jean-François Pouliot: Mr. Speaker, may I ask a question which comprises three sub-questions.

Here is my first question: What are the member countries of the North Atlantic Treaty Organization?

Secondly: What has Canada done for each of those countries since the creation of that organization?

Thirdly: What has each of those countries done for Canada since the creation of that organization?

(Text):

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators, before the Orders of the Day are proceeded with may I refer to a question asked last night by the honourable Leader of the Opposition (Hon. Mr. Brooks) with respect to two bills, one to amend the Export and Import Permits Act and the other to repeal The Newfoundland Savings Bank

Act, 1939. The honourable Leader of the Opposition asked me if these bills had appeared on the Order Paper of the other house and, if so, what progress had been made with respect to them. On looking up the records I find that both bills were presented to the other house and received first reading which, as honourable senators understand, was automatic; then they appeared on the Order Paper of the other house for second reading but were not proceeded with.

Hon. A. J. Brooks: I also asked if the bills presented to us now are in the same terms as the bills that were presented to the other house.

Hon. Mr. Macdonald (Brantford): I have not compared the bills now before us with those that were presented to the other house. May I suggest to the honourable Leader of the Opposition that he or his secretary make the comparison and inform the house at the next sitting.

Hon. Mr. Brooks: You have been at the Cabinet, and I have not.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

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

(Translation):

Hon. J.-Eugène Lefrançois moved, seconded by Hon. Austin C. Taylor:

> That the following Address be presented to His Excellency the Governor General of Canada:
>
> To His Excellency Major-General Georges P. Vanier, Companion of the Distinguished Service Order, upon whom has been conferred the Military Cross and the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.
>
> May it please Your Excellency:
>
> We, Her Majesty's most devoted 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 His Excellency the Administrator has addressed to both Houses of Parliament.

Honourable senators, I should like to express my regret that illness should have prevented His Excellency the Governor General of Canada from opening the first session of the Twenty-Sixth Parliament, on May 16 last. On behalf of all of us, I wish him a full and speedy recovery.

Mr. Speaker, I must congratulate you on your appointment to the high office you hold in this house.

In spite of your youth, your past record fully justified your appointment as Speaker of the Senate of Canada. This appointment not only is a well-deserved reward for your past work as member for Lévis for over 22 years, but also for your activity as a prominent citizen of our great country.

Everyone knows that through your influence you were able to bring jobs to Quebec city and other areas, particularly in shipbuilding, when you were a member of Parliament and also when you became parliamentary secretary to the Minister of Public Works. Both the eastern and western shipyards are most thankful to you for the many contracts you obtained for them. Because you were a professional engineer you were destined to play a significant role as a member of the House of Commons and you played that role with competence and dedication.

Politically, you filled important positions especially in the Quebec city area. Your presence in this house will be a renewed opportunity to strengthen the ties of a long friendship in and out of parliament.

Honourable senators, I would be remiss if I did not also congratulate the senator from Brantford (Hon. Mr. Macdonald), on his appointment to the Cabinet and as Government Leader in the Senate.

His long experience as a member and Speaker of the House of Commons, his appointment to the Senate in 1953, his position as Leader of the Government from 1953 to 1957 and Leader of the Opposition from 1957 to 1963, were obvious qualifications for the important office he has been called upon to fill. I wish to offer the honourable senator my most sincere co-operation.

I also wish to thank him for the great honour he bestowed upon me when he asked me to move the address in reply to the Speech from the Throne.

(Text):

Honourable senators, I want to congratulate the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) upon his appointment to the present Cabinet as a minister without portfolio, having been sworn in as such on April 22. I also wish to congratulate him for the way he has personally put biculturalism into practice in this country which was founded by two great European nations, the French and the English. The Speech from the Throne underlines this

bicultural character of Canada in connection with the plan to establish a commission on biculturalism.

(Translation):

Honourable senators, on this same subject, I am pleased to underline the precedent just created by His Excellency the Administrator of the Government, the Chief Justice of Canada, when in reading the Speech from the Throne he alternated between the two languages instead of repeating the whole text. That, in my opinion, is another fact which sanctions biculturalism.

The Speech from the Throne is most explicit in this regard when it says, and I quote:

> The character and strength of our nation are drawn from the diverse cultures of people who came from many lands to create the Canada that is ours today. The greater Canada that is in our power to make will be built not on uniformity but on continuing diversity, and particularly on the basic partnership of English-speaking and French-speaking people. My ministers are determined that the partnership shall be truly equal. For that high purpose they are establishing, in consultation with the governments of the provinces, a commission charged to study, thoroughly but urgently, how the fundamentally bicultural character of Canada may best be assured and the contribution of other cultures recognized.

One of the main features of the policy of the new Government is its desire to give a new direction to Confederation, apart from the major fact that it wishes to expedite our economic recovery in the emergency which has now lasted a few years.

The head of the present Government said a few days ago that the new team was acting swiftly, and that is apparent in all fields of activity, both domestic and international. The sixty days of decision will remain famous in our country's history.

I find it appropriate to quote another passage from the Speech from the Throne:

> To make us a more united people, the Government will in all things strive to strengthen and to give new direction to our Canadian Confederation. It will foster the spirit of co-operative federalism, fully respecting the rights of the provinces while safeguarding and extending the equality of opportunity which properly belongs to all Canadians in all parts of our country. In these purposes, as in others, my ministers will seek frequent consultation with the governments of the provinces.

These consultations with the provincial authorities will bring back to the fore some problems which are peculiar to my province, Quebec. I am thinking now of those trouble-makers who are spreading terror in the city of Montreal. Their philosophy is that of the communists and they are seeking to overthrow the established order and to set up a new regime through violence. Experience taught us that those who resort to violence often are the victims of violence themselves.

I do not know who are the ones responsible for those dangerous deeds, but I do know, as the premier of Quebec said himself, that they are causing the greatest harm to our province. Not only will they hurt us economically and industrially, but they will also jeopardize the good will between the various groups in Canada.

At the present time we have reached the point where English-speaking Canadians are ready to co-operate with us so that the terms of Confederation will be respected. It has been said on many occasions that it is our last chance, but some people do not even want a last chance and they try through violence to prevent that last chance from being given to the people of Canada. They want to undermine the Constitution.

We must take the necessary measures to fight and suppress immediately those individuals who are working against our province.

But the legal rights of the province of Quebec must be respected, as the Prime Minister said in the house on May 20:

> Quebec, which is a province different from other provinces because it is a motherland to people who live in other provinces as well as being a province of Canada, needs the means to remain Quebec.
>
> The government of Quebec must have the resources to meet the needs of today as well as to fulfil the aspirations of centuries.

Honourable senators, I still feel that it is unthinkable that Quebec, as a whole, should dream of separatism. We, in Quebec, have been by tradition the truest Canadians and most loyal to the British Crown. Twice our ancestors fought back victoriously against attacks from the Americans, in 1776 in Quebec city, and in 1812 at Chateauguay where de Salaberry distinguished himself. History has shown that if the Americans have not conquered Canada it is on account of the opposition of the French Canadians. The Premier of Quebec repeated it in London a few days ago. The French Canadians are still the most effective defence against the Americanization of Canada. Our country is constantly subjected to the influence of the

republic to the south through radio, television, movies and literature. On account of the language spoken in Quebec, it opposes more readily such cultural invasion, together with the U.S. capital invested in our industry.

We can be sure that the inquiry on biculturalism in Canada will reveal the reasons for that certain uneasiness prevailing in our country and will allow the implementation of the proper remedies.

The problem of nuclear weapons for Canada has been widely talked about during the last election campaign, and it aroused wide differences of opinion among the Canadian public.

In this regard we find in the Speech from the Throne, and I quote:

> The principles of Canadian external policy are those of the United Nations Charter, to maintain peace with justice and respect for human rights and fundamental freedoms; and to promote the welfare of all peoples by international co-operation. My ministers will seek solutions to international problems by diplomacy and negotiation. In particular, my ministers will strive to lessen international tensions and halt the arms race by seeking measures of controlled disarmament, including a treaty to end nuclear tests under reasonable safeguards.

The leader of the present Government, winner of the Nobel Peace prize, remains essentially a man of peace. Consequently, the Speech from the Throne reflects the Government's policy. It says:

> there is no alternative to the maintenance of the defences of the free nations as a deterrent to war.

NATO must be strong and the North American continent must be well defended.

Therefore, we must, until peace is definitely established, be ready to defend ourselves, if need be, and to respect our commitments to the free nations of the West. The Speech from the Throne mentions specifically that the Canadian forces must be provided with modern weapons.

With respect to Canada's economic recovery, the Speech from the Throne states that it is important to reduce trade barriers. We must strive to develop a primary products trade at comparatively stable prices.

To this effect, the Government proposes to expand our export markets and to strengthen our balance of payments.

Still in the economic field, the Speech from the Throne emphasizes the fact that unemployment is the most instant problem in our country. To create new jobs, new industries will have to be established.

On that matter the Government wants to stimulate sound industrial expansion. So, with the provinces, the federal authority will extend assistance for technical training.

Among the other practical steps to ensure our economic recovery, the Speech announces the setting up of a Department of Industry and an Area Development Agency.

Several areas of the country suffer from chronic unemployment because of the absence of industries, and that is where the Agency will be able to operate, in co-operation with the provinces.

The Atlantic areas suffer especially from certain delays in their development. The Government plans to amend the Atlantic Development Board Act.

In order to increase employment, the Government plans to establish as soon as possible a municipal development and loan board, through which municipalities may obtain, with the approval of the provinces, loans and grants to carry out projects which will increase employment and improve services.

On the other hand, the Government plans during the present session to propose amendments to the National Housing Act.

It is projected to establish a Canada development corporation, by means of which Canadians can more readily direct their savings to the building of new Canadian industries.

Thanks to the establishment of an economic council of Canada, Canada will be assured of the highest possible levels of employment and of a sustained growth of its economy. The Pacific region will benefit from discussions aimed at solving the delicate problem of the development of the Columbia River.

In days gone by, the eastern farmers complained about the privileged treatment meted out by the federal Government to the western farmers. Henceforth, Canada will have a Department of Agriculture for the eastern region.

The Speech from the Throne did not only deal with wage earners, the unemployed or the farmers; it mentioned our fishermen from the Atlantic and Pacific coasts. The Government is initiating a program for national fishery development, and intends to secure the establishment of a twelve-mile limit for the use of the Canadian fisheries, taking proper account of treaty and historic rights.

The additional assistance for the completion of the Trans-Canada Highway will help some of the provinces which have fallen

behind in their plans, including the province of Quebec. The previous Union Nationale Government would not take part in the joint federal-provincial project. As a result of that refusal, the work could not start until 1960, when the present Quebec premier assumed office.

The Speech also mentions the establishment of a contributory system of old age pensions which will enable all Canadians to retire in security and with dignity.

Several other important measures that it would take too long to mention, form part of the Government's program for the present session and are designed to give new impetus to the Canadian economy.

Before closing my remarks, I should like to point out that well before the setting up of the proposed inquiry on biculturalism, the Leader of the Government acknowledged the French fact in Canada. On April 22, His Excellency the Governor General presided at the swearing-in ceremony of ten French-speaking ministers in the federal cabinet, of which seven are from the province of Quebec, one from New Brunswick, one from Ontario, and another from Manitoba. This constitutes a proper acknowledgement not only of Quebec, but also of French-speaking minorities in three other provinces.

Mr. Speaker, for all those reasons, it is an honour for me to move the address in reply to the Speech from the Throne.

(Text):

Hon. Austin C. Taylor: Honourable senators, in seconding the motion for an address in reply to the Speech from the Throne, I deem it a great privilege and a distinct honour to be called upon to perform this traditional function of Parliament. I recognize fully my limitations, and I approach this time-honoured task with deep humility. I, therefore, solicit your tolerance and understanding in the performance of this duty. While I regard it as a very great honour to myself, I look upon it more as a recognition of the province of New Brunswick and of her citizens, more particularly of the good people of my own constituency of Westmorland, whom I represent here in the Senate of Canada.

At the outset I wish to join with others who have already expressed regret as to the absence of His Excellency the Governor General on the opening day, due to ill health. I know I express the sentiments of all honourable senators in wishing him a speedy and complete recovery.

Coming as I do from New Brunswick, the picture province of Canada, I trust that I may be forgiven if I outline some of the beauties of that province. Those who have travelled through my province will endorse the correctness of this statement when I refresh their memories of the beauties of the Saint John River Valley from the Quebec border to the Reversing Falls approaching the harbour of Saint John, the picturesqueness of the valleys of the Kennebecasis, the Petitcodiac, the Miramichi, the Nashwaak, and the Tobique, the Fundy park, and many other beauty spots, more particularly the famous Magnetic Hill and the renowned tidal bore, both within the confines of my own constituency.

Hon. Mr. Farris: Don't leave out Grand Lake.

Hon. Mr. Taylor (Westmorland): Oh, yes; and I could name many more places of beauty.

Hon. Mr. Brooks: In fact, you could name the whole province.

Hon. Mr. Taylor (Westmorland): Yes, indeed. All these beauty spots are unsurpassed in any part of Canada, and it would be difficult to discover their equal anywhere.

Hon. Senators: Hear, hear.

Hon. Mr. Taylor (Westmorland): Among the institutions of learning in New Brunswick there are in my constituency of Westmorland two famous universities that are known throughout this nation as a result of the magnificent contributions made to society by many of their outstanding graduates. I refer to Mount Allison University and St. Joseph's University. But, of course, the most valuable asset of all, not only in my own constituency but in the province as a whole, is the greatness of her people, and to them all I wish to pay a high tribute for their efforts and determination in developing our part of this great nation under very serious and distinct handicaps. The honour that may be extended to me in the performance of this duty I proudly accept in their names. I trust that our present Prime Minister's declaration of equality to all, as evidenced by a number of proposals in the Speech from the Throne, will remove many of the inequalities that have existed for years in our part of the nation.

Honourable senators, I am indeed happy and proud to welcome my leader (Hon. Mr. Macdonald, Brantford) back in the important role as Leader of the Government in this house, a position which he held with such distinction, competence and dignity when I first entered this chamber and throughout his term. I am sure he will perform his arduous duties in the same capable and distinguished manner as he has done in the past.

Mr. Speaker, I wish to congratulate you on your appointment as a member of the Canadian Senate, and further to congratulate you on your appointment as Speaker of this house and as referee-in-chief of our deliberations. Your long experience in the other house particularly qualifies you for this important office. I am sure you will maintain the high traditions which have been set by your predecessors. I, therefore, wish for you a long and happy experience in this chamber. I wish also to welcome the new senators who are sitting for the first time in this chamber.

I should also like to pay tribute to the former speakers under whom I have served since my appointment early in 1957. I refer to Senator Robertson, Senator Drouin and Senator White. While Senator White held office for a very short time, I am sure that I speak for all honourable senators when I say that he endeared himself to all who sat under him.

Hon. Senators: Hear, hear.

Hon. Mr. Taylor (Westmorland): I wish also to pay a tribute of respect and honour to the new Leader of the Opposition (Hon. Mr. Brooks), one who has had wide experience in public service, first in the provincial legislature of New Brunswick and then as a member of the House of Commons. In 1960 he was summoned to the Senate of Canada, and in 1962 was appointed Leader of the Government in this chamber, a position he held for only a short time, but with distinction and fairness. Now he is Leader of the Opposition, a position I trust he will enjoy for many years, and one I know he will also serve in with equal distinction.

Coming now to the Speech from the Throne, my first impression is that it is the type of speech that over the years I have admired, not only in this chamber but in my own legislature of the province of New Brunswick. It is brief and to the point, without going into detail in connection with the various matters that are raised in it, particularly in reference to proposed legislation. While it is true that a new government is now in office and therefore cannot point to governmental achievement in the last six years, the tradition of the members of the Liberal party is that they look forward and devote their time, talent and energy to improving the economic status of the nation as well as to improving the position of the Canadian people. I believe it is true to state that the Liberal party has always been recognized as the party of reform, and in these rapidly changing times there is much need for that recognition. I am proud to belong to a political party whose views are always forward looking. One has only to recall that in the field of social services it has always been the Liberal party that took the initiative and introduced the original legislation. Wanting to give credit where credit is due, I think it is also true that in many instances the Conservative party, while in the past opposing many of these measures when they were introduced, have by popular demand accepted and improved them in some instances.

The particular subject matters in the Speech from the Throne which I wish to refer to are, first, the provision for the early establishment of a Department of Industry, whose particular function will be to foster industrial expansion and to provide a central point to which industry and the several provinces together can look for consultation, guidance and assistance. What to me is most important is the announcement that within that new department there will be established an area development agency; and I have in mind that since the Atlantic area is considered one of the less-developed areas in Canada this agency will prove tremendously valuable in the expansion of industry in that area. The establishment of a Department of Industry is long overdue, and I am confident that it will work closely with and help to guide the operation and functioning of the provincial departments of industry and industry generally.

Closely allied with this is the announcement that amendments to the Atlantic Development Board Act will be proposed. The proposed amendments are to strengthen the board and, what is most important, to provide for a capital assistance fund through which it can promote basic industrial projects in the Atlantic area. Those of you who sat here during the last Parliament will recall that in speaking to the bill establishing the Atlantic Development Board I criticized the legislation because it did not provide a capital assistance fund for the development of the Atlantic area. I said that unless this were incorporated in the act, or complementary legislation were provided establishing such a board or commission with funds available to carry out projects recommended by the board, the legislation would be useless. I, therefore, support this idea in principle in the fullest possible measure.

Honourable senators will recall that during that debate I indicated that a number of recommendations had already been made to the then national Government by various organizations, including the Atlantic Provinces Economic Council, as well as joint recommendations by the premiers of the four Atlantic provinces. These recommendations,

honourable senators, were only made after long and detailed study had been completed and needed only financial backing by some national board or commission to carry them out. I trust, therefore, that when the proper amendments are introduced and passed, immediate action will be taken to implement many projects that will help to revitalize the whole Atlantic area.

Honourable senators, I would be remiss in my duty and false to my honest convictions if I failed to plead again for the completion of the St. Lawrence Seaway. I refer specifically to the Chignecto Canal, and even at the hazard of being repetitious I am compelled to advocate in the strongest possible manner some of my previous recommendations. While I realize that a recent Minister of Public Works declared this project was not feasible strictly from a transportation point of view, no one has declared that it is not feasible from a combined transportation and power development viewpoint. At the same time let it be remembered that the Chignecto Canal has been recommended as a feasible project more times than any other project in Canada. I would repeat some information I gave to the last Parliament. As late as 1958 the president of the Foundation of Canada Engineering Corporation stated as follows:

> The key to development of the industrial economy of the Atlantic provinces is low cost transportation and, I should like to add, power, and there can be little doubt but that the provision of the facilities suggested would have a very favourable impact on the economy of the Atlantic provinces. Therefore, in studying the Chignecto Canal scheme we should not think simply in terms of what portion of present traffic could be diverted through the canal but rather we should base the studies on increased traffic which would be generated by new industrial developments in the whole region which would follow in the tracks of the construction of such a waterway and power producing facilities.

Honourable senators, I am fully convinced that this project is as feasible as any part of the St. Lawrence Seaway or the South Saskatchewan Dam. I am not criticizing either; as a matter of fact, I supported both —and I trust it will be given the support and action it so richly deserves.

Because of my interest in hydro-electric power development and my life-long interest in the good earth, another paragraph in the Speech which interests me greatly is this reference to the Columbia River development:

> The Government will undertake discussions with the government of British Columbia and with the United States, aimed at securing action on the development of the Columbia River.

Honourable senators, I have been much concerned about the proposal in the present treaty which provides for the building of what is commonly known as the High Arrow Dam which, if finally approved by Canada, will mean the flooding of one of the richest agricultural valleys in British Columbia, if not in the whole of Canada. This is one of the projects opposed by General McNaughton and all members of the Canadian Section of the International Joint Commission. As a matter of fact, in sequence, the first ten projects recommended by the Canadian group did not include the building of the High Arrow Dam. If the present arrangement goes forward in relation to the High Arrow Dam, a valley approximately 150 miles long, containing at least 40,000 acres of the best soil under the sun, and many more thousands of acres now producing high quality lumber, will be flooded. Six thousand citizens in eighteen communities will be forced to evacuate. Many industries will be disrupted and practically all forest operations will be wiped out. This means that the agricultural potential of the area, which is unlimited, together with existing industries and what could be the greatest tourist potential in Canada, will be lost to this country forever, and any payment received by Canada from the United States will never begin to compensate for the loss Canada will be forced to endure.

As opposed to this, I am told on good authority that the Mica Dam project will provide more power and more storage of water. It is a self-liquidating and self-supporting development scheme, destroying no existing communities or adversely affecting any agricultural land. As a matter of fact, engineers estimate that nine billion kilowatt hours could be provided at a lower cost than by the High Arrow Dam.

I trust, therefore, that all of these matters will be given due consideration and that the recommendations of General McNaughton and his Canadian group will be implemented in a renegotiated treaty.

Honourable senators, what I, as an eastern agriculturist, consider to be probably the most important announcement in the Throne Speech is that referring to agriculture, and I think it is of sufficient importance to quote the clause in full:

> A new Department of Agriculture Act will be placed before you, to provide for two ministers in order that the needs of

agriculture in both eastern and western Canada may receive closer attention. My ministers will institute new programs to make farming as a whole more stable and more prosperous. They will strive to expand markets for Canadian farm products both at home and abroad, with special attention to dairy products.

Honourable senators, a new Department of Agriculture Act which will provide for a minister for eastern Canada as well as western Canada will, I am sure, be welcome news to the farmers of eastern Canada. I for one cannot see any possible conflict between the two portfolios, because I am sure we all recognize that eastern farmers are anxious that western farmers should prosper, as are western farmers anxious that their counterparts in the east should prosper and, while agricultural problems are reasonably uniform throughout this nation, remedial measures will of necessity vary from zone to zone. A good illustration of this is the fact that one of the major problems of the western farmer is the selling of his grain, whereas one of the serious problems facing the eastern farmers is the purchasing of grain.

Honourable senators, I am sure you will realize that for many years, under both governments, the ministers of agriculture have come from western Canada, and I am convinced that they have worked hard and have given much in the interests of all Canadian farmers. I include in this group the last minister, the Honourable Mr. Hamilton, for I am sure all honourable members recognize that he introduced and had passed many good measures, some of which were recommended to the Government by the Senate Land Use Committee. Other measures introduced were not, in my opinion, applied in a manner to deal adequately with the problem. An example of this was the dairy policy of the last government, to which I shall refer a little later.

Further proof of the need for an eastern minister of agriculture is evidenced by a statement made by the then minister just prior to the last election to the effect that he had improved the position of the western farmers and had done a lot for them, and that now it was his intention to devote his time and energy to the problems of eastern farmers. That, honourable senators, was an admission that the eastern farmers had not been recognized to the same degree as had their counterparts in western Canada.

There are two schools of thought in Canada today, if one is to believe what one reads in the daily press or hears on radio and television, with respect to the surest and soundest method to be adopted to provide food for mankind. On the one hand, we are presented with statistics which show that unless the population growth is controlled, we will eventually perish from starvation. On the other hand, we are told that we have at present too many small units producing food, and that if production were organized along the lines employed in industry we would be assured always of plenty and everybody would be better off.

In order to reach a compromise between these two schools of thought there are certain factors that should be seriously recognized: first, while it is true that agricultural production is destined above all else to satisfy the primary food needs of man, at a price that should be within the reach of all consumers, this cannot be used as an argument that the producers of this food should be compelled to remain in a state of economic insecurity because they cannot be organized along the same lines as industry. And, secondly, that while such industrial organization has been successful in the manufacturing fields, this is no guarantee it would be equally successful when applied to much of our food production programs.

In organized industrial operations you have human control of almost every element entering into the operation, whereas with food production such control is impossible over one of the most important factors of all, the weather. The year 1962 is a prime example of this characteristic as applied to eastern Canada, where 90 per cent of the hay harvested was practically ruined by bad weather, thousands of acres of hay were not harvested at all, and in some instances 50 per cent of all grain produced remained in the fields until late November and many thousands of acres were not even harvested.

To those who may think that the Government of Canada is subsidizing the farmer to a greater extent than is either deserved or justified, it is well to remember that over the last eight years Britain has spent an average of 260 million pounds sterling per year in support of her agriculture, and in 1961 because of special conditions this was increased to a sum in excess of 339 million pounds sterling. It should also be remembered that this is being done in a country that has a smaller percentage of her people engaged in farming than has Canada. It is also significant to note that most of this money was paid under a deficiency payment program.

It may be hard to define exactly what is a family farm. It is not merely a question of size; it is an agricultural unit owned and operated by a family—it is the bulwark of our whole rural economy, and I feel that a

satisfied and contented agricultural population is one of the greatest stabilizing influences in our nation.

In a well-balanced economy, and with a prosperous agriculture, this group of people would provide one of the strongest domestic buyers' markets in the country. To prove this statement one has only to compare the goods and equipment required to be purchased by a family farm unit to that required by a similar family living in an apartment in a city.

It should always be remembered that two of Canada's most valuable assets are her people and her food-producing land. The man who farms his land for a lifetime and leaves it more productive than when he took it over has, in my opinion, made a more significant contribution to the future of Canada than the man who has exploited some of our natural resources, made a fortune in the process, and at the same time exhausted that resource.

I now come to what I consider the most serious problem facing Canadian agriculture, namely, the present position of the dairy industry. To indicate the importance of the dairy industry to agriculture generally and to Canada as a whole, it is well to note that in the year 1960 the total value of dairy products as estimated by the Dominion Bureau of Statistics amounted to $518,900,000, or 18.1 per cent of the total farm cash income. This does not include beef and veal sold from dairy animals, which in itself is a very large amount.

It is well, I think, to make a slight comparison with the total cash income from wheat and coarse grains from Canada, which amounted to $684,100,000. I do this to point up the importance of the dairy industry to our whole agricultural economy.

For the fiscal year 1958, which is the last year for which I have definite figures, it will be noted that milk used in the manufacture of butter together with that sold as fluid milk amounted to 75 per cent of the total milk produced in Canada. Therefore, any policy pursued by the national Government for the relief of the present distressed position of the dairy industry should be concentrated on these two products.

The chief reason why the dairy industry should be given special government support is that it is national in scope, being important to every province of Canada. Unless some sound method of applying the support is found, there is the danger of a collapse which could seriously affect the livelihood of many people in all areas of the country, and eventually the whole Canadian economy. Since this industry is worth over a billion dollars per annum to Canada, some drastic remedial measures will have to be applied if such collapse is to be averted.

With our increasing population the solution of our dairy problem rests on our ability to sell to our own Canadian people sufficient dairy products whose total milk equivalent would equal what we had five years ago.

Coming to the present dairy situation, I am pleased to note the announcement by the present minister in relation to some changes recently made in the dairy support program. This, however, was after consultation with the National Dairy Council and the Dairy Farmers of Canada. I realize this decision was reached hurriedly by reason of the fact that the former policy or formulae terminated on April 30. The minister did, however, indicate that further study would continue and every effort possible made to improve even more the dairy support program of the present Government. It is because of this that I want to present my views again in an effort which I believe will assist in solving this serious agricultural problem.

To be more specific in relation to finding a solution to this difficulty I suggest the following measures:

(1) Change the present support program for butter and bring it under a deficiency payment plan by establishing a minimum price for butter, and letting it find its own price-level between such minimum price and the producers' support price, the Stabilization Board to reimburse the producers through the medium of the organized creameries and other manufacturing plants.

Honourable senators, I realize that this would cost a lot of money, but we have in storage today over 200 million pounds of butter and this is going to cost some government some day a lot of money. I do not think the plan I have recommended and am now urging will cost more than the present plan.

Hon. Mr. Reid: What about giving milk to the children of Canada?

Hon. Mr. Taylor (Westmorland): I am coming to that.

(2) The early establishment of a joint nationwide school milk program in co-operation with the provinces.

(3) A nationwide program to encourage the greater use of milk in the diet of Canadians.

I think the former prime minister gave an example of this when he advocated that all Canadians should drink more milk.

Such a policy as this must be supported by an all-out advertising campaign at both levels of Government and by the two major dairy organizations—the Dairy Farmers of Canada and the National Dairy Council—together with the full support of all other dairy manufacturing organizations. In this respect I would just say that if, when the 12½ cents

consumer subsidy was established last year, the federal Government and the provincial governments had joined in an all-out advertising campaign we would not have nearly as much butter in storage as we have today.

If a policy similar to the one I have suggested were adopted, I believe the chief problem of the dairy industry would be solved because, as I see it, when one considers the gradual increase in population together with a gradual reduction in the number of dairy farmers in Canada, it may not be long until we find ourselves in a deficiency position as far as milk and other dairy products are concerned.

Honourable senators, I will close my remarks by saying I believe the program outlined in the Speech from the Throne is a courageous one, and it is only the beginning of a vast new program of national development which will apply to all sections of Canada. May I mention again briefly what I consider the key items of this new vision of development.

The first, of course, and foremost will be to improve Canada's good reputation and relations throughout the world; to expand Canada's trade with all nations; to enlarge Canada's productive capacity so that there will be work for all who are willing and able to work; to establish a Department of Industry within which an area development agency will be established; to give teeth to the Atlantic Development Act; to establish a Municipal Development and Loan Board; to bring into being a contributory pension plan for Canadians; to provide, in co-operation with the provinces, a plan so that young people will be able to stay in school for longer training periods, and to assist the provinces in a retraining program; and in the field of agriculture to assist farmers to establish more efficient co-operatives and provide for better national marketing facilities; to institute a more equitable and satisfactory price support policy and to develop new sources of income for rural people. These, and many others, are but a part of the new concept of a great Canadian who is now the Prime Minister of Canada.

I believe the Canadian people are indeed fortunate in having at the head of the Government the present Prime Minister: a great statesman, a world figure, and a man of integrity, determination and high honour.

Recognizing all of these features that I have mentioned, honourable senators, it is indeed a great pleasure for me to second the motion now before the house.

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

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

BILINGUALISM AND BICULTURALISM

(*See p. 11*)

(The following letter was sent to the Premiers of all Provinces)

PRIME MINISTER

CANADA

Ottawa, May 15, 1963

My dear Premier:

In a speech I made in the House of Commons on December 17, 1962, on the problems posed, and the opportunities offered, in Canada by the duality of language and culture established by Confederation, I suggested that a broad and comprehensive inquiry should be conducted, in consultation with the provinces, on bilingualism and biculturalism. That proposal received widespread support in Parliament and, I believe, in the country.

I am now writing to ask whether your government would favour such an inquiry by a Royal Commission with terms of reference such as those annexed to this letter.

Any recommendations from the proposed Commission would, of course, not be binding on governments; nor would approval by your government of such a Commission with these terms of reference imply any commitment to accept any recommendations that it might make.

I would be most grateful for your early consideration of this matter.

Yours sincerely,

Lester B. Pearson.

COMMISSION OF INQUIRY ON BILINGUALISM AND BICULTURALISM

To inquire into and report upon the existing state of bilingualism and biculturalism in Canada and to recommend what steps should be taken to develop the Canadian Confederation on the basis of an equal partnership between the two founding races, taking into account the contribution made by the other ethnic groups to the cultural enrichment of Canada and the measures that should be taken to safeguard that contribution; and, in particular,

1. To report upon the situation and practice of bilingualism within all branches and agencies of the federal administration—including Crown Corporations—and in their communications with the public and to make recommendations designed to ensure the bilingual and the basically bicultural character of the federal administration;

2. to report on the role of the public and private cultural organizations, including the mass communications media, in promoting bilingualism, better cultural relations and a more widespread appreciation of the basically bicultural character of our country and of the subsequent contribution made by the other cultures; and to recommend what should be done to improve that role; and

3. having regard to the fact that constitutional jurisdiction over education is vested in the provinces, to discuss with the provincial governments the opportunities available to Canadians to learn the English and French languages and to recommend what could be done to enable Canadians to become bilingual.

APPENDIX "B"

(*See p. 11*)

REPORT OF THE COMMITTEE OF SELECTION

The Committee of Selection appointed to nominate senators to serve on the several standing committees for the present session 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, Cameron, Davies, Fergusson, Fournier (De Lanaudiere), Gladstone, Gouin, Haig, Irvine, Lambert, Macdonald (Cape Breton), MacDonald (Queens), O'Leary (Antigonish-Guysborough), Pouliot, Reid, Vien and Yuzyk. (17)

JOINT COMMITTEE ON PRINTING

The Honourable Senators Beaubien (Bedford), Blais, Bouffard, Bradley, Choquette, Comeau, Davies, Grosart, Isnor, McGrand, Pearson, Phillips, Reid, Savoie, Smith (Kamloops), Stambaugh, Thorvaldson, Turgeon, Welch and Wood. (20)

JOINT COMMITTEE ON THE RESTAURANT

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

STANDING ORDERS

The Honourable Senators Aseltine, Beaubien (Provencher), Bishop, Blois, *Brooks, Hayden, Hollett, Horner, Inman, Kinley, *Macdonald (Brantford), McLean, Méthot, O'Leary (Antigonish-Guysborough), Pratt, Tremblay and Wood. (15)

**Ex officio member*

BANKING AND COMMERCE

The Honourable Senators Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Bouffard, *Brooks, Burchill, Campbell, Choquette, Connolly (Ottawa West), Crerar, Croll, Davies, Dessureault, Drouin, Emerson, Farris, Gershaw, Gouin, Hayden, Higgins, Horner, Howard, Hugessen, Irvine, Isnor, Kinley, Lambert, Leonard, *Macdonald (Brantford), McCutcheon, McKeen, McLean, Molson, Monette, O'Leary (Carleton), Paterson, Pearson, Pouliot, Power, Pratt, Reid, Robertson (Shelburne), Roebuck, Smith (Kamloops), Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Vien, Willis and Woodrow. (50)

**Ex officio member*

TRANSPORT AND COMMUNICATIONS

The Honourable Senators Baird, Beaubien (Provencher), Bishop, Blois, Bouffard, Bradley, *Brooks, Buchanan, Campbell, Connolly (Halifax North), Connolly (Ottawa West), Croll, Dessureault, Dupuis, Emerson, Farris, Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Gouin, Hayden, Hollett, Horner, Hugessen, Isnor, Jodoin, Kinley, Lambert, Lefrançois, *Macdonald (Brantford), McGrand, McKeen, McLean, Méthot, Molson, Monette, Paterson, Pearson, Power, Quart, Reid, Robertson (Shelburne), Roebuck, Smith (Kamloops), Smith (Queens-Shelburne), Stambaugh, Taylor (Westmorland), Thorvaldson, Veniot, Vien, Welch and Woodrow. (50)

**Ex officio* member

MISCELLANEOUS PRIVATE BILLS

The Honourable Senators Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Belisle, Boucher, Bouffard, *Brooks, Choquette, Connolly (Halifax North), Connolly (Ottawa West), Croll, Drouin, Dupuis, Farris, Hayden, Higgins, Hnatyshyn, Hollett, Horner, Howard, Hugessen, Lambert, Macdonald (Cape Breton), *Macdonald (Brantford), Monette, Quart, Reid, Roebuck, Stambaugh, Sullivan, Taylor (Westmorland), Thorvaldson, Tremblay, Walker and Willis. (34)

**Ex officio* member

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

The Honourable Senators Basha, Beaubien (Bedford), Beaubien (Provencher), Bouffard, Bourget (Speaker), *Brooks, Campbell, Choquette, Connolly (Ottawa West), Dessureault, Fournier (Madawaska-Restigouche), Gouin, Grosart, Hayden, Hodges, Howard, Irvine, Isnor, Macdonald (Cape Breton), *Macdonald (Brantford), McLean, Molson, Paterson, Robertson (Shelburne), Turgeon, Vaillancourt and Vien. (25).

**Ex officio* member

EXTERNAL RELATIONS

The Honourable Senators Aseltine, Beaubien (Provencher), Blois, Boucher, Bradley, *Brooks, Crerar, Croll, Drouin, Farris, Fergusson, Fournier (De Lanaudiere), Gouin, Haig, Hayden, Hnatyshyn, Howard, Hugessen, Inman, Jodoin, Lambert, MacDonald (Queens), *Macdonald (Brantford), McLean, Monette, O'Leary (Carleton), Pouliot, Robertson (Shelburne), Savoie, Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Veniot, Vien and Yuzyk. (34)

**Ex officio* member

FINANCE

The Honourable Senators Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Blois, Bouffard, *Brooks, Buchanan, Burchill, Campbell, Choquette, Connolly (Halifax North), Connolly (Ottawa West), Crerar, Croll, Dupuis, Emerson, Farris, Flynn, Gershaw, Grant, Grosart, Haig, Hayden, Higgins, Hnatyshyn, Horner, Isnor, Lambert, Leonard, *Macdonald (Brantford) McCutcheon, McKeen, Molson, O'Leary (Antigonish-Guysborough), Paterson, Pearson, Power, Pratt, Quart, Reid, Robertson (Shelburne), Roebuck, Savoie, Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Vien and Woodrow. (50)

**Ex officio* member

TOURIST TRAFFIC

The Honourable Senators Baird, Basha, Beaubien (Provencher), Bishop, Bouffard, *Brooks, Cameron, Connolly (Halifax North), Crerar, Croll, Davies, Dupuis, Emerson, Fergusson, Gershaw, Grosart, Horner, Inman, Isnor, Jodoin *Macdonald (Brantford), Méthot, McLean, Roebuck, Smith (Kamloops), Tremblay and Willis. (25)

**Ex officio* member

DEBATES AND REPORTING

The Honourable Senators Beaubien (Bedford), Bishop, *Brooks, Davies, Grant, Irvine, *Macdonald (Brantford), McGrand, Monette, Savoie and Tremblay. (9)

**Ex officio* member

DIVORCE

The Honourable Senators Aseltine, Baird, Blois, Bradley, *Brooks, Burchill, Cameron, Croll, Farris, Gershaw, Gladstone, Haig, Hnatyshyn, Hollett, Horner, Inman, Irvine, Isnor, Kinley, Lambert, *Macdonald (Brantford), Roebuck, Smith (Kamloops), Smith (Queens-Shelburne) and Taylor (Westmorland). (23)

**Ex officio* member

NATURAL RESOURCES

The Honourable Senators Aseltine, Basha, Beaubien (Provencher), Belisle, Bouffard, *Brooks, Buchanan, Burchill, Cameron, Choquette, Comeau, Crerar, Dessureault, Drouin, Dupuis, Emerson, Fournier (Madawaska-Restigouche), Gladstone, Grosart, Hayden, Higgins, Horner, Kinley, *Macdonald (Brantford), McKeen, McLean, Méthot, O'Leary (Carleton), Paterson, Pearson, Power, Raymond, Robertson (Kenora-Rainy River), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Vien and Wood. (38)

**Ex officio* member

IMMIGRATION AND LABOUR

The Honourable Senators Beaubien (Provencher), Blais, Boucher, *Brooks, Buchanan, Burchill, Campbell, Crerar, Croll, Dupuis, Fergusson, Flynn, Fournier (De Lanaudiere), Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Grosart, Hnatyshyn, Hodges, Horner, Hugessen, Lefrancois, Macdonald (Cape Breton), *Macdonald (Brantford), Monette, Pearson, Quart, Reid, Roebuck, Taylor (Norfolk), Turgeon, Vaillancourt, Veniot, Willis, Wood and Yuzyk. (34)

**Ex officio* member

CANADIAN TRADE RELATIONS

The Honourable Senators Baird, Beaubien (Bedford), Bishop, Blais, Blois, *Brooks, Buchanan, Burchill, Campbell, Crerar, Davies, Dessureault, Emerson, Gouin, Higgins, Howard, Kinley, Lambert, Leonard, Macdonald (Cape Breton), MacDonald (Queens), *Macdonald (Brantford), McCutcheon, McKeen, McLean, Méthot, Molson, Paterson, Pearson, Pouliot, Pratt, Robertson (Shelburne), Smith (Kamloops), Turgeon, Vaillancourt and Walker. (34)

**Ex officio* member

PUBLIC HEALTH AND WELFARE

The Honourable Senators Beaubien (Bedford), Blais, *Brooks, Burchill, Choquette, Comeau, Connolly (Halifax North), Drouin, Dupuis, Emerson, Farris, Fergusson, Gershaw, Gladstone, Gouin, Grant, Haig, Inman, Irvine, Jodoin, Kinley, MacDonald (Queens), *Macdonald (Brantford), McGrand, Monette, Phillips, Pratt, Quart, Roebuck, Smith (Queens-Shelburne), Stambaugh, Sullivan, Thorvaldson, Veniot, Welch and Woodrow. (34)

**Ex officio* member

CIVIL SERVICE ADMINISTRATION

The Honourable Senators Aseltine, Bishop, Blois, *Brooks, Cameron, Choquette, Connolly

(Ottawa West), Davies, Dessureault, Dupuis, Fergusson, Grosart, Gouin, Higgins, Irvine, Kinley, Lambert, *Macdonald (Brantford), O'Leary (Carleton), Quart, Robertson (Kenora-Rainy River), Roebuck, Taylor, (Norfolk), Turgeon and White. (23)

**Ex officio* member

PUBLIC BUILDINGS AND GROUNDS

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

**Ex officio* member

All which is respectfully submitted.

W. H. Taylor,
Chairman.

THE SENATE

Thursday, May 23, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of Polymer Corporation Limited, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1962, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report and Financial Statements of the Export Credits Insurance Corporation certified by the Auditor General, for the year ended December 31, 1962, pursuant to sections 17(3) and 18 of the Export Credits Insurance Act, chapter 105, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Canadian Wheat Board for the crop year ended July 31, 1962, certified by the auditors, pursuant to section 7(2) of the Canadian Wheat Board Act, chapter 44, R.S.C., 1952. (English text).

Supplementary Report of the Canadian Wheat Board on the 1961-62 Pool Accounts for Wheat, certified by the auditors, pursuant to section 7(2) of the Canadian Wheat Board Act, chapter 44, R.S.C., 1952. (English text).

Report on the activities of the National Energy Board for the year ended December 31, 1962, pursuant to section 91 of the National Energy Board Act, chapter 46, statutes of Canada, 1959. (English and French texts).

Report of Northern Ontario Pipe Line Crown Corporation, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1962, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of Eldorado Mining and Refining Limited and its subsidiary companies, Eldorado Aviation Limited and Northern Transportation Company Limited, including their Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1962, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Copy of Ordinances of the Yukon Territory passed by the Yukon Council on May 7, 1963, pursuant to section 20 of the Yukon Act, chapter 53 of the Statutes of Canada, 1952-53, together with copy of Order in Council P.C. 1963-756, dated May 15, 1963, approving same. (English text).

(Translation):

CANADIAN PARLIAMENTARY GUIDE

REQUEST FOR SUPPLEMENT TO 1963 EDITION

Hon. Jean-François Pouliot: Mr. Speaker, since the latest edition, that of 1963, of the Parliamentary Guide does not contain the names of the new members of Parliament elected on April 8, I wonder if the Government could, directly or indirectly, or through some publisher, put out a supplement containing biographical sketches of those new members elected on April 8 and whose names do not appear in the 1963 Parliamentary Guide.

Otherwise, we shall have to wait until March of next year to obtain information which would make it easier for us to get acquainted with the new members.

(Text):

(Later)

Hon. W. Ross Macdonald: May I refer to the inquiry which has been made by the honourable Senator Pouliot?

Hon. Senators: Agreed.

Hon. Mr. Macdonald (Brantford): I do not know whether the matter which the honourable senator brought up should be referred to the members of the other house, and handled by Parliament. If he was referring to the members of this house only, it might be a question to be considered by the Committee on Internal Economy.

I shall look into the matter, and I would be glad to discuss it with the honourable Senator Pouliot.

Hon. Mr. Pouliot: Thank you. All I wanted was to make a suggestion and if it is considered I will be satisfied.

NORTH ATLANTIC TREATY ORGANIZATION

INQUIRY RE MEMBER NATIONS

Hon. Mr. Macdonald: Yesterday, the honourable Senator Pouliot asked me a question with regard to NATO. The question was divided into three parts, the first of which I could answer, but the other two parts are

a bit more difficult. Therefore, I would ask the honourable Senator Pouliot to allow it to stand.

Hon. Mr. Pouliot: Thank you.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, May 28, at 8 o'clock in the evening.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. A. J. Brooks: Honourable senators, I may say at the outset that I find it difficult to know just what to say at the beginning of a session when there is a new Parliament and a new party in power.

The Speech from the Throne is, of course, an outline of the plan that the new Government has for its future undertakings. They are untried, but I may say that, for the sake of the country, we wish them and their program success. Only time will tell, and we are willing to wait and see what happens.

The Speech from the Throne, near the beginning, contained one very interesting item which, I am sure, interested all of us. It said:

> Next week, we will take pleasure in welcoming to Ottawa the Ministerial Council of the North Atlantic Treaty Organization. My Government is convinced that on the foundation of the present alliance a true community of the Atlantic peoples will one day be achieved.

The day has come, of course, and the delegates from NATO have arrived. May I say, honourable senators, how pleased and honoured I know we in Canada are to have now in our capital city and in our midst representatives of the fifteen NATO countries and their foreign ministers. We have here some of the most outstanding men in the world and, of course, the work they are doing is of the greatest importance. Our feelings have already been most eloquently expressed by the Prime Minister and others. I feel that the holding of this meeting in Canada is a recognition of the high place our country has attained in this great organization for peace in the western world. We have been proud indeed of the accomplishments, particularly of our soldiers who have spent many years in Germany. I was very pleased not so long ago to hear the remark of General Norstad, the former commander of the NATO forces, when he said that of all the troops in Germany, or in the NATO forces, Canada's men in both the air force and the army stood at the top.

May I also at this time join with others in expressing regret that His Excellency the Governor General was unable, due to illness, to attend the opening of Parliament. I know we are not supposed to criticize Her Majesty or Her Majesty's representatives. However, I am going to do so. My criticism is this, that her representative in Canada works too hard. I doubt if there are any two people in Canada who take their duties and responsibilities more seriously than do Her Majesty's representative and his gracious lady. They have achieved great success, and they have set a wonderful example to the people of Canada, who admire and love them for it.

Honourable senators, there have been many changes since we last met in this chamber. The most obvious, of course, is that the members of the Government and of the Opposition have changed sides. While there has been a change of government, there has not been a change of the type of government, for unfortunately we still have in Canada a minority government—different personalities but the same type of government. However, I think we can rejoice that no matter what changes may come and go, in democratic countries like our own, whether a government be a minority or a majority, the business of the country can be carried on without trouble such as occurs in other countries.

I wish to congratulate my good friend, the Leader of the Government (Hon. Mr. Macdonald, Brantford), who is well qualified for that position. He has had vast experience in public life. I remember him well in the House of Commons, where he took a most active part in the debates. I remember him as Speaker in that chamber—he was regarded as one of the best. I remember him as Leader of the Government in the Senate, and of course I remember him in his recent position as Leader of the Opposition. May I take this opportunity of thanking him for the advice and help he gave me while he held that office. Perhaps it is not out of place for me to say that he and I belong to the same class. We entered the House of Commons in the same year, 1936. I do not think it is boastful to say that from the group of members which came to Parliament in that year have come some of the most outstanding members of the cabinets of Canada. Even at this late date we have in the Cabinet four men who

came to Parliament at that time. I refer to the Secretary of State for External Affairs, Honourable Mr. Martin; the Minister of Justice, Honourable Mr. Chevrier; the Postmaster General, Honourable Mr. Denis; and, of course, as I said a moment ago, the Leader of the Government in the Senate, Honourable W. Ross Macdonald.

I am not going to speak about the other men who have taken part in Cabinet work since then, but I would like to mention a great friend of mine who is not in Parliament today, and I think Parliament is the loser for it. He was one of the outstanding men in the Diefenbaker Cabinet. I refer to the former Secretary of State for External Affairs, Honourable Howard Green.

Speaking of the Cabinet, honourable senators, it is too early to criticize the members individually or personally. We shall see how they make out with the different tasks they are called upon to perform. One outstanding fault which I would point to at the outset is that there are too many ministers in the Cabinet. The business of this country was carried on for years with fewer than eighteen ministers. In the last Cabinet I think twenty-one was the most there were. The number has now been increased to twenty-five. Personally, I think it is not necessary, and I believe the people of the country will also feel that it has been greatly overdone.

I have good authority for making that statement. I remember that when the Right Honourable Mr. Diefenbaker established the Department of Forestry, the Honourable Paul Martin, who was then in Opposition, criticized the bill and said there was no necessity for it, that we had enough Cabinet ministers, and that the Department of Forestry could very well have been tied in with the Department of Mines and Technical Surveys. He pointed out that Parkinson's law takes over immediately a new cabinet position is set up, that a great increase in the civil service follows, and that he did not think anything was being accomplished other than to add expense and increase the number of officials.

With a new Parliament a change has also been brought about in the Speakership of this house, and I should like to take this opportunity to personally congratulate you, Mr. Speaker, on your appointment to this high office.

I have known you for many years, ever since you came into the House of Commons in 1940. You always took an active part in the affairs of that house; you participated actively in debate, and you were always friendly, never bitter. As for your qualifications as Speaker, you are perfectly bilingual—which is one of the first qualifications—you have a most gracious wife, a courteous manner, and you are fair in judgment. I would point out to you that being Speaker in the Senate is an easy assignment compared to being Speaker in the House of Commons. I think the honourable Leader (Hon. Mr. Macdonald, Brantford) will bear me out in this.

Very few contentious matters arise in the Senate—no one even raises his voice. I look over at Senator Pouliot, who sat in the House of Commons as the honourable member for Temiscouata, where he had a reputation—it was not fair, I am sure—of being one of the bad boys of that house. But today the honourable senator is one of the mildest members of the Senate, and he seldom raises his voice. I merely mention these things, Mr. Speaker, by way of comparison to show how much easier it is to be Speaker of the Senate than of the House of Commons.

I cannot pass on without saying a word regarding our former Speaker, Senator White. As was expressed yesterday by the honourable seconder of the motion for an address in reply to the Speech from the Throne, Senator White has been most successful. Though his term was very short, both he and Mrs. White are to be congratulated because they won the highest regard of all members of the Senate and of those connected with it.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: It is a pleasure to congratulate the mover and seconder of the motion for an address in reply to the Speech from the Throne. The appointment of the mover and seconder is usually given to new members. In this instance, it was given to members of the Senate who have been here for some time. We must all agree that their speeches were good. The mover of the address, the honourable senator from Repentigny (Hon. Mr. Lefrançois), spoke mostly of his own province and the problems confronting it, but he discussed them in an interesting way and we enjoyed his address.

The seconder of the motion, the honourable senator from Westmorland (Hon. Mr. Taylor), who is from my own province of New Brunswick, pointed out its virtues, and I am sure he thrilled the honourable senator from Vancouver South (Hon. Mr. Farris) when he mentioned Grand Lake and the Saint John River. He made an excellent speech. He is well qualified; he has had an outstanding career in the province of New Brunswick; he was Minister of Agriculture in the legislature for quite a number of years, and a good minister. He has been a senator for a number of years, and is well informed on the problems and needs of our province. However, as the honourable senator was speaking the thought occurred to me that besides making a good job of seconding the motion for an address

in reply to the Speech from the Throne, he also prepared and made a very good speech from the Throne of his own. I hope that he will be able to prevail upon the Government to implement some of the excellent ideas which he expressed here yesterday.

The newly-appointed members, Senators Walker and Phillips, who were introduced on Thursday last, are welcome additions to this house. It has been a pleasure in the short time that I have been a member of the Senate to note the many capable and able men from all parts of Canada and from all walks of life who have entered this house; and as I look around this Chamber I cannot help but think that here there is indeed a wealth of talent, and that perhaps there is no other body of men to be found anywhere in Canada with so much ability, brains and experience.

Hon. Mr. Connolly (Ottawa West): And women.

Hon. Mr. Brooks: Yes, certainly, and women. As in the law, when one says "him" and "he" one means both sexes.

An item in the Speech from the Throne has to do with a committee which is being set up in the House of Commons. It states:

> You will be asked to agree to the establishment of a Committee on Procedure, over which the Speaker will preside, with the aim of strengthening Parliament and making it more effective.

On reading that item from the Speech from the Throne, I thought that a similar item might well have been included with regard to the Senate. As I mentioned before, we have so much ability and experience in this chamber, which I have noted in the few years I have been in the Senate, that I cannot help but think it a pity there has not been more work and responsibility given to men and women of this type. While the Commons committee is operating, I would hope that a similar committee might be set up in the Senate as well, because there is no group of people anywhere who are better informed on the needs of the Senate and, let us say, if you will, the reform of the Senate, than honourable senators themselves and I think they would do an excellent job.

Honourable senators, before reviewing any further items contained in the Speech from the Throne—and I intend to make only brief comments—I would like to comment on the economic condition of the country at the time of the recent election and when the administration of affairs was taken over by the present Government. I am sure the public has been amazed at statements made by the Prime Minister and others to the effect that our economy was not in good order. The Prime Minister said he would "get the economy going again," that he would "restore confidence." Surely, he must have had tongue in cheek when he made that statement, or else he was greatly misinformed.

In the Speech from the Throne the Government includes this statement:

> ...it is the purpose of my ministers to expand Canada's export trade, to strengthen our payments balance with other countries, and to ensure increasingly high confidence in our economy and currency.

These are excellent and proper ambitions of any and all governments. They were not only the ambitions but also the achievements, might I say, of the former Government. One should stop to consider the progress there has been in the past year, 1962, and the succeeding months of 1963. When we think of national progress, especially in a comparatively new country such as this, we think of expansion of trade, which we have indeed experienced; we think of the gross national product, which has never been higher; we think of trade balances, which are excellent; of price stability, which is sound; of our gold reserves, which today are very high; and of the improved condition of our people.

Let us then, for a moment, further review some of these important points, in order to reach a conclusion as to whether or not Canada made substantial progress in the abovementioned period.

Honourable senators, I would like to quote from the *Letter Review*, published by the Review Publishing Company of Fort Erie, Ontario. It commented, in the April 29 issue, as follows:

> With the general election out of the way it will not be considered partisan to remark on the economic state of the nation. The gross national product, at market prices, is going ahead. The total for 1963, barring a disaster, will be more than $40 billion, up from $30 billion in 1956. The increase has been steady, almost spectacular, and suggests that, while further advances are desirable, it is hardly optimism to utter the thought that "The economy should be got going again". It has not stopped for many years.

I am sure all honourable senators will be familiar with an excellent editorial entitled, "A House Left in Good Order", which appeared in the Ottawa *Journal* which, in my opinion, has one of the best and most frequently quoted editorial pages to be found anywhere in Canada. The *Journal* wrote that Mr. Diefenbaker "left Mr. Pearson with a house in good order".

Let me review this statement for a few moments. It is indeed true that the new Government has inherited "a house in good order". The national productivity in 1962 had climbed 8 per cent to a peak of $40 billion. This is the biggest income earned in history by a country with a population of twenty million people. Another fact which should be mentioned is that after years of trade deficits we achieved consecutive trade balances in 1961 and 1962, the first surpluses in a decade. We also consider that this new Government has further inherited an economy which, according to advisers to the President of the United States, has achieved greater price stability and a slower rise in the cost of living than any western industrial country. Honourable senators, these are facts which cannot be controverted.

The new Government has inherited a country whose reserves of gold and United States dollars stand at $2.7 billion, the highest in many years.

The new Government has inherited a country in which, during 1962, trade had reached an all-time record high; in which manufacturing had jumped by 8 per cent, construction by 8.2 per cent, business capital investment by 4.8 per cent, outlays for new machinery and equipment by 8.6 per cent, and consumer spending by 5 per cent.

> In short, Mr. Diefenbaker left Mr. Pearson with a country whose people were producing more, selling more, earning more and saving more than ever before in history.

And the Prime Minister now says in the face of these facts that he will "get the economy going again". If the Prime Minister can get the economy going beyond an increase of 8 per cent in gross national product in a single year, I am sure all Canadians will rejoice and be grateful to him; they will, in fact, be grateful if he keeps it going as it is.

I would like also to read a short paragraph from the periodical *Industry,* which is the official publication of the Canadian Manufacturers' Association. This is an extract from its year-end review:

> In terms of economic growth and general prosperity, 1962 was a decidedly good year for Canada and most Canadians.

Some honourable senators may think I am over-emphasizing this, but these are facts which I do not think can be over-emphasized.

> As a people, we earned, spent and saved more in 1962 than in any previous year. The value of goods and services we produced reached a record of 40,000 million dollars, for an estimated increase of around seven per cent. Not least important, there were more jobs and fewer unemployed. All this provides a pretty healthy foundation for the coming year, and, in truth, the outlook is bright.

Buchanan's Bulletin of April 26, 1963, reports that in spite of the tremendous growth the full beneficial effects of the dollar pegging have yet to be fully experienced.

Besides this generous inheritance, the Government has fallen heir to a further legacy, namely, the backlog of legislation on important matters which I am pleased to see they are wise to adopt at least in part. I should like to mention just a few: the Atlantic Development Board—they are making some amendments to this of which I will speak later—redistribution, and a national pension plan. There is a long list but I will not take the time to refer to all of it. As a matter of fact, the most outstanding and progressive proposals of the present Government are those which have already been recommended and expressed in bills and resolutions which were before the last Parliament and which should have received approval at that time.

We have indeed lost six months in furthering the business affairs of this country, and I repeat my question, what have we gained? We do not have a stable government; we have a minority government just as before. What a disappointment this must have been to the Liberal party who had everything and everybody, the press, the radio, even Tory Toronto, working for them. Even the United States was supposed to have given them a leg-up. They were going to sweep the country. We heard that everywhere. Nobody gave Mr. Diefenbaker a chance. And after all that, what happened? We come back with a minority government, and Mr. Diefenbaker, despite the fact that all these forces were arrayed against him, almost won the election.

Now I should like to say a few words on defence. This I consider to be such a confusing matter, and has been for the last five or six months, that I rather hesitate to speak about it because the situation is changing all the time, almost daily, as a matter of fact. But the new Minister of National Defence lost little time, in my opinion, in further confusing the issue. During the election it was said by Opposition spokesmen that Canada had "commitments" with the United States. We do not hear much about those commitments, but we do hear now about "permissive agreements".

In one breath the Government talks of acquiring nuclear warheads as soon as possible, and in the next breath it speaks of "permissive agreements" which will not bind

Canada to anything. In other words, Canada will have no "commitments". The minister has said publicly that he expects a Canada-United States agreement on custody and control of nuclear weapons to be signed in about a month's time. After the agreement is signed, he said, the Bomarcs and the Voodoo jets could be fitted with nuclear hardware. This, he said, would take some months.

It would therefore seem, as the daily *Colonist* of April 24, 1963, editorialized:

> Mr. Hellyer has now at last discovered that an agreement between the United States and Canada is necessary before Canada becomes obligated to accept nuclear weapons—an agreement which requires both parliamentary ratification and congressional approval as well as the signatures of the contracting parties.
>
> As his former government had never been a party to such an agreement, Mr. Diefenbaker's assertion still stands unchallenged. It was, after all, he who told the truth.

Speaking of NATO, I think perhaps it is well to withhold comment until the present NATO session is over, but you will recall that the former Prime Minister said that Canada's role would be decided at the NATO meeting. It looks today as if that were true and that this is in fact now being decided by agreement among the nations whose representatives are meeting in the West Block. Canada's part is being determined along with that to be taken by other nations, not on the basis of past commitments but on the basis of agreements being reached at the present time. As I say, I will not now comment further on that but shall wait until we see what happens.

The honourable senator from Westmorland (Hon. Mr. Taylor) also mentioned agriculture in his fine speech. I do not suppose there is anyone in this chamber, and very few in Canada, better qualified to speak on agriculture than is the honourable senator from Westmorland. He spoke about the appointment of another Minister of Agriculture, as proposed in the Speech from the Throne. I must say at once, honourable senators, that in that respect I cannot agree with him. I find it difficult to become enthusiastic over the Government's proposal to appoint a second Minister of Agriculture.

It has long been evident that certain problems which confront the eastern farmer are different from those which confront the western farmer. The honourable senator pointed that out yesterday. But, let us look at fisheries. The fisheries on the east coast of Canada are entirely different from the fisheries on the west coast. Having regard to that fact are we going to appoint two ministers of fisheries? The same thing applies to forestry. Forestry in the Maritime provinces and in Quebec mostly concerns pulpwood and small lumber, and the forestry of British Columbia is, of course, an entirely different thing. For that reason should we have two ministers of forestry?

I could quote examples with respect to other departments. As I said before, it is just a waste of the people's money to multiply departments of Government. In the United States there is one Secretary of Agriculture for the whole of the country.

This proposal will do nothing more than to point up the differences that already exist between east and west. The country should not be divided along agricultural lines, or any other lines.

No matter how devoted to duty are the two Cabinet ministers, there would always be political considerations, and divided responsibility can only lead to two distinct areas of interest. One minister will be pressing for policies that will be beneficial to the areas that come under his jurisdiction, and the other minister will be doing the same with respect to his areas.

These are times when the interests of the nation as a whole must be served even at the risk of some slight gain to one section of the country or of some slight loss to another section. There will be times when agricultural policy will work to the better advantage of one particular area of the nation, but the decision as to what is best for Canada as a whole should rest, in my opinion, with a single Minister of Agriculture.

We have ten provinces, nine of which have a minister of agriculture. I am not sure whether or not Newfoundland has such a minister.

Hon. Mr. Baird: Surely, it has. Why not?

Hon. Mr. Brooks: Well, nothing is too good for Newfoundland, but I thought perhaps that the Department of Agriculture was joined with another department.

Then, we have at the present time eleven ministers of agriculture. When we speak of agriculture we do not speak of teaching farmers how to produce. There is no difficulty in this country with respect to production. As a matter of fact, there is a superabundance of production. That is our trouble. We grow more wheat than we can sell. We grow more fruit than we can sell. New Brunswick sometimes grows more potatoes than it can sell. We certainly have more butter at the present time than we can sell. It is not a matter of production that is a problem to this country so far as agriculture is concerned; it is a matter of markets. It is

a trade problem, and not a problem of production for the Department of Agriculture. We need markets.

The honourable senator from Westmorland spoke about assisting the dairy industry. I come from the finest dairy section of the Maritime provinces, as my honourable friend well knows. They call Sussex the buttermilk town, but we like to call it the cream town. We know what it is not to be able to sell dairy products. The Government was paying a subsidy of 25 cents per hundredweight on fluid milk. What happened to that? Just a few days ago this subsidy of 25 cents per hundredweight was taken off fluid milk. I think that is one point that my honourable friend could very well take up with his Government at the present time. We know that there is a surplus of powdered milk, and there is also a huge surplus of butter, some 200 million pounds of it. If the subsidy is taken off fluid milk because there is an over production of powdered milk then you could use the same argument to take the subsidy off butter as well.

Hon. Mr. Taylor (Westmorland): Honourable senators, may I interrupt the honourable Leader of the Opposition? There was no subsidy on fluid milk as such. The only subsidy paid on fluid milk was on that part of it that went into concentrated milk.

Hon. Mr. Brooks: Yes, but that part that went into concentrated milk was fluid milk when it came from the cow, just as was the milk that went into the butter and cheese.

Hon. Mr. Taylor (Westmorland): There are two different classifications.

Hon. Mr. Brooks: Anyway, a subsidy of 25 cents per hundredweight was taken off.

The honourable senator from Westmorland mentioned that the eastern farmers had not received attention. I do not think that is correct. Hon. Mr. Hamilton was a good Minister of Agriculture, and there were good ministers of agriculture before him. I remember Mr. Gardiner was considered a good Minister of Agriculture, as was also Mr. Harkness. Those men did not neglect any part of the country.

One of the great boons to eastern Canada is ARDA. We in eastern Canada will get more benefit from ARDA than will the west. It was intended that money would be poured into programs under ARDA, and it has been done.

Honourable senators, that is all I intend to say at the present moment on the subject of agriculture. I should like now to speak for a minute or two on fisheries. The 12-mile limit is an old problem for Canada as, indeed, it is for nearly every nation of the world. I hope that we obtain the 12-mile limit. I am all for it. But I realize that it is not as easy as saying, in an arbitrary fashion, that we are going to have a 12-mile limit. We have treaties with the United States, and with France, Portugal and Spain, all of which must be observed. We are not the only country concerned in this.

Great Britain has decided that she unilaterally will attain the 12-mile limit, but she is calling in 12 other nations that have treaties with her in order to discuss the matter.

Besides the question of these treaties, I point out that Canada has a tremendous coastline. The Russians have started fishing in the Bay of Fundy—perhaps my honourable friend Senator McLean can tell us more about that. We are continually having trouble at the present time around the coast of Newfoundland. The problem of defending a 12-mile limit is going to be tremendous so far as this country is concerned. Denmark has a similar problem and is very much concerned about it although she is on June 1 declaring a 12-mile limit off her coast. Iceland has had trouble with Great Britain.

So, honourable senators, just to say that we are going to have a 12-mile limit does not exclude the necessity for work and negotiating with other countries before it can be accomplished.

I was pleased to hear my honourable friend Senator Taylor speak of the Atlantic Development Board. We of the Atlantic provinces were pleased last year when the bill was passed by Parliament and the Atlantic Development Board was established. I think we had a good board. The chairman, an outstanding citizen of the city of Fredericton, has made a study of the problems of the Atlantic provinces, and he has with him four outstanding men from other parts of the Atlantic provinces.

A board of five members seemed to be sufficient and, in my mind, it was sufficient, but what has the Government done? It has increased the membership from five to eleven. Someone has been unkind enough to say that that was done for a purpose, and has pointed out that six is one more than five, and in matters of that kind it might be well to have the six over the five. I am sure there was nothing political in so far as the original appointments were concerned.

Then, the honourable senator became enthusiastic over the sum of $100 million being set aside for this purpose, and 1969 being set as the time limit—

Hon. Mr. Aseltine: For how many provinces?

Hon. Mr. Brooks: Four provinces.

Then, in the next breath, he mentions things that must be done, one of which he and I have been in favour of for years, the

Chignecto Canal. This in itself will cost anywhere from $100 million to $200 million or $250 million for development, for both navigation, and the production of power. Why, $100 million would not look after the one matter which the senator brought up. He mentioned many others, and I could, too. The people of the Atlantic provinces will be greatly disappointed—make no mistake about that—over this limit of $100 million. They have talked of a billion dollars, according to the papers down there—over a period of years, of course. I believe that, if it is intended to do anything to assist the Atlantic provinces, $100 million is a mere bagatelle.

There was a considerable comment in the Speech from the Throne about trade, about industry, and about employment. These three go hand in hand. I am pleased that the Government is following in the footsteps of the previous Government and taking an interest in these matters.

Canada has been doing well in the past year. We shall watch and hope for the best. World trade is a ticklish problem at the present time. I do not suppose that even in the long history of the world trade has been such an acute problem as it is now. We hope that our statesmen will be meeting with those from other nations. We hope that we will be able to make treaties and so on which will redound to the benefit of Canada. We hope that we will be able to increase our production, not only in the centre of Canada but in the Maritime or Atlantic provinces which the honourable member from Westmorland and I love so much.

There is a trade war in progress at the present time. I suppose it is the greatest trade war that has ever taken place.

I have a long list here, honourable senators, of things which were promised and which were not in the Speech from the Throne. There will be time later on to discuss these matters.

Turning to another subject, I propose to take just a few more minutes. The Leader of the Government (Hon. Mr. Macdonald, Brantford), who was Leader of the Opposition in 1957, went to great lengths during the debate on the Speech from the Throne to express his ideas of the attitude which the Opposition should take to legislation which came from a minority Government and which did not have behind it the mandate of the people. He wisely said that it should be most carefully scrutinized. As a matter of fact, all legislation should receive such care. Undoubtedly, this was done over the past six years, and the legislation must have been found good, as it was passed. We made our scrutiny, the legislation was found good, and it was passed.

We still have a minority Government. My attitude is that while the Government may not have been elected by a majority vote, or have a majority of members, nevertheless, when legislation comes before us from the other place, it does so with the majority vote of the House of Commons, hence it is supported by the majority of people whom that vote represents.

I think the honourable Senator Roebuck objected to that theory or attitude of mine, but I still contend that that is true. If it is good legislation, it should receive the support of the Senate, as long as it does not interfere with the liberty of individuals and does not transgress the rights of the provinces.

May I say that we, the Opposition, shall receive legislation in the spirit in which this honourable body is traditionally accustomed to receive it, that is, with the intention of giving it a sober second look and inspection. In this chamber, there is no doubt we have made and should make a careful effort, common to both sides, to review carefully and to improve legislation, for the benefit of the people of Canada and for the good of the country as a whole.

From reading and reviewing volumes of Senate *Hansard* of past years, I have found in that connection there has been the continuous co-operation of most honourable senators who have taken an active part in promoting and assisting the passage of legislation. The present Leader of the Government is a good example.

It is our intention, as the Opposition, to abandon any slight prejudice we may have —I doubt that there is any—and deal with legislation entirely on its merits. It will be our desire that as little partisanship as possible enter into our deliberations. I feel assured, honourable senators, that I am speaking in this regard the minds of all those who sit behind me.

Honourable senators, there are many other subjects. I have discussed but a few. There will no doubt be many other speakers in this debate; there will also be the implementing of the legislation which is projected, and this will take some time.

I turn now to an item in the Speech from the Throne:

> My ministers are determined that the partnership shall be truly equal.

This referred to biculturalism and bilingualism. I might say that I approve, as does our party, the principle of biculturalism and bilingualism. One is part and parcel of the other.

I do not understand altogether what is meant by "biculturalism", but after the committee sits and studies the matter we will get a better idea.

There are many things to be considered, but I do understand what we mean by being bilingual in this country. It means our people learning and speaking both English and French. Frankly, I do not think we have too much reason to be discouraged in the progress we have made in this connection.

We are a big country, a scattered country, and we have made in my lifetime rapid progress. One does not find today, as one did some years ago, any great antipathy; one does not find people particularly opposed to learning French in the English-speaking sections, nor does one find any great antipathy amongst the French-speaking people in regard to learning English. It is an educational problem, a provincial problem.

We all remember the little school house we attended. I remember the red school house I attended, a little one-room building, with a little teacher who, I do not think, ever heard a word of French in her life. Most of the boys and girls who grew up there never heard French. One could not expect such a teacher to teach French, nor could one expect the children coming from such a school to know French.

The same analogy would apply to English in the little schools in the back districts in the province of Quebec and other places. Today there is a different attitude. We now have different schools in our country. I returned to the little red school I attended in New Brunswick and found that it had been closed up. Today there is a large regional high school in that section. There are many other such new schools in our province and throughout the rest of Canada. These schools are teaching French. They can afford to hire French teachers. The situation now is entirely different. In our day, many of us did not have any opportunity to learn French, just as many of the French-speaking population did not have an opportunity to learn English. Our children had better opportunities, and our grandchildren now have much better opportunities. I do not think bilingualism is the big problem which many people think it is. I have seen members of Parliament come to Ottawa from all across Canada and one of the first things many of them try to do is to learn French. Many of them do acquire a faculty in the use of the language, and they deserve credit for it.

I am sure, honourable senators, that all true Canadians are anxious that all steps be taken to ensure equality by these two great races which built this country, both English and French. I express the hope that in 1967, the year of Canada's hundredth anniversary, we shall from one coast of Canada to the other rejoice and say that the intention of the Fathers of Confederation has indeed been fulfilled, or at least that a firm foundation has been established for such fulfilment. This I believe firmly can and will be accomplished, as the honourable mover of the Address in Reply (Hon. Mr. Lefrançois) well said, not by hare-brained fanatics exploding dynamite endangering life, acts of vandalism destroying public and private property, but by people of good common sense, good will, good intentions and good purposes, working together with that aim in view.

On motion of Hon. Mr. Macdonald (Brantford) debate adjourned.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION ADOPTED

The Senate proceeded to consideration of the report of the Committee of Selection, which was presented yesterday.

Hon. Arthur L. Beaubien, for Hon. Mr. Taylor (Norfolk), moved the adoption of the report.

He said: Honourable senators, although the Committee of Selection has now chosen the various senators to serve on our Standing Committees during the present session, should any senator on either side of the house wish to serve on a particular committee to which he has not been named, a change in membership may be arranged by the Whips and become effective upon a motion to this house.

Report adopted.

APPOINTMENT

Hon. Mr. Macdonald (Brantford), with leave of the Senate, moved:

> 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.

Motion agreed to.

LIBRARY OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Leave having been given to revert to notices of motions:

Hon. Mr. Macdonald (Brantford), with leave of the Senate, moved:

That a message be sent to the House of Commons by one of the Clerks at the Table to inform that house that the Honourable Senators Aseltine, Cameron, Davies, Fergusson, Fournier (De Lanaudiere), Gladstone, Gouin, Haig, Irvine, Lambert, Macdonald (Cape Breton), MacDonald (Queens), O'Leary (Antigonish-Guysborough), Pouliot, Reid, Vien and Yuzyk have been appointed a committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a Joint Committee of both houses on the said Library.

Motion agreed to.

PRINTING OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Macdonald (Brantford), with leave of the Senate, moved:

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable Senators Beaubien (Bedford), Blais, Bouffard, Bradley, Choquette, Comeau, Davies, Grosart, Isnor, McGrand, Pearson, Phillips, Reid, Savoie, Smith (Kamloops), Stambaugh, Thorvaldson, Turgeon, Welch and Wood have been appointed a committee to superintend the printing of the Senate during the present session and to act on behalf of the Senate as members of a Joint Committee of both houses on the subject of the Printing of Parliament.

Motion agreed to.

RESTAURANT OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Macdonald (Brantford) with leave of the Senate, moved:

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

Motion agreed to.

The Senate adjourned until Tuesday, May 28, at 8 p.m.

THE SENATE

Tuesday, May 28, 1963

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

Prayers.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered—That a Message be sent to the Senate to acquaint Their Honours that this House has appointed Mrs. Konantz and Messrs. Boulanger, Cowan, Cyr, Doucett, Ethier, Forgie, Gelber, Grégoire, Gundlock, Hales, Horner (The Battlefords), Irvine, Laprise, MacRae, Martin (Timmins), Matheson, McNulty, Muir (Lisgar), Noble, Pugh, Rinfret, Tucker, Webster, and Whelan a Committee to assist His Honour the Speaker in the direction of the Parliamentary Restaurant as far as the interests of the Commons are concerned, and to act as members of a Joint Committee of both houses on the Restaurant.

Ordered, that the message do lie on the Table.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

> Report of the Royal Commission on Government Organization, Volume 4, Special Areas of Administration, (J. Grant Glassco, Chairman), dated January 21, 1963. (English and French texts).
>
> Report of the number and amount of loans to Indians made under section 69(1) of the Indian Act, for the year ended March 31, 1963, pursuant to section 69(6) of the said act, chapter 149, R.S.C., 1952. (English and French texts).
>
> Report of the number and amount of loans to immigrants made under section 69(1) of the Immigration Act, for the year ended March 31, 1963, pursuant to section 69(6) of the said act, chapter 325, R.S.C., 1952. (English and French texts).
>
> Report of the Department of Trade and Commerce, for the year ended December 31, 1962, pursuant to section 7 of the Department of Trade and Commerce Act, chapter 78, R.S.C., 1952. (English and French texts).

28906-6—3½

> Financial Statement on the operations of the Veterans Insurance Act, for the year ended March 31, 1963, pursuant to section 20 of the said act, chapter 279, R.S.C., 1952. (English and French texts).
>
> Financial Statement on the operations of The Returned Soldiers' Insurance Act, for the year ended March 31, 1963, pursuant to section 17(2) of the said act, chapter 54, Statutes of Canada, 1920 as amended 1951. (English and French texts).
>
> Copy of communiqué on the meeting of the Commonwealth Economic Consultative Council, held at London, England, May 8-10, 1963. (English text).
>
> Copy of resolutions and conclusions adopted at the meeting of Ministers on General Agreement on Tariffs and Trade, held at Geneva, May 16-21, 1963 (English and French texts) as follows:—
>
> > Measures for the expansion of trade of developing countries as a means of furthering their economic development.
> >
> > Arrangements for the reduction or elimination of tariffs and other barriers to trade, and related matters.
> >
> > Measures for access to markets for agricultural and other primary products.
>
> Copy of the final communiqué of the NATO Ministerial Meeting, held at Ottawa, May 22nd to 24th, 1963. (English and French texts).

NORTH ATLANTIC TREATY ORGANIZATION

FINAL COMMUNIQUÉ OF MINISTERIAL MEETING PRINTED AS APPENDIX

Hon. W. Ross Macdonald: Honourable senators, the last of the documents just tabled, the Final Communiqué of the NATO Ministerial Meeting, was printed as an appendix to the *House of Commons Debates*. If honourable senators would like it to appear as an appendix to our *Hansard* I will move, with leave, seconded by the honourable acting Leader of the Opposition (Hon. Mr. Choquette):

> That the copy of the Final Communiqué of the NATO Ministerial Meeting held in Ottawa from 22nd to 24th May, 1963, tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Motion agreed to.

For text of communiqué see appendix, p. 39.

PRIVATE BILL

THE PHARMACY EXAMINING BOARD OF CANADA—FIRST READING

Hon. John J. Kinley presented Bill S-7, to incorporate The Pharmacy Examining Board of Canada.

Bill read first time.

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

Motion agreed to.

BANKRUPTCY ACT

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Salter A. Hayden moved the second reading of Bill S-2, to amend the Bankruptcy Act.

He said: Honourable senators, a bill proposing some amendments to the Bankruptcy Act was presented in this chamber last session, was considered and discussed on second reading, and was referred to the Banking and Commerce Committee. In due course I will tell you what happened to the bill and how similar the present bill is to the one which was then introduced.

May I point out that the earlier bill had two main features. First, it proposed the repeal of the sections of the Bankruptcy Act which dealt with summary administration of a bankrupt's estate. The authority for the provision for summary administration is to be found in subsection 6 of section 26 of the Bankruptcy Act. Summary administration under the act is available only to individuals. Subsection 6 provides:

> Where the bankrupt is not a corporation and in the opinion of the official receiver the realizable assets of the bankrupt, after deducting the claims of secured creditors, will not exceed five hundred dollars, the provisions of the act relating to summary administration of estates shall apply.

The bill which was introduced last year proposed the repeal of subsection 6 of section 26, and also the administrative sections, namely, sections 114 and 115. Secondly, the bill also provided for a new Part X, entitled "Orderly Payment of Debts". Part X outlined procedures by which a debtor might under certain conditions apply to the Clerk of the District Court in the case of Alberta, and to the Clerk of the County Court in the case of Manitoba, for a consolidation order. Then there were procedures as to what happened in connection with that application and the respective rights of the debtors and creditors. Those were the two main features.

The reason for Part X was that apparently in 1952 there came into operation in Manitoba a provincial statute which proceeded along these lines, that if in a particular case a creditor had a claim against a debtor not in excess of $1,000, or a judgment was issued not in excess of $1,000, the debtor might, if he wanted to secure an orderly payment of his debt or debts, go to the Clerk of the County Court and make an application, and in a proper case a consolidation order would be made.

These provisions were incorporated into the bill which was before us last year. The reason given was that the province of Alberta in or about the year 1959 had introduced similar legislation provincially, and there was the question of the constitutionality of that bill, which ultimately the Supreme Court of Canada decided was unconstitutional. In other words, the province did not have the necessary authority to enact legislation of that kind.

The bill containing Part X, entitled *"Orderly Payment of Debts"*, was an effort by the federal authority to reinstate the operation of the orderly payments and to give it a constitutional base. When the bill came before us there was considerable discussion on some features; I would say more so in relation to the repeal of the summary administration sections than substantially in relation to Part X. Discussion on the bill in committee took five morning meetings. We heard a number of witnesses, including Mr. T. D. MacDonald, Assistant Deputy Minister of Justice; Mr. John Larose, Superintendent of Bankruptcy, Department of Justice; representatives of the Board of Trade of Metropolitan Toronto, the Credit Grantors Association of Canada, and the Montreal Board of Trade.

There was not by any means unanimity of opinion with reference to the repeal of the summary administration sections, because it was felt that there had been abuses in connection with the administration by some sort of collusion between trustees and some people who wanted to get rid of the embarrassment of their debts, and they could fit into subsection 6 of section 26 of the Bankruptcy Act so as to go for a summary administration procedure. There was even a provision in the summary administration procedure under which in many cases the trustee, when he was sending out a notice of the position of the debtor, might also enclose with that material a notice of application for the discharge of the debtor from his bankruptcy.

The evidence before us showed that there had been very substantial abuse of the provisions.

The opinion of the committee at the end was that there was value in having the summary administration provisions retained, and that the way to deal with the matter was to tighten up the provisions so as to give the creditors more control over the procedures. Therefore we changed the provisions of the bill in that regard by retaining section 26 (6), and by striking out some of the administrative provisions contained in sections 114 and 115, and by amending others. The effect of this was to tighten up the procedures.

I think I should tell you now that one of the reasons we did this was that section 198, which is also in the bill which you have before you now, provided that Part X would only come into force in any province upon the issue, at the request of the Lieutenant Governor in Council of that province, of a proclamation by the Governor in Council declaring it to be in force in that province. There was no assurance that any province other than Manitoba and Alberta would take the necessary steps under section 198 to bring Part X into force, and, if we did not leave in the Bankruptcy Act some provisions with reference to summary administration, provinces other than those which applied to bring Part X into force would be left without any summary administration procedures. Therefore, we felt that they should be retained.

We did make some changes in connection with Part X, but I would say that most of the changes were made on recommendations put before us by witnesses who were heard in committee. We were assisted to some extent in drafting by representatives of the Department of Justice, the Assistant Deputy Minister, and the Superintendent of Bankruptcy.

So, honourable senators, the bill now before you is in the form in which it received third reading in the Senate last December. It then went on its way to the Commons, but Parliament was dissolved before it was considered in that house.

The report of the Senate Standing Committee on Banking and Commerce recommending these changes appears at page 446 of our *Hansard* of the last session. At page 462 will be found the explanation which was given in connection with the changes and their purpose, as incorporated in the report of the committee.

I want to point out to the honourable senators who were not here last year, and to remind those who were, that we had five morning sittings, we heard many witnesses and we resolved the two points in the earlier bill in the manner in which they now appear in this bill before you. On balance, I think we have achieved a very satisfactory result.

I do not propose tonight to point out in detail, for instance, what the procedures are that must be followed under Part X. I did indicate earlier how a debtor starts the ball rolling under Part X, if he meets the conditions which entitle him to the benefit of the provisions for the orderly payment of debts. He may go to the clerk of the court in the province where Part X is in operation and apply for a consolidation order. The material he must submit is set out in the bill. There are certain prohibitions; that is, there are certain types of claims with respect to which the debtor would not be entitled to apply for a consolidation order. These are listed on page 3 of the bill, which deals only with the provinces of Alberta and Manitoba.

Then in paragraph (c) of section 174(3), on the same page, you have the provision that would deal with any other province that might elect to follow the procedures of section 198, to have this Part X come into force in that province. Paragraph (c) says:

> in any other province, any debt of a class designated by the regulations to be a class of debts to which this Part does not apply.

So, I think the drafters of this bill had in mind that it was quite likely Part X might, in the foreseeable future, only come into operation, or might more immediately come into operation, in the provinces of Alberta and Manitoba. So they spelled out the exclusions with reference to these provinces.

I should point out to you, if I have not already done so, that the condition under which a debtor may apply for a consolidation order is that there must not be a creditor who has a claim or a judgment for more than $1,000. Of course, there can be any number of such claims; and, furthermore, if there is a claim in excess of $1,000, or if there is a judgment in excess of $1,000, that may be brought into the consolidation order if the creditor consents. There you have the machinery.

I am told by my friends who practise law in the province of Manitoba that this provincial legislation in that province has worked very well; and they have had a good run at it since 1952, if I am not mistaken. I believe it was at the request of the province of Manitoba and also, I should think, at the request of the province of Alberta, that this Part X was included in the bill which we had before us at the last session.

It is up to the Senate to decide what course it is going to take in relation to this bill, as and when it receives second reading. What more could be added by way of enlightenment in committee, I am not aware at the moment, because we really thrashed out

every phase of it thoroughly and completely, and the *Hansard* record of the five committee meetings is available.

Hon. Mr. Reid: Is the bill exactly the same as that of last session?

Hon. Mr. Hayden: The bill is exactly the same as that which passed here on third reading. It differs substantially from the bill that was introduced because we did not repeal the summary administration provisions which are in the Bankruptcy Act. The changes which we made in Part X, "Orderly Payment of Debts", are not, in my view, substantial. I think they are what you would call good working condition changes, with a little more availability to the public to know what is going on in relation to consolidation orders and things of that kind.

There is nothing more I can add, unless I were going to give a detailed explanation which, I think, is entirely out of place having regard to the past history of this bill in the Senate.

Hon. Mr. Pratt: May I ask the honourable senator a question, because I did not have the opportunity of attending the committee hearings last year when this bill was discussed. Except with respect to the two provinces that are mentioned, has there been a thorough examination as to whether there is any conflict between existing provincial legislation and this proposed legislation?

Hon. Mr. Hayden: We have one honourable senator, and maybe more, who can answer that more clearly than I, and I think that he is going to speak on the bill. However, when the Supreme Court of Canada declared the Alberta legislation unconstitutional, the Alberta legislation and Manitoba legislation were so similar that both fell, in the sense that you would not contemplate taking proceedings under the Manitoba act, and certainly not under the Alberta act having regard to the pronouncement of the Supreme Court of Canada. So I would suspect that Part X was encouraged and sponsored, and maybe even its form was suggested by the provincial authorities as a method of getting into operation a procedure which they had found to be very advisable and helpful. I would suspect too that Part X follows reasonably closely the form of the Manitoba legislation. But I am sure the Senator from River Heights (Hon. Mr. Haig) can tell us more about that.

As to what my friend from St. John's West means by "conflict", I am not too clear, because when this bill first came before us there was no conflict anywhere since there was no legislation anywhere to give rise to conflict. What happened was that the Alberta legislation had been declared *ultra vires* by the Supreme Court of Canada and the Manitoba legislature could not proceed in the face of that judgment. What is happening now is merely that the federal Government is attempting by this Part X to give constitutional validity to a piece of legislation which a province formerly used and now desires to continue.

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

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 35*)

NORTH ATLANTIC TREATY ORGANIZATION

FINAL COMMUNIQUE OF NATO MINISTERIAL MEETING

The North Atlantic Council met in ministerial session in Ottawa from 22nd to 24th May, 1963.

2. In their review of the international situation, ministers emphasized that in the world of today peace is indivisible. The enduring character of the North Atlantic Alliance, founded on the principles of interdependence and common defence, constitutes a basic guarantee for the maintenance of peace.

3. The council noted with regret that the Soviet Union had so far shown little interest in seeking equitable solutions for outstanding problems.

4. With regard to Germany and Berlin, the threat has not disappeared. Thanks to the firm attitude maintained by the west, however, developments detrimental to the interests of Berlin and the alliance have been effectively discouraged. In this connection, the alliance abides by the terms of its declaration of 16th December, 1958, on Berlin.

5. Outside the treaty area too, tensions and difficulties continue to exist which have a profound effect on the alliance. Soviet military personnel remain in Cuba; and the situation there, with its repercussions in the region generally, still gives cause for concern. Ministers also expressed their disquiet over recent events in Laos, and stressed the importance of sustained efforts to secure respect for the Geneva agreements.

6. Ministers reaffirmed the importance, in building a peaceful world, of progress toward general and complete disarmament by stages and under effective international control. In this connection, they noted that agreement in principle had been reached between the United States and the U.S.S.R. on measures to improve communications designed to reduce the risk of war by accident or miscalculation. They expressed the hope that the Soviet Union's attitude would evolve sufficiently to permit genuine progress to be made on key disarmament questions.

7. The growing scope and complexity of the problems facing the alliance make it imperative for the council to ensure that its political consultations are as prompt and effective as they can be made. Ministers noted the progress already achieved in this direction and expressed their determination to secure still further improvements.

8. Ministers discussed NATO defence policy and approved the steps taken to organize the nuclear forces assigned or to be assigned to the supreme allied commander Europe (SACEUR).

These include notably:

(a) assignment of the United Kingdom V-bomber force and three U.S. Polaris submarines to SACEUR;

(b) establishment by SACEUR on his staff of a deputy responsible to him for nuclear affairs;

(c) arrangements for broader participation by officers of NATO member countries in nuclear activities in allied command Europe and in co-ordination of operational planning at Omaha;

(d) fuller information to national authorities, both political and military.

Ministers welcomed these measures to increase the effectiveness of the nuclear capability at the disposal of the alliance and to improve co-ordination and control of its nuclear deterrent forces.

9. Ministers recognized the need to achieve a satisfactory balance between nuclear and conventional arms. They directed the council in permanent session to undertake, with the advice of the NATO military authorities, further studies of the interrelated questions of strategy, force requirements and the resources available to meet them.

10. The council noted progress made in the implementation of earlier resolutions concerning the defence problems of Greece and reaffirmed its interest in the effective application of these resolutions.

11. The North Atlantic Alliance seeks peace. It deplores the diversion into the military field of resources which might be used for the betterment of mankind, and in particular for increased efforts to raise living standards in developing countries. But the free world remains faced with a continuing threat and the members of the North Atlantic Alliance have both the right and the duty to protect their freedom and independence.

12. The next ministerial meeting will be held in Paris in December 1963.

THE SENATE

Wednesday, May 29, 1963

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

Prayers.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, May 22, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

ESTIMATES TABLED

Hon. Mr. Macdonald (Brantford): Honourable senators, I have just received copies of the estimates for the fiscal year ending March 31, 1964, together with the supplementary estimates (A) for the said fiscal year, English and French texts, which I now table.

May I remind honourable senators that the Government will be out of funds on the last day of this month, namely, Friday next, and that an interim supply bill will doubtless be introduced in the House of Commons before the end of this week. I believe it is the intention to introduce it on Friday. Just when it will reach this house depends on the progress which is made in the other house. If I get any definite information, I will be glad to let the Leader of the Opposition (Hon. Mr. Brooks) know as soon as I get it.

Hon. T. A. Crerar: Honourable senators, may I ask the Leader of the Government (Hon. Mr. Macdonald, Brantford) if the estimates just tabled are those prepared by the late Government supposedly for submission to Parliament last year, or are they a new set of estimates altogether?

Hon. Mr. Macdonald (Brantford): I am informed that the estimates are those which were prepared by the former administration.

Hon. Mr. Brooks: They were found good.

Hon. Mr. Hayden: They have just been found.

Hon. Mr. Macdonald (Brantford): There has not been time for the present administration to prepare estimates. I may say, however, that my information is that the supplementary estimates which I have tabled were authorized by the present administration.

PRIVATE BILLS

QUEBEC FIRE ASSURANCE COMPANY—FIRST READING

Hon. Cyrille Vaillancourt presented Bill S-8, respecting Quebec Fire Assurance Company.

Bill read first time.

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

Motion agreed to.

CONFEDERATION LIFE ASSOCIATION—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-9, respecting Confederation Life Association.

Bill read first time.

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

Motion agreed to.

THE GREAT-WEST LIFE ASSURANCE COMPANY —FIRST READING

Hon. J. Campbell Haig presented Bill S-10, respecting the Great-West Life Assurance Company.

Bill read first time.

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

Motion agreed to.

DIVORCE

REPORT OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's first report:

1. Your committee recommend that they be granted leave to sit during adjournments of the Senate, and also during sittings of the Senate.

2. Your committee also recommend that they be granted authority to appoint as many subcommittees as deemed necessary for the purposes of considering such divorce matters as may be referred to them by the committee and to set the quorum thereof, the subcommittee in each case to report their findings to the committee.

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

Hon. Mr. Roebuck: Honourable senators, this is the usual report presented by the

standing committee each session; there is no change from similiar reports which we have adopted year after year.

I move that the report be considered at the next sitting.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT—NOTICE OF MOTION

Hon. W. Ross Macdonald: Honourable senators, I rise to give notice of a motion for tomorrow. It is a motion that is passed in this house at each session and gives His Honour the Speaker power to recall the Senate should an emergency arise during an adjournment of the Senate. I think honourable members are familiar with this procedure. It is my intention to move this motion tomorrow, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks).

Hon. M. Wallace McCutcheon: Could the honourable Leader of the Government tell us what the emergency is about?

Hon. Mr. Macdonald (Brantford): I am neither a prophet nor the son of a prophet.

Hon. Mr. Brooks: It is the usual motion.

STANDING ORDERS COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the name of the Honourable Senator Vien, P.C., be substituted for that of the Honourable Senator Bishop on the list of Senators serving on the Standing Committee on Standing Orders.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, May 23, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. W. Ross Macdonald: Honourable senators, my first words must be to thank the mover and the seconder of the motion for an address in reply to the Speech from the Throne, and also the honourable Leader of the Opposition (Hon. Mr. Brooks), for the complimentary references made to me upon my assuming the position of Leader of the Government in the Senate. They referred to the positions which I have held since I came into Parliament and to the manner in which I handled them. May I say that if I have had any success whatsoever in any of the responsibilities which I have assumed it has always been on account of the co-operation which I have received from members of both sides in both Houses of Parliament.

I should like to refer to the days when I entered the Senate ten years ago as Leader of the Government. At that time the late Senator John T. Haig, whose son is here with us now, was Leader of the Opposition, and we co-operated in all matters that came before us. We enjoyed four wonderful years. He was succeeded in office by the Honourable Senator Aseltine, whom we are all glad to see with us again in high spirits, full of enthusiasm and good health.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald (Brantford): Senator Aseltine served during a difficult period. He was Leader of the Government in the Senate with a minority, and I was Leader of the Opposition in the Senate with a majority. It presented not an easy task for either one of us, but I feel that all senators can look back over those years with satisfaction and with the knowledge that we conducted the business of this chamber with a sense of responsibility becoming to the Upper House.

Honourable senators, in thanking the mover, the seconder and Senator Brooks for the remarks they have made about your humble servant, may I assume that they were speaking for all honourable senators, and I will absolve any honourable senators who speak and do not make similar reference to me during this debate.

I am happy that Senator Brooks has taken the seat which I recently vacated to the left of the Speaker, and which, I may say, I was glad to give up to him when I took his seat to the right of the Speaker, which he probably relinquished with much less enthusiasm. I am sure that his sojourn in his present position will be happy and fruitful, and I join with all honourable senators in wishing him well.

On Thursday last Senator Brooks referred to our long association in Parliament. As he said, we were elected in 1935. I like to think of those elected in 1935 as the "class of 1935", and I am glad to say there are more than two of us in the Senate today. Senator Isnor, Senator Tremblay, Senator Turgeon, Senator Kinley, Senator Sarto Fournier and Senator Grant all came into Parliament with us in 1935, and I am sure we all hope that we shall be with you for many years to come.

Honourable senators, may I now make a few remarks about our new Speaker, and this I do in the French language.

(Translation):

Your Honour, it is with a deep feeling of sincerity that I welcome you and congratulate you on your appointment to such an important position.

Several among us have known you for years, and we are all familiar with your experience in the House of Commons. We know that you are quite familiar with the rules of the House of Commons and that before long you will also be familiar with those of the Senate.

We are also happy to see that Mrs. Bourget is accompanying you, and we look forward to the pleasant relations we will have with you and Mrs. Bourget during this Parliament.

(Text):

Honourable senators, the Leader of the Opposition (Hon. Mr. Brooks), when referring to His Honour the other day, stated that the duties of the Speaker of the Senate are not as onerous as those of the Speaker in the other house. He was quite correct with respect to the directing of the proceedings and presiding over the sittings of this house. However, on special occasions, particularly at ceremonial functions, I believe there is an equally great, and perhaps a greater, responsibility resting on the shoulders of the Speaker of the Senate. Such an event was the recent opening of Parliament, when we were all proud of the manner in which Mr. Speaker rose to the high standards set by his predecessors, and of the way in which he upheld the dignity and decorum of the Upper House amidst the colourful setting of this beautiful chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald (Brantford): We missed His Excellency the Governor General on that day. May I say a few words in French with respect to his absence.

(Translation):

Honourable senators, I wish to express the hope that the health of His Excellency the Governor General will keep improving so that he will soon be able to discharge entirely the duties and responsibilities of his function, as he has done with so much distinction and honour during his mandate.

(Text):

Honourable senators, I would also like to welcome the new senators and congratulate them upon their appointment. We shall look forward to hearing them participate in the debates of this house and in the work of various committees. I am sure they have already found a very friendly atmosphere here; some of them may have been surprised to find an absence of severe partisanship. We all seem to get along very well together regardless of the party to which we belong.

I am not going to refer to the new senators individually, with the exception of my friend Senator Walker. He and I met for the first time many years ago during a lawsuit. We were on opposite sides then, and we are still on opposite sides in this chamber. However, we were not always opposed to each other, for I recall as one of my happiest memories of the Twenty-Fourth Parliament the 8 a.m. lectures that he and I, along with Mr. Speaker Michener and Mr. McCleave, attended in order to perfect our French.

I would now like to refer to the mover (Hon. Mr. Lefrançois) and seconder (Hon. Mr. Taylor, Westmorland) of the address in reply to the Speech from the Throne. The mover spoke in French, and I open my remarks in that language to show that the lessons which I took in company with Senator Walker were not in vain.

(Translation):

Honourable senators, I wish to commend Senator Lefrançois who moved the address in reply to the Speech from the Throne. It is always difficult to open such a debate but our colleague did it with ease and eloquence and deserves our congratulations.

(Text):

Honourable senators, I should like to refer to the seconder of the motion for an address in reply to the Speech from the Throne. The honourable Senator Taylor has taken a prominent part in the debates of this house since his appointment in 1957. Before becoming a senator he was a member of the Legislature of New Brunswick, where he was Minister of Agriculture, and on that subject he is a recognized authority. He has taken a prominent part in the proceedings of the Land Use Committee of this house. He is generally well informed, not only on all that goes on in his own province but also on what is taking place throughout Canada. I wish to congratulate him upon his speech on this occasion. I am sure you will agree with me that the speeches made by the mover and seconder were among the finest we have heard in this house at openings.

Now, honourable senators, I should like to make reference to Senator Burchill, who recently was the recipient of the national Wood Award. I have a copy here of the *North Shore Leader* dated February 15, 1963, which carries a picture of Senator Burchill, and an article from which I should like to quote an extract.

> The Canadian Lumbermen's Association Tuesday named Liberal Senator G. Percy Burchill of South Nelson as 1963 winner

of the "wood award" for outstanding service to the industry. The C.L.A. met in Montreal this week.

Senator Burchill is a former president of the association, the Canadian Forestry Association, the New Brunswick Forest Products Association and the Maritime Lumber Bureau.

He is also chairman of the board of New Brunswick Telephone Company and a director of Bathurst Power and Paper Company and Montreal Trust Company.

He heads the family firm of Geo. Burchill and Sons which has been engaged in the lumber business at South Nelson for over 100 years.

I am sure we all join in extending to Senator Burchill our congratulations.

I should like to make reference to one other member of the Senate who has received honours during the recent recess. I refer to Senator Wallace McCutcheon, who now sits on the Opposition side of the house, and who has taken a prominent part in public life in Canada, especially during the last two years, and even more especially during the last two or three months. I am happy to inform the house that Senator McCutcheon received an honorary degree of Doctor of Laws from St. Francis Xavier University, and also from the University of Western Ontario. I am sure we all join in congratulating him.

Honourable senators, with the change of Government there must of necessity follow some changes which do not bring about general rejoicing. One such change was the abrupt termination of the term of office of Mr. Speaker White. He carried out his duties in a capable, non-partisan and friendly manner, and we were at all times most graciously received by him and by his charming wife in the Speaker's suite. His term of office lasted seven months; but, comparatively speaking, he is still a young man, and it is not beyond the realm of possibility that in 10 or 12 years' time he will be called upon to complete his appointed task.

Hon. Mr. Horner: Make it four years.

Hon. Mr. Macdonald (Brantford): Honourable senators, I should like to make a few references to the remarks made by the honourable Leader of the Opposition (Hon. Mr. Brooks) on Thursday last. It is not my intention to go over his speech paragraph by paragraph, nor am I going to be too critical of it. In fact, I thought it was a pretty good speech, and I congratulate him upon it. I must, however, offer some criticisms, although I should not be too severe because he had a difficult task.

There was very little in the Speech from the Throne of which he could disapprove. Although he does not say it in so many words he must regard the Speech as mainly good—that which is bad is not very bad, while that which is good is not quite good enough. He likes the reference in the Speech to the 12-mile limit. That is a good thing, but it is not good enough. His Government did not establish it, and this Government has not done so yet, and doubting Thomas—or should I say doubting Alfred?—that he is, he doubts very much whether it can be done.

Hon. Mr. Brooks: I did not say that.

Hon. Mr. Macdonald (Brantford): Well, the honourable Leader implied that. I will put it in that way.

Let me tell the honourable Leader of the Opposition and all honourable senators that our new Prime Minister, whom I predict will go down in history as one of the greatest Prime Ministers that Canada ever had, did not make any reckless promise to the fishermen in this respect. He knows the international implications involved, but he knows that they are not insurmountable, and I am confident that before long the fishermen of Canada will have the benefit of the 12-mile limit.

The honourable Leader of the Opposition took exception to the statement by Mr. Pearson that he would get the economy going again. Apparently this is one of the statements that is bad, but is not too bad. What makes it bad in the mind of the honourable Leader is that Mr. Pearson said he would get it going again. It is the word "again" that is objectionable. Mr. Pearson, in the mind of the honourable Leader of the Opposition, I take it, should have said merely that he would get it going.

Hon. Mr. Brooks: Keep it going.

Hon. Mr. Macdonald (Brantford): In any event, the honourable Leader did not like the word "again", and if he does not like it I will not use it again. The fact is that the economy has dropped off, and it is necessary to get it going. The new Government is doing just that.

There has been, undoubtedly, over the past few years a loss of confidence in the Government by the business community. I will not take up the time of this honourable chamber by dealing in detail with all of the reasons for the dropping off of the economy and this loss of confidence, but it was not caused, in my opinion at any rate, so much by what the Government did as by what it did not do. I would like to mention just a few things.

Honourable senators, I feel that the Government did not call Parliament together soon enough after the election last year. The election was held on June 18; Parliament could have been, and should have been, called on

July 19; and when it was not called by that date, the country began to question why, and from that moment confidence began to drop.

The fact is that Parliament was not called until September 27. What happened then? The estimates which I have tabled today were not considered. If Parliament had been called on July 19 the estimates could have been considered between that time and September 27. The result was that the estimates were never considered by the last Parliament, and that too contributed to the loss of confidence.

The last thing I will mention, honourable senators, is the neglect of the Government to bring down a budget. It is no use saying that they were prevented from bringing down a budget. It is impossible in the House of Commons to prevent any government from bringing down a budget. All the government has to say is that on a Tuesday or Thursday, or whatever day they wish, at 8 o'clock the house will go into Committee of Ways and Means. Nobody can prevent that. But for some reason or other the Government did not do that, and from then on the loss of confidence continued.

I said a moment ago that the present administration is doing what the former administration did not do. They have tabled the estimates—

Hon. Mr. McCutcheon: Our estimates.

Hon. Mr. Macdonald (Brantford): Yes, they have not had time to get their own. I am sure they regret that they have to table these estimates, but there are no others to table. The fact is that they have tabled estimates.

Honourable senators, I would point out that the election was held on April 8 and the new administration did not take over the reins of government until two weeks after that date.

Hon. Mr. McCutcheon: On April 22.

Hon. Mr. Macdonald (Brantford): Yes, on April 22. And yet Parliament was called this year on May 16. That is an action that the former Government should have taken, and which this Government has taken. Also, the Government has tabled the estimates, and we have been assured that before the month of June is out a budget will be presented to Parliament.

I am not going to belabour the fact that the country had lost confidence in the Government, and that that lost confidence is now being restored, apart from reading an article which appeared in the Toronto *Globe and Mail* on April 30 under the heading, "Hawker Credits Election in $42 Million Expansion". It reads:

> Hawker Siddeley Canada Ltd. plans $42,000,000 of capital spending in the next two years, T. J. Emmert, president, told the annual meeting yesterday in Toronto.
>
> Mr. Emmert said later he doubted the spending plans would have been as large had the Federal Government not changed in the April 8 election.

Hon. Mr. McCutcheon: Honourable senators, I have a letter from Mr. Emmert denying that quotation.

Hon. Mr. Macdonald (Brantford): Well, it has not been denied in the *Globe and Mail.*

Hon. Mr. McCutcheon: You would not expect the *Globe and Mail* to deny it.

Hon. Mr. Macdonald (Brantford): I certainly accept the word of the honourable senator that he has such a letter, but I will continue to read what the *Globe and Mail* had to say about it.

Hon. Mr. McCutcheon: Our great friend!

Hon. Mr. Macdonald (Brantford): The report continues, quoting Mr. Emmert, as follows:

> The company's plans have become a good deal more solid since the election, he added.
>
> A new feeling of buoyancy has been created in Canadian business with the government change, he said.

Honourable senators, that is what an article from the *Globe and Mail* has to say. I am sure I could have looked up other articles to prove that there has been a renewed confidence in Canada since the new Government took over.

I will leave that subject and refer to a few remarks of the honourable Leader of the Opposition (Hon. Mr. Brooks) with regard to a certain inheritance that he told us the present administration received from the former administration. He told us only of the good things, and, of course, they were not all good. He did not mention the staggering deficit that the new administration inherited. I do not know how much it is. Some newspapers—not only the *Globe and Mail*—predict that it will be at least half a billion dollars. The honourable Leader of the Opposition did not tell us anything about that inheritance.

He did not mention the staggering unemployment problem that was bequeathed to us. He did not tell us that when the new Government took office it assumed the responsibility of creating a favourable economic climate in Canada that would make it possible to reduce the enormous army of unemployed which in April numbered 462,000, or 7.5 per cent of our Canadian labour force. He did not tell us anything about that inheritance.

The honourable Leader of the Opposition did not tell us about the Unemployment Insurance Fund which the new Government

has inherited, a fund which had gone down from nearly $1 billion to less than nothing during the years of the last administration. I say "less than nothing" because $23,102,674 had to be paid into the fund in April, and in May about $30 million will have to be put into it to meet the claims of those who are insured under it. That is another inheritance this Government received, and I can quite understand why the honourable Leader of the Opposition did not mention it.

The Leader of the Opposition was also critical of the fact that the cabinet has been enlarged. Honourable senators, this country is developing. The population has become larger, and the business of government has become more complicated. Moreover, I would emphasize that the present administration is not, and never will be, a one-man government. In this administration, as far as possible all provinces are represented in the cabinet.

Hon. Mr. McCutcheon: There is a blank.

Hon. Mr. Macdonald (Brantford): There is one blank, unfortunately, but I would like to assure the honourable senator that the absence of that province from representation in the cabinet does not mean that it will be neglected by this Government. Its interests will receive as close attention from this Government as will any province in the dominion. This administration is not a party administration: it is an all-Canada administration, and all Canada will be given equal treatment. The Prime Minister has done his best to realize this in the selection of his ministry.

In Manitoba, two Liberal members were elected, one of them was selected for the ministry. In Alberta one Liberal was elected; that member was selected for the ministry. Saskatchewan, Yukon and Northwest Territories did not elect any Liberal members but, as I said before, their interests will not at all be neglected.

It is also interesting to note the number of cabinet ministers who have been appointed from those parts of Canada which have little Liberal representation in Ottawa. The Minister of Agriculture comes from Alberta, the Minister of Forestry from British Columbia, the Minister of Northern Affairs and National Resources from British Columbia, and the Minister of Mines and Technical Surveys comes from the western end of the province of Ontario. That is all I intend to criticize in the speech of the honourable Leader of the Opposition.

I should like to refer now to the statement in the Speech from the Throne concerning biculturalism; and I trust honourable senators will bear with me as I open my remarks on that subject in the French language.

(Translation):

Honourable senators, there is a way for all Canadians to contribute to the bicultural character of our country. Everyone can endeavour to speak our two languages. French Canadians seem to appreciate the value of that bilingualism more than their English compatriots. I sincerely congratulate them. As for me, honourable senators, I can assure you that the efforts we make to learn the French language add a new interest to the daily routine; it becomes a pleasant diversion and develops our comprehension of Canada.

(Text):

I believe that the people of Canada have indicated that they will welcome the efforts of the new Government to shore up the Anglo-French foundations of our country, while recognizing that Canada is now made up of people representing many great cultures and races.

Honourable senators all know the degree to which Canada has been enriched over the years, and more particularly in recent years, by the addition of the music, the arts and the crafts, the professional and technical skills of many people having their origin in countries other than England or France. These are facts which we must neither ignore nor neglect. At the same time, we have an obvious responsibility to ensure that the Anglo-French partnership, without which there would have been no Confederation, is a real and equal one. We must also do all that is in our power to strengthen the unity of Canadians from sea to sea.

To this end we must make certain, first, that we fully understand the precise nature and extent of any fissures, strains or stresses in our Anglo-French foundations. Secondly, we must make sure that the workmanship and material used will be such as to guarantee that the restored foundation will support permanently the complex superstructure which is Canada. This may not prove to be an easy task but it is not one from which the new Government will shrink; nor, in my view, is it one which the new Parliament should resist. Indeed, the very survival of Canada as we know it, and as the Fathers of Confederation conceived it, may well depend upon the discovery and adoption of sound and statesmanlike solutions to this problem.

I would now like to make reference to the words in the Speech from the Throne respecting trade:

> Canada's economic progress is vitally dependent on vigorous economic expansion throughout the world. We must expect continuing rapid changes in inter-

> national trading relationships, changes that face Canada both with problems of adjustment and with new opportunities. My ministers believe that the nations can best achieve economic progress through policies that steadily reduce the barriers limiting trade.

And further:

> Canada will take a constructive part in trade and other economic negotiations. In order to increase employment and production in Canada, it is the purpose of my minsters to expand Canada's export trade...

Those passages clearly reflect the determination of the new administration to play an active and not merely a passive role in the frontal attack on trade barriers now being waged by many nations, largely on the initiative of the United States of America.

I am sure that honourable senators will support this intention and also the budgetary and other measures which will emerge.

The Honourable L. Dana Wilgress has written a report for the Private Planning Association of Canada, from which I would like to make a short quotation. As honourable senators know, Mr. Wilgress is a Canadian Trade Commissioner who was seconded to important posts in Europe and Russia. He was also a member of several Canadian economic commissions to explore trade opportunities in various parts of Europe and Russia. He served as a diplomatic representative from Canada to several countries, including the United Kingdom and Russia. He was also Under Secretary of State for External Affairs for a time. In the final chapter of the booklet entitled *Canada's Approach to Trade Negotiations*, he refers to the interest which Canadian Governments, starting in 1932, have taken with respect to trading proposals made by the United States of America. This is what he says:

> Whenever in the past the United States has enacted legislation providing for reductions of up to 50 per cent in the United States duties existing at that time, Canada has responded with vigour and in a positive manner. In 1934, the Bennett Government showed commendable courage and imagination by being one of the first governments to propose negotiations with the United States under the Reciprocal Trade Agreements Act. This Government—

He is referring to the Bennett Government.

> —was not deterred from considering the extension of the Intermediate Tariff to the United States, although at the time many were contending that this would undermine seriously the protection accorded Canadian industry.

Again, still quoting Mr. Wilgress:

> After World War II, the Mackenzie King Government decided upon a leading and active role in support of the United States in its frontal attack on trade barriers. It was due to this decision in 1945, together with the attitude of the St. Laurent Government at Torquay in 1951, that Canada came to play a leading role in GATT. This was a reflection of a strong Canadian desire that the negotiations should be successful in their over-all results.

Honourable senators, today a further challenge and opportunity faces Canada in the realm of world trade. The new Government is now—and you can be assured it will continue—co-operating actively and fully in trade negotiations, to the end that the concessions granted in the Canadian tariff will be commensurate with the benefits received. I am confident that this will result in substantial progress in the direction of increased trade opportunities for all sectors of our economy and to all sections of our country.

There are several clauses in the Speech from the Throne which refer entirely to the House of Commons. One of them reads as follows:

> You will be asked to agree to the establishment of a Committee on Procedure, over which the Speaker will preside, with the aim of strengthening Parliament and making it more effective.

When I read those words, it occurred to me that they might apply with equal force to the members of the Senate. The same thought occurred to the Leader of the Opposition (Hon. Mr. Brooks), which, if I may be permitted to say so, proves that sometimes great minds do think alike. In any event, I agree entirely with what he said in that respect. We do indeed have in this chamber men and women of outstanding ability and wide experience, and I am sure that their talents could be put to greater use than they are at the present time. Our standing committees are rendering a valuable service to Parliament. Anyone who appears before a Senate committee goes away with a high appreciation of the thoroughness with which we review the legislation which comes before us. This is particularly true of the Banking and Commerce Committee and the Transport and Communications Committee. I should also mention those who appear before the Divorce Committee and have their cases

heard and disposed of with a thoroughness and an understanding which is unsurpassed by any court in the land.

Over the past few years special committees of the Senate have also contributed much to the work of Parliament. I refer to the Manpower and Employment Committee, the Land Use Committee, and the Committee on the Traffic in Narcotic Drugs in Canada.

I would also refer to the subjects especially assigned to some of our standing committees. For instance, the Finance Committee, after making a study, suggested that the Government's financial statement should include a summary of the standard objects of expenditure and special categories. The result was that the Government acted on the recommendation of that committee. You will also notice in the estimates of this year, and of every year, a summary containing most valuable information about financial transactions of any department of Government. That came about as a result of the work of the Standing Committee on Finance. The Finance Committee also made a study and presented an excellent report on the subject of inflation.

I must not overlook the Banking and Commerce Committee, which drafted what is now the Income Tax Act, and also reviewed and amended, both by additions and deletions, the present Criminal Code. I can mention other examples of the assistance which the Senate has been to Parliament. However, honourable senators, as the Leader of the Opposition said, we are not doing enough. I am of the same opinion: we could and should do more.

At the present time, there are several subjects which are pressing for inquiry and which we could handle if it were possible to organize our work differently. The honourable Senator Croll has given notice today of an inquiry which he feels the Senate could deal with. I hope we shall be able to do so. Also we could assist the already overburdened House of Commons if more legislation were introduced in the Senate. I realize that there is a constitutional difficulty with respect to financial measures, but I do not think it is insurmountable. The House of Commons has ever-increasing demands on it from a growing country, and we should endeavour to find a way to relieve that house of some of those responsibilities. Investigations which are at times referred to royal commissions could, in some instances, be undertaken and inquired into by the Senate.

I am bringing these suggestions to the attention of honourable senators in the hope that a review of the procedure and other matters relating to the Senate will be undertaken by us and, if so, I am confident that such a review would result, to use the words of the Speech from the Throne, in "strengthening of Parliament and making it more effective".

Honourable senators, having referred to what the Senate might do in the future, may I indicate in a general way my appreciation of the position of the Senate having regard to the situation as it exists in Parliament and throughout the country. When I did this last October, at the commencement of the Twenty-Fifth Parliament, I was Leader of the Opposition in this chamber. Possibly it may be suggested, now that I am Leader of the Government, that what I had to say on that occasion would return to haunt me, or that in some way I would have to "eat my words". Let me say at the outset, and in the strongest possible terms, that I stand firmly behind what I said last October, namely, that where there is a minority government in the House of Commons and where there cannot be said to be a popular mandate for any specific legislative or other proposals, there is an added onus on the Senate to scrutinize with the utmost care all measures emanating from the House of Commons. When I made that statement I did not intend it to be of a provocative political character, and I hope that what I say now will also not be so regarded. However, in October it seemed to be so regarded, and although it provided an abundant opportunity for strenuous rebuttal by certain newly-appointed senators on the other side of the house, today my feeling is that if the senators in question did not agree with me then, they will surely agree with me now when the shoe appears to be on the other foot.

Hon. Mr. McCutcheon: No, no. The rule is still the same.

Hon. Mr. Macdonald (Brantford): Indeed, the Leader of the Opposition (Hon. Mr. Brooks) is already almost a convert, and I am grateful to him for his remarks on Thursday last in which he referred to what I said in 1957, which carries the same implication as what I said last October, as having been wisely said. However, he did leave the impression that in his view there is no difference between the present minority government and the minority government which preceded it. There is no doubt that the present Government is a minority one; I will grant that.

Hon. Mr. Brooks: That is the point, of course.

Hon. Mr. Macdonald (Brantford): But I think you will agree that there are minority governments, and minority governments, and that the differences are not merely of degree.

Hon. Mr. Brooks: One is Liberal and the other is Conservative.

Hon. Mr. Macdonald (Brantford): That is one great difference, and very favourable to the Liberals.

What then is so different about the present minority Government from the one which preceded it? I suggest that there are three significant differences.

In the first place the present Government is almost a majority government. I personally regret that it is not; but it will be obvious to all honourable senators that a few more seats would have transformed it into a majority government. In any event, it has by far the largest number of seats won by any one party, and by far the greatest share of the popular votes cast in the recent general election, in which more people voted than ever before in Canadian history. It is the largest minority government in the history of the Parliament of Canada.

More important perhaps is the fact that it is the declared intention of the present Government to proceed as if it were a majority government. I am sure that the Canadian people would want it that way, and indeed, the leaders of at least two other parties have indicated that the new Government should proceed on that assumption. It will not be looking over its shoulder for support with respect to the measures it introduces.

Hon. Mr. Horner: Just look south.

Hon. Mr. Macdonald (Brantford): My next proposition is that for most of the important proposals in the Speech from the Throne there is a general mandate, in principle, from the people of Canada, no matter for which of the parties their votes were cast. In these matters the Government alone may not have a mandate in the traditional, numerical sense, but this Parliament has a popular mandate for them, and indeed, in my opinion, a public duty to support these measures in principle.

What are some of these measures as now envisaged in the Speech from the Throne? There is the Government's undertaking—and I shall now read from the Speech from the Throne:

> . . . to establish a comprehensive system of contributory pensions.

What party was against this? My recollection is that no party was against it. One party doubted that it could be done—I am not saying which party it was. Another party said that the proposal did not go far enough; another did not have very much to say about it. My point is that all the parties were in favour of it.

In the same category is the proposal to which I have referred with respect to the bicultural inquiry. During the election all parties agreed with the principle of the proposal, although not in accord with the suggested method of procedure. One party wanted it to be done by Parliament. Another party wanted it to be done by conference with the provinces. Still another thought it should be done by a royal commission. But all parties were in favour of the proposal.

The same applies to the following proposals mentioned in the Speech from the Throne, and again I quote from it:

> . . .to assist in increasing production and employment in Canada.
>
> . . .the development of Canada's great resources for the benefit of Canadians.
>
> . . .a program for national fishery development.
>
> . . .to make farming as a whole more stable and more prosperous.

Hon. Mr. McCutcheon: I think we are all against sin.

Hon. Mr. Macdonald (Brantford): The mandate for the implementation of these measures, honourable senators, is stronger than a party mandate, stronger than a Government mandate—it is a parliamentary mandate. I am convinced that the Senate can best act in the interests of Canada during the new Parliament by facilitating the passage of these measures which have manifestly received a large measure of public support as a result of the recent general election. There may be room for argument on details, procedures, wording, and ways and means, but not, I suggest, on principle. The Senate may indeed be able to contribute to the improvement and refinement of the various measures envisaged in the Speech from the Throne. All honourable senators should, of course, take a sober, second look at each piece of legislation as it reaches this chamber. The Senate must, and certainly will, continue to exercise its historic role as a constructive critic. The Senate never was and never will be a rubber stamp for the House of Commons, and if it were only that, as Sir John A. Macdonald wisely said on several occasions, its usefulness would be at an end.

Honourable senators, I have now come to the end of my remarks. Whether or not you agree that there is a parliamentary mandate in respect to most of the measures mentioned in the Speech from the Throne, I trust you will agree with my closing words when I say that Canadians generally expect us all, Commoners and Senators alike, and have indeed given us a mandate, to get on with the administration of public affairs in a business-like and decisive manner.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 30, 1963

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

Prayers.

PRIVATE BILLS

THE EVANGELICAL LUTHERAN SYNOD OF WESTERN CANADA—FIRST READING

Hon. John Hnatyshyn presented Bill S-11, respecting The Evangelical Lutheran Synod of Western Canada.

Bill read first time.

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for second reading on Wednesday, June 12.

Motion agreed to.

UKRAINIAN NATIONAL FEDERATION OF CANADA—FIRST READING

Hon. Mr. Hnatyshyn presented Bill S-12, respecting Ukrainian National Federation of Canada.

Bill real first time.

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for second reading on Wednesday, June 12.

Motion agreed to.

STANDARD TRUST COMPANY—FIRST READING

Hon. Lionel Choquette presented Bill S-13, to incorporate Standard Trust Company.

Bill read first time.

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

Motion agreed to.

CANADA PERMANENT TORONTO GENERAL TRUST COMPANY—FIRST READING

Hon. Mr. Choquette presented Bill S-14, respecting Canada Permanent Toronto General Trust Company.

He said: Honourable senators, the sole purpose of this bill is to change the name of the company in English and in French.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Statement of Expenditures and Financial Commitments made under the Veterans' Land Act, for the year ended March 31, 1963, pursuant to section 42 of the said act, chapter 280, R.S.C., 1952. (English and French texts).

Report of the Department of Defence Production, for the year ended December 31, 1962, pursuant to section 34 of the Defence Production Act, chapter 62, R.S.C., 1952. (English and French texts).

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move, with leave, that when the Senate rises this day it stand adjourned until Monday next, June 3, at 8 o'clock in the evening.

May I say that the purpose of the adjournment until Monday instead of Tuesday, as is the custom, is that the interim supply bill is likely to be before us on Monday; in that event, it will be the first order of business, with the consent of the house.

Hon. Mr. Brooks: Are you expecting royal assent to take place Monday night?

Hon. Mr. Macdonald (Brantford): If the bill reaches us Monday I expect that royal assent will probably take place Tuesday afternoon.

Motion agreed to.

STANDING COMMITTEE ON DIVORCE

ADDITION TO MEMBERSHIP

Hon. John M. Macdonald, with leave of the Senate, moved:

That the name of the Honourable Senator Robertson (Kenora-Rainy River) be added to the list of senators serving on the Standing Committee on Divorce.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. W. Ross Macdonald moved, seconded by Honourable A. J. Brooks:

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: I believe honourable senators are familiar with the reason for this motion, which I move, seconded by the Leader of the Opposition.

Motion agreed to.

PRIVILEGE

NEWSPAPER ARTICLE—NORRIS COMMISSION REPORT

On the Orders of the Day:

Hon. T. A. Crerar: Honourable senators, may I ask your indulgence for a few moments while I refer to a matter of personal privilege. I may add that it is a matter that affects not only myself but, I think, indirectly reflects on some other honourable members of this house.

In the *Globe and Mail* of yesterday there appeared an article which, by the way, did not come to my attention until after the house rose yesterday afternoon. It appeared under the black headline:

SIU Enlisting Support of Senior Liberal MPs

And the sub-heading reads:

Lobbying to Forestall Ship Report

This has to do with the report that is expected to be brought down for our attention within a reasonable time from this date. The body of the article goes on to indicate that Mr. Banks—who is, I believe, the head of the Seafarers' International Union of Canada—is organizing a lobby in Parliament to offset any adverse comments that may be made about him and his union when the report of Commissioner Norris is brought down.

As everyone knows, Commissioner Norris is an eminent judge, a man of probity and a man of ability. This article conveys the impression that some senior Liberal members in Parliament are sympathetic to Mr. Banks and his union, and the inference is that they might withhold support from any report that the commissioner brings down.

Coming more directly to the matter which I wish to place before you, the report contains this paragraph:

Senator Thomas A. Crerar, a member of the Board of Directors of Canada Steamship Lines, a firm with which Mr. Banks has had friendly relations, is said to be favourably inclined to Mr. Banks and the S.I.U.

Now that, honourable senators, is a complete distortion. I do not know where the writer of the article gets his information. It is true that I am a director of Canada Steamship Lines, and I may add that, like my honourable friend who sits opposite me, I am a director of several other companies. Perhaps I should say he was a director of several companies. But so far as my knowledge goes, Canada Steamship Lines had the same relationship with Mr. Banks and his union as did other shipowners operating on the Great Lakes.

Coming back to the reference to myself, I can only repeat that this is a complete misrepresentation, and I may add that, based on the evidence submitted to the Norris Commission, as reported in the newspapers from time to time, Mr. Banks has brought dishonour to the great body of labour, which is an honourable body in this country. As far as I am concerned, I would not support Mr. Banks' candidacy for the job of dog-catcher! I trust that makes my position completely clear.

SPEECH FROM THE THRONE

AMENDMENT TO OFFICIAL REPORT

Hon. W. Ross Macdonald: Honourable senators, before the Orders of the Day are proceeded with, may I refer to certain remarks which I made in the Senate yesterday. I referred to the fact that I entered Parliament in the same year as the Leader of the Opposition, and I mentioned our belonging to the class of 1935. At that time I named other senators who entered Parliament with us, but inadvertently omitted to mention the names of two distinguished senators in this house, who I am very happy to say also belong to this class. I realized my omission as I was leaving the chamber yesterday, and I had the names added to the list I gave.

The names I neglected to mention yesterday, and which were later inserted in the official report are, the honourable Senator Gray Turgeon, and the honourable Senator J. J. Kinley.

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Thomas Reid: Honourable senators, in rising to speak to this debate, may I point out that I have only a few subjects to deal with, some of which may be rather lengthy. First I am going to speak on the Columbia

River Treaty, and the second subject will be the 12-mile fishing and sea limit, a matter which is agitating the minds of many of our people from the Atlantic to the Pacific.

Regarding the Columbia River Treaty, I am not going to deal with the details of the treaty because it will come before us officially at the appropriate time, in the committee stage, when we will have an opportunity of discussing its various clauses. It is necessary that we have the treaty before us, otherwise anything which I might say as to details might not be clearly understood.

Referring further to this matter, an item appeared in the paper to the effect that Premier Bennett, Dr. Gordon Shrum, Dr. Hugh Keenleyside, Attorney-General Robert Bonner, and Honourable Ray Williston were coming to Ottawa and that the Prime Minister has agreed to meet them. I quite realize that the Prime Minister knows something of the treaty, and it is not for me to advise him, but having some knowledge of the personnel of this delegation that is coming, I suggest he would be wise to have some of his smartest aides with him, otherwise this delegation is likely to put something over on him.

He has some able supporters in the House of Commons, men with engineering qualifications and experts who have studied this subject. For instance, there is Mr. Jack Davis and the Honourable Arthur Laing, and there are others who are well versed in the history of the treaty.

Something has been said about the matter being taken up before Parliament met, but I was pleased to read the statement of the Prime Minister to the effect that he intends to submit the agreement for study to the Standing Committee on External Affairs of the House of Commons, and that after ratification by Parliament the treaty will then be submitted to the Kennedy administration. I have only one comment to make on that. Personally, I would like to see it studied by a joint committee of the Senate and the House of Commons. I expect that when the committee sits it will hear dozens of witnesses. Of course we will be able to read their testimony, but I think it would be far better if we were represented on the committee.

There is a history of the Columbia River Treaty that I have not heard mentioned lately in the house, and which was a prelude to the present treaty. I have in my hand a copy of the first agreement, which was argued out before committees of Parliament. The Columbia River Treaty emanated from an approach made by the Kaiser Aluminum interests to Mr. Bennett for the building of a dam, and later a bill entitled, "An Act Respecting the Construction, Operation and Maintenance of International River Improvements", was introduced in Parliament and debated in committees of the House of Commons. I am not going to say that politics entered into the matter, but I do know that it was not long until that bill was placed before Parliament and I think I am safe in saying that it was designed to block the agreement entered into between Mr. Bennett and the Kaiser interests.

The sum of $125,000 was put up to the province, and I have always wondered what happened to that money after that part of the bargain fell through. Mr. Bennett was asked by one of the Opposition members last year why the cheque had not been sent back to the aluminum company, and his rather naïve answer was, "Well, they have never asked for it." I believe he still has that cheque. I hope that our Prime Minister will ask him whether he still has it and, if so, why he is holding on to it. Those of us who were close to the subject in those days realized that there was a real fight on between the aluminum interests of Canada and the United States against Kaiser. It was assumed that if Kaiser got that dam built and he was supplied with Canadian water he could generate more power in his plant, which was the only reason for the bill, and he could then perhaps undercut the other interests in the selling of aluminum.

The Prime Minister has summed up the problem. Before he became Prime Minister he was interviewed, and I am going to take a few minutes to read into the record a few sentences from the report of that interview. Mr. Pearson was asked these questions by a reporter and he gave these answers:

> INTERVIEWER: But if we approach the Americans and ask them to renegotiate the treaty does this not give them a bargaining advantage, and would we not be likely to come out worse at the end of renegotiation rather than better?
>
> MR. PEARSON: I would certainly think not. I think the treaty is unduly favourable to the United States now. I think changes could be made which would improve the treaty from our point of view but which would be satisfactory to the Americans.
>
> INTERVIEWER: Do you believe that the treaty was signed in an unseemly rush at the end?
>
> MR. PEARSON: I think that that has been shown to be the case; that this effort to get the treaty signed before President Eisenhower went out of office was mistaken haste, something we don't often accuse this present Government of being guilty of.

This was last year, mind you, not today.

In my opinion—and I have also said this outside the Senate—Prime Minister Diefenbaker's rush at that time was also for political purposes. He had fixed up the Maritimes with electrical energy, the St. Lawrence projects were completed, the South Saskatchewan Dam was under way, and the then Prime Minister wanted to add another laurel to his crown and was willing to settle for almost anything.

I think we are now going about it in the right way. Mr. Bennett and his aides are coming to Ottawa, and the discussion will be aboveboard, before we go to the United States.

Let me say further, as one who has made some study of this matter I am not altogether sure that the federal Government has the right to interfere as they seem to be doing in provincial powers. I have noticed since I came to Parliament in 1930 that bit by bit the powers of the provinces have been gradually taken over by the federal authorities. Honestly, I do not like it; I view it with some misgiving.

Mr. Pearson—now the Prime Minister—was asked by the same reporter about downstream benefits. He was inclined to support the sale of these downstream benefits for a fixed period, under certain conditions. That is all past history regarding the export of power or water. However, I have always wondered, and could never understand, why we have had no compunction at all about pouring our oil across the border. We are sending oil and gas and fuel of all kinds across the line. There is a gas pipeline which passes close to where I live, and the Americans are getting gas from it cheaper than the Canadian people who live around the area. It is one of our wasting heritages. One has to admit that the heritages of oil and gas are dwindling, but the heritage of water is not. I could never agree that the federal Government had the right to step in and prevent an agreement of that kind being entered into between the province of British Columbia and the United States of America.

The negotiations are now coming to the proper level, because the premier of the province and his associates are coming here in an endeavour to clean up the negotiations before the treaty comes to the house for thorough examination.

I am not going to pursue that matter further, as I have another important subject to deal with. I wish to supply honourable senators with information which perhaps may be useful to them in regard to the 12-mile limit. The question of the 12-mile limit came before the United Nations in 1960 and the Canadian proposal was lost by one vote—due, of course, to the way they do things there. In order to pass, the proposal had to have a two-thirds majority of all those who voted and, as I say, it was lost by just one vote.

I do not think I am talking out of turn when I say I have an idea that when the United Nations meets again that decision will be reversed, particularly if the Prime Minister, the Right Honourable Lester B. Pearson, goes in person to the meeting. Lobbying has to be done fairly cleverly. We must not overlook the fact that 88 nations attended the United Nations meeting in 1960. It is interesting to note that 38 countries have fishing limits varying from ten to 200 miles and some people wonder why we are fighting over a 12-mile limit.

From my information the question of the 12-mile limit is one of the most complicated we have to face. It seems to be a simple question until we get the views of other countries. Great Britain and France are rather against the 12-mile limit proposal, because they say that 12 miles would take in the whole of the English channel and if that limit were adopted they would stand to lose something. I do not know whether they would or not, but that is the contention of France and Great Britain.

Honourable senators, perhaps this question could be explained more clearly if I put on record an article from the *External Affairs Bulletin* of June 1960. It reads:

> THE CANADIAN PROPOSAL. The problem of agreeing on a rule of law that would set a breadth for the territorial sea acceptable to most countries of the world has remained unsolved since the failure of the Hague Conference in 1930. Countries have not agreed because they have diverging interests. . . . . Canada made a series of representations to some 60 countries on behalf of the Canadian "six-plus-six" proposal and prepared a pamphlet that was distributed to most nations of the world. In this way, Canada helped to generate interest in the subject and tried to acquaint various countries not only with the terms of the only proposal that seemed likely to succeed but also with the chaotic conditions to which a failure of the conference could expose the world . . .
>
> VOTING ON THE PROPOSALS. When the 18-Power and the joint Canada-United States proposals were voted on in committee on April 13, the former was rejected by a vote of 36 in favour and 39 against, with 13 abstentions, while the latter was adopted by a vote of 43 in favour and 33 against with 12 abstentions. Because the joint Canada-United States proposal was therefore the only major proposal to succeed in committee,

it was the only one referred to the Plenary Session, where it attracted further support. On April 26, the proposal received 54 votes in favour and 28 votes against (with 5 abstentions—Lebanon not being present), thereby being defeated by only one vote.

For that reason, I personally have great hope that the next time this matter comes up the prospect of its being defeated by one vote will be overcome by a little more direct lobbying. Because of the Prime Minister's wide experience and influence in diplomatic circles, I think that on the next occasion the proposal will succeed and we will obtain this 12-mile limit.

Honourable senators, I wish now to put on record another document for the information of all members. This is a pamphlet which was issued in January 1960 by the Fisheries Association of British Columbia. Later on I shall have something to say about fishing in general and in particular about what some countries are doing, the amount of fish caught by certain countries and the per capita consumption of fish. This information may come as a surprise to many senators. Reading from the Fisheries Association of British Columbia pamphlet:

> Fisheries scientists generally feel that control over the continental shelf would provide the best zone for conservation. The continental shelf is usually defined as that part of the sea bed adjacent to shore and less than one hundred fathoms in depth. Since there is considerable variation in the width of this shelf in the oceans of the world, such a definition would not be uniform. However, a 12-mile zone is a fair average, and so was initially advocated by many of the coastal states who wanted improved conservation.
>
> Canada has for years given concrete evidence of support for a 12-mile limit in the interests of conservation. On the east coast, the large Canadian trawlers are by law kept 12 miles out, so as not to destroy the inshore nursery grounds with their heavy trawls.
>
> Big trawlers of numerous nations, however, fish right up to our 3-mile limit, and on occasion have had the gall to call up the Canadian patrol boats when they saw Canadian trawlers fishing closer than 12 miles, and ask that they be arrested.

That is what I call unmitigated gall.

> The 12-mile limit has been strongly opposed by such nations as the United Kingdom, France, United States, and Japan, both on the grounds that it would exclude their fishing fleets from areas now used, and would also interfere with both defence and transport.
>
> Adoption of a 12-mile limit would close off any channel between nations...

That is one of the drawbacks which is causing some nations to hesitate agreeing to the proposed changes.

> ...or between adjacent parts of one nation, which was less than 24 miles wide. The whole English Channel between Dover and Calais, for example, would become territorial waters of the United Kingdom and France.
>
> International law provides for the right of innocent passage of civilian vessels through territorial waters, but most nations prohibit the passage of foreign naval vessels, except under special agreement or permit, and foreign fishing vessels, unless all fishing gear is stowed below decks.

Countries with a 3-mile limit are Japan, the Netherlands, United States and Canada. Countries with a 4-mile limit are Denmark, Norway and Sweden. Countries with a 6-mile limit are Greece, India, Italy and Siam. Countries with a 12-mile limit are Ghana, Guatemala, Mexico, Saudi-Arabia, Venezuela and the Soviet Union. Believe it or not, there is one country with a 200-mile limit, namely, Peru. I understand they picked up American fishing vessels which were fishing 200 miles out. I do not think they will be able to get away with that indefinitely, but at least it is an interesting point. The problem of fixing a limit with Britain and France concerns the English Channel; these two countries come under the Treaty of Utrecht, passed in the year 1880.

I come now to a subject with which I feel fairly familiar, that of the salmon fisheries. I wish to point out to honourable senators that the 12-mile limit will do nothing at all to save the British Columbia salmon.

An interesting feature of the research made by the International Pacific Salmon Fisheries Commission is that we have reached a point in our investigation and research where, by an examination of salmon caught in the open seas or coursing down the rivers, we are actually able to tell their point of destination. There are six or seven different locations in British Columbia to which these salmon go to spawn. Some at sea go 2,000 miles distant. Yet when they are caught we can tell exactly where they are heading for. This is determined by taking the scales off the fish when they are about four or five inches in length. The scales of a fish are somewhat like the rings on a tree. As you know, you can tell the years of growth of a tree by the number

of rings. The scales of a fish, like the rings of a tree, may differ widely, but nevertheless the scale is the means of identification by which our biologists are able to tell us exactly where the salmon are born.

There are many headaches in connection with fishing limits. Japan, the United States and Canada, have been doing considerable fishing, under the North Pacific Fisheries Act, sometimes catching fish 1,000 miles out from shore and 2,000 miles up from the province of British Columbia. They have found a choice spot in the middle of the Pacific which might well be the continental shelf, where salmon from Alaska and all other fishing areas abound. Fraser River salmon are often to be found 2,000 miles away from their habitat, and they will head back to these distant points when the proper time comes to spawn. How they find their way back is one of the miracles of nature.

Many people believe that a settlement of the 12-mile limit will solve all difficulties in fishing, but may I point out that although a lot of bottom fish within the 12-mile limit will be protected, the two varieties of salmon, pink and sockeye, found in the far distance I have mentioned, will not be protected. Japan has been very uneasy under the present treaty she signed with the United States and Canada under the North Pacific pact. Perhaps some honourable senators have read of the terrific row in British Columbia over allowing Japanese to fish along the west coast, three miles off the Queen Charlotte Islands. One has to attend the meetings which are held to realize how tough these fishermen can be. I attended one, at which there were at least 1,500 persons present, and I must say that the cat-calling, the interruptions, and the things said to the members of the North Pacific pact were anything but cordial.

What can be done to protect our fish? I think we would do well to consider what is being done by the Russians, whose large fleets are beginning to head down. Soviet Russia is acquiring some of the world's largest and most modern fishing vessels, more modern than even our own. They have vessels equipped to handle the fish as soon as it is caught: it is cooked and put in cans, it is fresh or frozen, and returned to the Soviet Union. That nation might well be approached to see if it would join us in an effort to protect our fishing waters. The Japanese have threatened to pull out of the North Pacific pact, and if they do so they have intimated that they will fish the Pacific, and the Russians have indicated that they will support the Japanese. Our fisheries could be placed in a very serious position if Japan dropped out and the Soviet Union moved into the Pacific.

Honourable senators, I have before me some figures on quantities of fish from a few of the leading nations of the world, the latest figures being for 1961. The information is given in metric tons—a metric ton being 240 pounds more than the ton weight by which we measure—and is as follows:

WORLD FISHERIES CATCH
(In Metric Tons)

	1957	1961
U.S.S.R.	2,377,000	3,250,000
United States		2,874,000
Great Britain		897,000
Canada		1,004,000
Japan	4,828,000	6,711,000

I shall now give a figure for China—and it is a toss-up as to whether Japan catches more fish than China. Perhaps it will come as a surprise that I should mention China, because that country is never in the news when fisheries are mentioned. The catch for China in 1959 was 5,020,000 metric tons. One reason we do not hear much about figures for China is the fact that she has an extensive system of pools throughout the country for raising fish. China is a fish-eating nation and it is doubtful whether her people could survive without fish as a food. Figures of consumption, therefore, may only be regarded as an estimate.

It may be of interest to note that the United Kingdom is a heavy consumer of fish, the per capita consumption being 22 pounds per annum. Canada's consumption is 12½ pounds per annum; the United States, 10½ pounds, and the Soviet Union, 15 pounds. There is no data of consumption per capita for China and Japan because, as already pointed out, not only do they get fish from the seas but they raise them in large ponds and lakes throughout the country in order to meet the great need of their people for food.

I am now going to deal with an entirely different subject. However, before doing so, and while on the subject of the Japanese, I want to mention that there is a strait north of the Hecate Strait, the property of the United States, called Shelikof Strait. It is 25 miles wide, measured from the mainland. Just a few weeks ago the State of Alaska—not the United States government—sent ships in there and took some Japanese fishermen back to Alaska for trial on a charge of fishing in American waters. I do not know what the outcome will be because it was not the federal government at Washington that took the step. There will likely be some conflict as between the rights of the state and the rights of the federal government.

We might have a similar conflict of interest here too. Even now there is a fight on

between the provincial Government of British Columbia and the federal Government at Ottawa with regard to oil leases. I have in my room a map which I should have brought down to the chamber to show you. It is worth seeing. It is a large map of the waters between the Queen Charlotte Islands and the mainland, and in connection with it there are listed on three pages the names of leaseholders, most of the leases being held by the Shell Oil Company of Canada. These leases were granted to various companies and individuals to drill for oil under that body of water. The map is divided into little squares showing the numbers of the leases, and there is not one vacant area on it. It is filled with the names of oil companies having the right to drill for oil in that area.

I can see some serious problems arising on this question. Bear in mind that that body of water is 60 miles wide. Can you imagine granting leases covering a width of 60 miles? The province contends it has the same right to grant leases and is doing so. I am inclined to support the province, of course, and I think it has been understood that the Senate should support the provinces more than the federal power because the provinces at times need a champion. That is a question we had better have settled.

What amuses me in a way is that the federal Government shows no compunction about granting oil exploration leases to big oil firms to the extent of 2,800,000 acres in 60 miles of sea, and yet when it is asked to change the offshore fishing leases involving certain nations it is very reluctant to take action. I do hope that before the session is over we will be able to get some answer from the Government on this question. I am not criticising the past administration but I am just mentioning as an item of interest that these leases should have been granted in 1960 and 1961.

Honourable senators, there will have to be some solution because the province is going to carry out the same sort of thing, that is, the granting of leases, and I suppose the Shell Oil Company is anxious to have leases from both jurisdictions so that they will be on the right side when a decision is made as to whether the dominion has the right to grant leases. It seems to be an extreme situation when you look across that extensive body of water, 60 miles or so to the other shore, to think that we are granting leases to search for oil in the bed of the sea.

The charge or fee is $250 but I am not sure whether that is for each lease or for a number of leases. There are in all seven companies, five private individuals, and one private individual with one lease. The Shell Oil Company has 148 leases, which were granted in 1960-61.

Hon. Mr. Choquette: For what period of time were these leases granted? Is there a definite time?

Hon. Mr. Reid: I am glad you asked that question because I omitted to give the information. It is for a period of 10 years.

Hon. Mr. Brooks: Are the leaseholders required to do certain exploratory work in that time?

Hon. Mr. Reid: To be candid, I do not know what the agreements provide. I only know that permits for drilling were granted. The information I have is as to the number of leases. Looking at the map and noting the number of leases that have been granted to drill for oil, one wonders how it will all end.

Honourable senators, I hope you have been interested in this story I have told regarding fishing. I am greatly interested in fishing and the effect of the establishment of the 12-mile limit. I know it will help our bottom fish 12 miles out. I have taken this occasion to warn the Government that if Japan breaks her agreement I believe we will be up against a most difficult situation. Russia intimated two weeks ago that there should be no restriction on the catching of salmon in the Pacific Ocean.

Hon. Mr. Isnor: May I just ask one question of Senator Reid? What was the date of the last agreement between the United States, Japan and Canada regarding fishing rights in the Pacific Ocean?

Hon. Mr. Reid: Do you mean in the North Pacific?

Hon. Mr. Isnor: Yes.

Hon. Mr. Reid: I think the North Pacific pact was signed in 1958.

Hon. Mr. Isnor: For a period of how long?

Hon. Mr. Reid: The North Pacific pact stipulated no period of years. Like the life of the Commission on which I serve, there is no specified period of years. It is just set up. However, provision is made for a revision now and then; this is the year for revision, and, if they want to, they can apply to revise it. Possibly that will answer your question.

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

PRIVATE BILL

THE PHARMACY EXAMINING BOARD OF CANADA—SECOND READING

Hon. John J. Kinley moved the second reading of Bill S-7, to incorporate the Pharmacy Examining Board of Canada.

He said: Honourable senators, the title of the bill that I am about to discuss is the

same as one that was introduced in this house at the previous Parliament, and its purpose is the same.

The bill, after being introduced in this house on November 14 last, received second reading, was considered by the Senate Standing Committee on Public Health and Welfare, received third reading and was passed. In the House of Commons it received first and second readings, and got preference over other private bills at the time it was discussed. It was then referred to the Standing Committee on Private Bills in that house, where it became a casualty on dissolution of Parliament. It is therefore necessary for me at this time to ask that the bill be again considered in this house.

The purpose of the bill is to incorporate The Pharmacy Examining Board of Canada. It is the same bill as was sent from this house to the House of Commons at the previous session. It is a simple bill, one to create a Canadian pharmacy examining board, having to do with the sale of drugs and medicines in Canada and, of course, having certain functions with regard to the activities of its members. When the former bill was under consideration in this house, with the help of the clerk I went carefully over the sections with the incorporators and they agreed to such amendments as were thought proper. They were accepted by the Standing Committee on Public Health and Welfare, and subsequently passed this house without division.

I do not know that I need go over the bill again, except perhaps to mention certain points in it. Our reason for its close inspection was to ensure that provincial rights were protected. I may say that those who are asking that this board be established want to establish a course that will provide the best qualifications in Canada. This has already been done for the medical and dental professions, which have legislation governing Canadian registration.

This board, in important matters, will be almost completely controlled by the provincial authorities. The participating bodies are those which say what shall be done with regard to certificates and qualifications.

Section 4 reads:

> The head office of the board shall be in the city of Toronto, in the province of Ontario, or at such other place as the board may determine by by-law from time to time.

Section 5 sets out the purposes of the board:

> (a) to establish qualifications for pharmacists, acceptable to participating licensing bodies and recognizable as the highest in Canada.

The participating licensing bodies are representative of the provinces.

Section 5(b) reads:

> to provide for fair and equitable examinations, for the issuance of certificates of qualification to, and for the registration of, applicants therefor—

Section 5(c) reads:

> to promote, with the consent of the appropriate licensing bodies—

That is, those of the provinces.

> —the enactment of such provincial legislation as may be necessary or desirable in order to supplement the provisions of this act.

Section 6 sets out the composition of the board as follows:

> (a) one member appointed as its representative by each participating licensing body;
>
> (b) two members appointed by the Canadian Conference of Pharmaceutical Faculties, at least one of whom shall be proficient in both French and the English languages;
>
> (c) one member appointed by the Canadian Society of Hospital Pharmacists;
>
> (d) the general manager for the time being of the Canadian Pharmaceutical Association; and
>
> (e) the president for the time being of the Canadian Pharmaceutical Association.

A special proviso follows, and this was dealt with last session. In this bill there is a provision, if any of the appointing bodies fails to appoint a representative to the board, that the board shall still be properly constituted, and within a reasonable time after a vacancy occurs the registrar-treasurer of the board shall notify such appointing body by registered mail of such failure. That question was considered by the sponsors of the bill and officials of the Senate, and I think it has been settled that it rests with the province.

Section 8 reads:

> Each appointed member of the board shall continue in office until his successor is appointed, or, if his successor is appointed before the expiration of his term, until the expiration of such term.

Section 9 provides that:

> No person shall be eligible for membership on the board unless he is a qualified pharmacist registered under this act: Provided that the requirement of registration shall not apply to the members of the first board established under this act.

Section 10 reads as follows:

(1) A participating licensing body may by resolution withdraw from participation in the activities of the board upon giving the board six months' notice of its intention so to do and in such event the term of office of its representative on the board shall expire at the end of such period of notice.

Section 11 provides that:

(1) The board shall have power to (a) issue certificates of qualification in pharmacy to applicants therefor; (b) establish, maintain and revise from time to time a register...of all persons who have been granted certificates of qualification by the board; (c) establish the terms and conditions under which persons may obtain certificates of qualification and, subject to this act, the terms and conditions under which their names may be placed on the Register, removed therefrom or restored thereto; and (d) establish and maintain a panel or panels of examiners to conduct examinations and make recommendations to the board concerning the issuance of certificates of qualification to, and the registration of, applicants therefor.

(2) Nothing in this act shall authorize the board to interfere with or otherwise affect the rights or privileges of any licensing body under provincial law.

In the bill introduced last year the wording was:

(2) Nothing in subsection (1) shall authorize...

We thought the amendment helped to preserve the provincial rights.

With regard to the by-laws, the board may alter or appeal all or any of them, but section 14(3) provides that:

No such by-law or regulation shall be enacted, altered or repealed except with the concurrence of two-thirds of the members of the board appointed by participating licensing bodies.

That means that at least two-thirds of those who represent, and are appointed by, the provinces must concur; that any change must be approved by the pharmaceutical societies in the provinces.

Section 15 is in the form usually used when changes are made and when things are done that affect persons long in the business. This section reads:

Any qualified pharmacist licensed or registered in any province prior to the coming into force of this act shall, after ten years from the date when he became so licensed or registered, be entitled to be registered under this act without examination upon payment of the prescribed fees.

This is the usual procedure concerning new legislation, that those who are well established in business are admitted without examination.

Then there is the usual section concerning the holding of property by the board. And, finally, section 17 deals with the powers to borrow money. That is a brief summary of the bill.

We have read in the newspapers and have heard discussed in this house the difficulties affecting the health and welfare of our people, and therefore we feel that this bill is a timely one. The bill represents a step forward, and I commend it to the house for favourable consideration on second reading.

Hon. Mr. Roebuck: May I ask the honourable senator a question? Does the obtaining of a certificate, in accordance with this act, qualify an individual to practise in any of the provinces? Is that an essential qualification to practise?

Hon. Mr. Kinley: Unless a future arrangement is made whereby they accept this higher examination, by reciprocity, it does not give them any benefit in any province, except that it affords a higher grade certificate to better qualify the individual pharmacist. It is like a post-graduate course.

Hon. Mr. Roebuck: So it is purely honorary, as I understand it.

Hon. Mr. Kinley: That is it: it is purely honorary—until such time as other arrangements may be satisfactorily made with the provinces.

Hon. Mr. Roebuck: The right to qualify under the certificate to practise which this board might issue, and the authority to issue such a certificate, would come from the province?

Hon. Mr. Kinley: Yes, it comes from the province, and not this board. The individual can only practise pharmacy by being registered in the province where he passes his examinations. That is his primary privilege to practise pharmacy.

Hon. Mr. Roebuck: May I continue for a moment? In section 11(2) I see these words:

Nothing in this act shall authorize the board to interfere with or otherwise affect the rights or privileges of any licensing body under provincial law.

Is that not rather restrictive? Should this act ever interfere with the privileges of the individual or of the province? Why does that

restrict it to the licensing body? Should it not include the province, and perhaps the provincial legislature, or something of that kind, and the individual?

Hon. Mr. Kinley: Which section is my honourable friend quoting?

Hon. Mr. Roebuck: I am speaking of section 11(2).

Hon. Mr. Kinley: Section 11(2).

> Nothing in this act shall authorize the board to interfere with or otherwise affect the rights or privileges of any licensing body under provincial law.

Hon. Mr. Roebuck: I am not objecting to that: I am asking why that is so restrictive. Should not it say, ". . . interfere with or otherwise affect the rights or privileges of any individual resident of the province . . ." or indeed of the province itself?

Hon. Mr. Kinley: Well, I must say that the individual in the province is controlled by the provincial authorities, because it is a provincial act which controls him, and if the provincial body is not allowed to interfere with him I cannot see that he has anything to complain about. I think this is the situation in the act concerning dentistry, and I think it is the same in other acts dealing with professional people in Canada. This bill says the board cannot interfere with the rights and privileges of any licensing body. We are not interfering with the rights of individuals, but with the rights of licensing bodies to grant a certificate.

Hon. Mr. Hollett: May I ask the sponsor of the bill why clause 9 is included. I will read the clause:

> No person shall be eligible for membership on the board unless he is a qualified pharmacist registered under this act: Provided that the requirement of registration shall not apply to the members of the first board established under this act.

Hon. Mr. Kinley: The first board is the Board of Incorporation, and perhaps a lawyer may be engaged to carry it through. The board of directors on incorporation are not usually the ones who control the body. I think this provision applies to those who are carrying out the work.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. Mr. Kinley: The predecessor of this bill was before the Standing Committee on Public Health and Welfare, but if it is considered necessary to refer it again I would not object.

Hon. Walter M. Aseltine: The rule, as I understand it, requires that private bills go before a standing committee, and although I would like to see this measure put down for third reading at the next sitting, it is impossible to do so.

Hon. Mr. Kinley: Thank you. I therefore move that the bill be referred to the Standing Committee on Public Health and Welfare.

Motion agreed to.

DIVORCE

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Committee on Divorce, which was presented yesterday.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved adoption of the report.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the report?

Hon. Mr. Roebuck: Before we adopt the report, I would like to give some figures in relation to the subject of divorce. We now have pending 1,001 cases. We reached the thousandth case yesterday, and another case has come in today bringing it to this figure.

Hon. Mr. Reid: May I ask the honourable senator what period of time this covers?

Hon. Mr. Roebuck: This goes back to 1962. In the session of that year there were 321 cases sent by this body to the Commons, and they died on the Order Paper of that house at the end of the session. In the session of 1962-63 we sent 173 cases to the Commons, and they suffered the same fate.

This means that there are now on our hands 494 cases which have been heard but which have not been passed by Parliament. When we are ready to proceed again these cases, while they will not have to be heard over again, will have to be dealt with from the point of view of determining that the offence upon which they were based has not been condoned. We must ascertain that the spouses are not living together again and that they wish to proceed with the petition for divorce.

Some 48 petitions were heard but not disposed of because there was some reason for delay, and the balance of the petitions presented but not heard by the committee in the 1962-63 session amounted to 340, to which number we have added to date this session 116.

Therefore, of the 1,001 cases before us, approximately 500 were heard by us and sent to the Commons and subsequently died on the Commons Order Paper. That is about one-half of the total. So far as the new cases are concerned, and those remaining from last

session, the committee hopes to receive some assurance from the Commons that they will be properly dealt with during this session of Parliament before we proceed to hear other cases.

Hon. Mr. Baird: In other words, I presume you do not intend to proceed unless you get an assurance from the Commons that they are going to do something about this subject?

Hon. Mr. Roebuck: We feel that the Senate should not proceed to ask litigants to come to Ottawa with their lawyers and witnesses and all the paraphernalia for a trial, as they have done in the last two sessions, without some assurance on our part that their cases, if approved, will be carried to a successful conclusion. I think I speak for every member of the committee in saying that to proceed to hear cases at this time would not be honest, having regard to what has transpired. However, I am reasonably assured that some action will be taken in the Commons in the very near future which would untie our hands and allow us to go on with this very important work.

Report adopted.

BANKRUPTCY ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, May 28, the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill S-2, to amend the Bankruptcy Act.

Hon. J. Campbell Haig: Honourable senators, on October 16, 1962, in the last session of Parliament, Senator Higgins explained a bill to amend the Bankruptcy Act. That bill was subsequently referred to the Standing Committee on Banking and Commerce and, as Senator Hayden has said, after a long and arduous discussion there it was reported back to the chamber and received third reading and was sent to the Commons. However, for reasons over which no member of this house had any control, Parliament was dissolved and the bill died on the Order Paper.

The purpose of that bill—as is the case with the present bill—was to add Part X to the act. That amendment would incorporate into the federal Bankruptcy Act legislation which was in force in Manitoba from 1951, until a similar act introduced in Alberta was declared ultra vires by the Supreme Court. The result was that no further proceedings were taken under what we call the O.P.D. act in our province.

As the honourable Senator Hayden said on Tuesday last, this bill in its present form was amended somewhat by the Banking and Commerce Committee of last year, after a thorough discussion in that committee. The committee did make certain procedural changes in the original bill as introduced in October, 1962, but retained the summary administration provisions.

Now under section 198 of the present bill, the legislation comes into force in any province only by that province declaring itself desirous of having it, and bringing it into force by order in council of the province.

While I was in Winnipeg a few weeks ago I was asked about this bill, and whether Parliament was going to proceed with it at the present session. The officials there assured me that Manitoba wants this bill passed in its present form. To my knowledge they have not indicated any disagreement with it. From conversations I have had with the Attorney General of Manitoba and with the officials of the court who will administer it, I understand they want its provisions retained.

I suggest, therefore, that this bill satisfies the Province of Manitoba, which had the O.P.D. provisions and indicated last year the success it had with them. The proposed new Part X also satisfies the other provinces which do not want this section to be continued under the summary provision sections of the Bankruptcy Act.

Honourable senators, I would suggest that there is no reason for sending this bill to the Standing Committee on Banking and Commerce because it was reported back from the committee in its present form, and passed third reading in the Senate. I have much pleasure in supporting the measure on second reading.

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

The Senate adjourned until Monday, June 3, at 8 p.m.

THE SENATE

Monday, June 3, 1963

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

Prayers.

HIS HOLINESS POPE JOHN XXIII

TRIBUTES

Hon. W. Ross Macdonald: Honourable senators, before proceeding with the business before the Senate this evening, may I refer to the passing of His Holiness Pope John XXIII.

The word that His Holiness had passed away this afternoon did not come to us as a surprise. For a number of days we had known to the passing of His Holiness Pope John has cast a shadow across the world.

His Holiness was often called the "People's Pope", because his unremitting efforts to realize the most urgent and fundamental aspirations of man—peace and brotherhood—had a personal meaning for people of all faiths. His leadership and example led others to search anew for ways to realize the cherished goals of Christian unity and universal peace.

He loved all men in word and deed, and his death is a loss to all men of all faiths everywhere.

Hon. Lionel Choquette: Honourable senators, the world mourns the loss of one of its great leaders, and the Church of Rome mourns the loss of one of its outstanding Pontiffs.

Pope John XXIII will occupy a place in history as one who has contributed much to the causes of world peace and Church unity.

His simplicity, his determination, his perspicacity, and his initiative have done much to advance the brotherhood of man.

John XXIII devoted his entire life towards the goal of peace and harmony. His first thoughts were for others.

Even at the hour of his death his thoughts turned unselfishly towards others. His last moments were an example of serenity and abnegation.

(Translation):

The world mourns the loss of one of its great leaders, and the Church of Rome the loss of one of its outstanding pontiffs.

From the very first hours of his pontifical reign, he proved his deep concern for the lowly and the oppressed.

This morning's *Gazette* reminded us of the first of the innumerable charitable deeds which he did in so short a time: his visit to the *Regina Coeli* jail where Romans keep their common law prisoners, when he said:

> You could not come and see me, so it is only just that I should come to you. . .

(Text):

The goal of his life is summed up eloquently in the closing words of the Holy Year prayer of his immediate predecessor Pius XII:

> Peace in our days, peace to souls, peace to families, peace to our country and peace among nations.

Hon. David A. Croll: Honourable senators, I join with Senator Macdonald (Brantford) and Senator Choquette in their expression of deep and profound sorrow on the death of Pope John XXIII.

The bond between us can be stated in these words:

> What doth the Lord Thy God require of thee but to do justly, and to love mercy, and to walk humbly with thy God.

Today Jews and Christians share a common sorrow for a noble spirit who was a world voice for peace and brotherhood and who was deeply concerned for people of all religious faiths.

Hon. John J. Connolly: Honourable senators, John XXIII was the successor of a remarkable group of contemporary holders of the office of the Papacy. These men who date back to the time of Pius IX, about a century ago, I believe have established this office primarily as a spiritual one. Up to that time the Papacy was often the pawn of princes and the desired of the politician. But from the time Pius IX became the voluntary prisoner of the Vatican as a result of the spoliation of the Papal States, the Papal office has emphasized its essentially spiritual character. Many Popes contributed to this development. They included Leo XIII who wrote so effectively on the problems of labour, the saintly Pius X, the disillusioned Benedict XV. Then came Pius XI, he who concluded the Lateran Treaty which established an adequate territorial position for the Papacy and who did so much to revive the teachings of Leo XIII in respect of labour. Finally there was Pius XII who, in spite of current controversies in some sectors, did great work on behalf of peace in the late war. These were the immediate predecessors of this great man, John XXIII.

Through the calling of the Vatican Council he made an appeal not only to all Christians, but to men of good will everywhere. He identified clearly the magnitude of the problems that beset the world. He urged that men of good will develop a knowledge and

a sense of spirituality. He pointed out that they had a great duty to perform one with another, not emphasizing differences but rather stressing their community of belief. The very fact that in the Council he made provision for people of denominations other than his own to attend as observers—indeed he arranged also that at the meeting of the World Council of Churches his own church, after years of isolation, would be represented —I think developments of this kind were welcomed by people everywhere.

John XXIII will be remembered also for two of his great encyclicals. The first, called *Mater et Magistra,* dealt with the social teaching of his church and was found by many people not of his church to coincide with their own views in the same field. It dealt not with theology, but with economics, sociology, and agriculture and all the great problems, in the context of the institutions we have, both national and international, to deal with these matters.

Then too, in his most recent encyclical, *Pacem in Terris,* once again instead of talking as a theologian, Pope John talked as a philosopher. He discussed the problems of the citizen and the state in the evolving political order, based on the natural law which is the law that applies to all men. I think that he, more than anyone in generations of Popes, has really opened the window. Certainly, he has opened the door to all people.

I hope I am not offending against amenities if I tell of a personal experience with Pope John. A couple of years ago I visited Rome with my wife. We were privileged to have an audience with him in the Vatican and to see at first hand how warmly human a person he was. He had been in the diplomatic corps in Paris when the present occupant of Rideau Hall and his lady were there representing this country. When we were leaving, normally one would expect a man like His Holiness to say, "Would you please tell General Vanier that I send my blessing". Instead he said, "Will you be kind enough to convey my kind regards to General Vanier and to Madame Vanier." To me it meant much to hear him say it that way because it illustrated the great humanity of the man.

(Translation):

Hon. L. M. Gouin: Honourable senators, I think it is fitting that a voice from the province of Quebec should also pay tribute to the memory of a great pontiff who has just left us. All mankind tonight mourns the death of that great man of God. All Christians, not only Catholics, men of all creeds, of all races, and even nonbelievers, unanimously agree that John XXIII was the best friend of peace. He will go down in history as the Pope of kindness and also the Pope of the people. Of modest origin, born on a farm, he liked to mingle with the people and he resumed, after centuries, the tradition according to which the Pope was the father of the Roman people who cheered him every time they had the opportunity to see him or to venerate him. He was the Pope of peace and his encyclical on the subject will truly remain a lasting document because it is the voice of a truly inspired man; we find there the voice of a soul very close to God, speaking not only to its faithful but truly to all men of good will, and once again not only to believers but even to those who do not believe. We witness tonight the end of a life that was truly remarkable because, when he ascended the throne of St. Peter, it was believed that John XXIII would be a transitionary Pope; but, on the contrary, he gave new life to the Church which, although eternal, must also learn to adapt itself to new circumstances in the 20th century, and must also adapt itself to the difficult conditions that prevail at the present time on our poor planet. Unceasingly, John XXIII called on all men of good will, unceasingly he repeated to them: love one another. Those are the words on which I will end the tribute I want to pay him.

(Text):

PRIVATE BILL

THE GOOD NEWS BROADCASTING ASSOCIATION OF CANADA—FIRST READING

Hon. Arthur L. Beaubien presented Bill S-15, to incorporate The Good News Broadcasting Corporation of Canada.

Bill read first time.

Hon. Mr. Beaubien (Provencher) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

International Coffee Agreement, 1962. Opened for signature at New York September 28, 1962. Signed by Canada, October 16, 1962. (English and French texts).

Exchange of notes between Canada and Chile permitting amateur radio stations of Canada and Chile to exchange messages or other communications from or to third parties. Santiago, October 4 and 14, 1962. (English and French texts).

Exchange of notes between Canada and San Marino concerning visa requirements for non-immigrant travellers of the two countries. Saint-Marin and Ottawa, September 1 and October 16, 1962. (English and French texts).

Exchange of notes between Canada and the United States of America concerning the co-ordination and use of radio frequencies above thirty megacycles per second. Ottawa, October 24, 1962. (English and French texts).

Procès-verbal extending the declaration on the provisional accession of Argentina to the General Agreement on Tariffs and Trade. Done at Geneva November 7, 1962. Signed by Canada December 19, 1962. (English and French texts).

Exchange of notes between Canada and the United States of America concerning a co-operation program for the establishment and operation of a command and data acquisition station in Canada to serve an operational meteorological satellite system being established by the United States. Ottawa, December 28, 1962. (English and French texts).

Executive Agreement between the Government of Canada and the Government of the Netherlands supplementary to the exchange of letters between the two countries signed on April 10, 1952, constituting an agreement to safeguard the rights of bona fide holders of bonds of Canada that have been reported by their Netherlands owners as lost or stolen during World War II. Ottawa, February 8, 1963. (English and French texts).

Exchange of notes between Canada and the U.S.A. amending the Agreement of May 5, 1961 concerning the co-ordination of pilotage services in the waters of the Great Lakes and the St. Lawrence River as far east as St. Regis. Washington, October 10, 1962 and February 21, 1963. (English and French texts).

Declaration on the Provisional Accession of the Government of the United Arab Republic to the General Agreement on Tariffs and Trade. Done at Geneva, November 13, 1962. Signed by Canada March 7, 1963. (English and French texts).

Declaration on the Provisional Accession of the Government of the Federal People's Republic of Yugoslavia to the General Agreement on Tariffs and Trade. Done at Geneva, November 13, 1962. Signed by Canada, March 7, 1963. (English and French texts).

Exchange of notes between Canada and El Salvador constituting an agreement permitting amateur radio stations of Canada and El Salvador to exchange messages or other communications from or to third parties. San Jose and San Salvador, February 20 and March 11, 1963. (English and French texts).

Capital Budget of the Canadian Overseas Telecommunication Corporation for the year ending March 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C. 1952, together with a copy of Order in Council P.C. 1963-803, dated May 27, 1963, approving same. (English text).

Report on the operations of the Exchange Fund Account for the year ended December 31, 1962, together with the Report of the Auditor General on the Audit of the said Account, pursuant to sections 26 and 27(2) of the Currency, Mint and Exchange Fund Act, chapter 315, R.S.C., 1952. (English text).

Report of the Civil Service Commission of Canada for the year ended December 31, 1962, pursuant to section 76(1) of the Civil Service Act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

Report to Parliament of the Civil Service Commission of Canada on positions excluded in whole or in part under section 74, and appointments made from January 1 to December 31, 1962, under section 25, of the Civil Service Act, pursuant to section 76(2) of the said act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, May 30, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Orville H. Phillips: Honourable senators, my first words must be an expression of thanks for the very kind welcome you extended to me on entering the Senate. The warm welcome received from all sides was very much appreciated and will be long remembered.

Mr. Speaker, I congratulate you on your having been summoned to the Senate and having been appointed Speaker. It was my pleasure to know you and to observe you as a member of the House of Commons, and it seems rather strange to see you in your new position. I still expect to see you rise to take part in the debate and to renew your representations as to certain protection works along the St. Lawrence River. When we recall your love of debate and your ability to give a

political barb at certain times, we realize that your present position is not an easy one for you. However, your task will be made easier by the assistance of your charming wife.

I offer my congratulations to the mover (Hon. Mr. Lefrançois) and to the seconder (Hon. Mr. Taylor, Westmorland) of the address in reply to the Speech from the Throne. Both senators made worthwhile contributions to the debate. It is most interesting to note that, while Senator Taylor was making a plea for the construction of the Chignecto Canal, my good friend, the honourable member from Cumberland in the House of Commons, was at the same time making an equally sincere plea for the construction of that canal. This shows that, despite our political differences, we all have in our own way, as a common objective, the development of Canada and increased benefits for our citizens.

On my entering the Senate several honourable senators reminded me that the Senate is, in essence, nonpolitical and nonpartisan. It is difficult to leave the partisan atmosphere of the House of Commons, especially during the last two sessions, and suddenly adjust to the attitude of the Senate. In order to do this, I decided to observe the leaders of the two parties represented in the Senate.

The honourable leader of the Opposition (Hon. Mr. Brooks) was of particular interest to me. When he was delivering his excellent address, my mind went back to a Progressive Conservative nominating convention in Summerside during the 1958 election campaign. Senator Brooks was at that time the very capable Minister of Veterans Affairs. He threw away the notes he had prepared for his address and he delivered one of the finest speeches I have had the pleasure and privilege to hear. I am sure you will understand if I say I prefer him in that role.

The speech of the honourable Leader of the Government in the Senate (Hon. Mr. Macdonald, Brantford) was also most interesting to me. I enjoyed his easy flowing manner, and the content of his speech was also of interest. The leader began by pointing out that he was going to be nonpolitical but in retrospect I find that he was able, in a very pleasant way, to introduce the viewpoints of the Government of which he is an able member. He referred to a lack of confidence in the former Government by the so-called business world. I was rather disappointed that he did not go on to refer to the May 18 issue of the *Financial Post*, which devoted some considerable space to the fact that businessmen are now beginning to bite their nails and wonder if they were wise in giving such wholehearted support to the present administration. It is my belief that, after the forthcoming budget, there will be many regrets expressed among the business community.

The Leader of the Government in the Senate, ignoring the figures of the Dominion Bureau of Statistics which pointed out that Canada last year had the greatest industrial expansion of any country in the western world, went on and painted a picture of economic drought in Canada. Then he added that all this would be corrected now that we have a new messiah. He portrayed the Right Honourable Mr. Pearson as possessing the devotion of a Christian martyr, the wisdom of Buddha and the zeal of Allah. To sum up the leader's speech, I had the impression that he felt our new national anthem should consist of the Hallelujah Chorus or some similar song of rejoicing at the return of the Liberal party, to be followed by "three cheers and a tiger" for Mr. Pearson.

However, as I said a moment ago, I found his speech most pleasing in its manner and I hope that at some time it will be my good fortune to be able to deliver a speech in the same easy manner and with the same charm as the honourable leader. His speech will be read and re-read, not only by me but, I am sure, by other junior senators, and it will be used as a guide on how to be political in a nonpolitical and nonpartisan speech.

Earlier, I made reference to the difficulty of transferring from the political atmosphere of the House of Commons to the calmer and more judicious atmosphere of the Senate. It is my hope that honourable senators will forgive me if my few remarks appear to be more political and more partisan than perhaps has been the custom in this distinguished chamber.

The Speech from the Throne traditionally gives the broad outline of Government proposals. Any detailed examination of these proposals must, of course, wait until the legislation arrives from the other place. However, this does not prevent the making of a few remarks on the legislation as outlined in the Speech from the Throne.

The rural area which I represent makes me turn naturally to two points, namely, the proposal of a second minister of agriculture, to serve eastern Canada, and the 12-mile limit for fisheries. The proposal for a second minister of agriculture is the result of a promise made during the election campaign, one that was supposed to obtain votes among the eastern farmers. Quite frankly, I doubt if it had any appeal.

The Canadian Federation of Agriculture, while divided into ten provincial institutions, is still a national organization and maintains one national headquarters in Ottawa. Many

farmers look upon the provision for an eastern and a western minister of agriculture as a means of weakening and, in effect, destroying an organization which they have built up over the years by voluntary labour on behalf of a great many people from both eastern and western Canada. While it is true that western agriculture does to a large extent concentrate upon the production of wheat, it must not be forgotten that the problems of hog production, cattle raising, and other phases of agriculture common to all of Canada are very much the same. It will be very difficult to develop a truly national agricultural policy while we are dividing the country into eastern and western sections.

Agricultural activity in my province is, to a large degree, concentrated upon potato production. We produce the world's best potatoes, both seed and table stock. While we still enjoy a large market for seed potatoes, increased potato production in central Canada has taken a large share of our traditional markets. Therefore, our farmers need assistance in transferring to other forms of agriculture, and we also need assistance in obtaining foreign markets. Such assistance must, of course, come from the Department of Trade and Commerce. A second minister of agriculture would be of little assistance there.

The problems of fishermen on the Atlantic coast are different in many respects from those on the Pacific coast. Yet the Department of Fisheries is maintained under one minister, and no proposal is contained in the Speech from the Throne to recognize these differences. If there is a need for an eastern and a western minister of agriculture, surely there is an equal, if not a greater need, for two ministers of fisheries.

The 12-mile limit has been an item of concern to all members from the Atlantic and Pacific coasts for many years. As honourable senators know, a proposal presented by the Honourable Howard Green and the Honourable Angus MacLean, members of the previous administration, was almost accepted by international conference, and after failure to obtain agreement we found that many foreign trawlers, especially from Spain and Portugal, concentrated and increased their activities in the Gulf of St. Lawrence and along the Atlantic coast. Perhaps this resulted from the impression gained that Canada would accept a 12-mile limit, while recognizing traditional and treaty rights in fishing on our coasts. If a 12-mile limit is to be established, then we must watch carefully the attempts of foreign nations, especially European nations, to claim historic fishing rights along our coasts. It is going to be of little value to exclude fishing vessels from Australia and the Congo if foreign vessels presently depleting the fisheries are allowed to continue on the basis of historic rights. I would suggest to honourable senators that legislation in this regard, if and when it is forwarded from the other place, be studied with care.

As a resident of the Atlantic provinces, my attention was naturally drawn to the proposal to amend the Atlantic Development Board Act. The proposal to strengthen the membership of the board is in reality an effort to make sure that the appointees of the present Government outnumber those of the previous administration. This may be fair ball in politics. However, it should be remembered that a great deal of care was taken in selecting the previous appointees. In my opinion, they are extremely well qualified and it is my hope that the new appointees will be selected on the basis of their ability and experience, not merely on the basis of their political affiliation with the Liberal party.

The proposal to provide a capital fund for the Atlantic Development Board is, in my humble opinion, an extremely dangerous precedent to establish. It is one of the most cherished principles of our form of government that all expenditures must be approved by Parliament. The granting of a certain sum of money to a board operating outside of Parliament is one that should receive the sober second look of the Senate.

Another objection I have is that a limit has been placed upon the amount of money that can be spent by the board, plus a time limit of five years, and then the board is to be discontinued. The granting of $100 million is, I think, going to raise a very special problem. The $100 million in the original Atlantic Provinces Adjustment Grant was, as honourable senators know, divided on the basis of $7½ million to each of the larger provinces, and $2½ million to Prince Edward Island.

Honourable senators can rest assured that the provincial government of each of the Atlantic provinces will be watching the board to ensure that its province receives a sum equal to that received under the Atlantic Provinces Adjustment Grants. This is going to make it extremely difficult for the board to function and will, I am afraid, produce friction within the board. It will be an action that the Government will regret in the days ahead.

As one who takes a sincere interest in the Department of National Health and Welfare, I must express a certain amount of surprise at the scheme to establish a national contributory pension plan as soon as possible. Throughout the last election campaign, Liberal speakers and Liberal advertisements emphasized that the Liberal party would

establish an old age pension of $75 a month, effective immediately. This increase was not to be based on contributions but was to be a straight increase effective immediately. It was my hope that this would be one of the first decisions taken during the sixty days of decision. I am sure that many of our senior citizens will be bitterly disappointed in this regard.

The idea of a contributory pension plan does have certain merits. It has many features that appeal to me, but it also has certain difficulties. When the contributory plan was first introduced in the United States it was impossible for farmers and fishermen to contribute to it, and for a number of years they did not enjoy the same type of social security as did their fellow citizens who were employed in the vast industrial complex of that country.

The reason for this, I understand, was that many farmers were unable to produce accurate records, and I suppose American legislators, like our own, did not wish to be put in the position of forcing farmers to produce their farm accounts.

To avoid all that I would suggest to the honourable senators that we follow the pattern used by fishermen in the purchase of fishermen's unemployment insurance stamps. The fishermen present their total sales slips for the week, a certain percentage is deducted for expenses, and it is on that basis that they purchase their stamps. I believe we could follow a pattern similar to this and avoid a lot of inconvenience and irritation that would result from inspecting farm accounts.

The province of Prince Edward Island, by virtue of its position and its peculiar soil conditions, must, to a very large extent, depend upon the Canadian National Railways for movement of its products. This is especially true during the spring months when, because of heaving and breaking up of pavement due to frost, we must apply rigid load restrictions on our highways. I was therefore pleased to see a proposal for continued payments to the railways pending the introduction of long-term measures. This pleasure was greatly reduced, however, when I realized that since this Government took office the Canadian National Railways made two announcements of reduced railway service or abandonment of rail lines in Prince Edward Island. The amount thus saved is extremely small; in fact, it will about pay the salary of the new Minister of Agriculture and his executive assistant. I am sure that our rural people living along the railway lines would rather have continued rail service and would be perfectly content with one Minister of Agriculture.

Another unfortunate aspect of the announcement of railway service curtailment is that in the western part of the province an economic survey is being conducted under the ARDA program. As honourable senators know, any attempt to locate industry in this area will face the problem of curtailment and abandonment of railway service, and management will say they are not interested in locating in that part of the province.

Any reference to our transportation problems would not be complete if I did not mention the Prince Edward Island-New Brunswick causeway. I know that the newly-elected Government requires a certain amount of time to study plans to see if they are satisfactory. It has now had considerable time to study the proposed plans for a causeway linking Prince Edward Island and the mainland, and it is my hope the Government will see fit in the near future to declare its intentions in regard to this project.

The item in the Throne Speech forecasting additional assistance to complete the Trans-Canada Highway is most interesting. It is my understanding that this will benefit particularly the provinces of Quebec, New Brunswick and Newfoundland. By a rather strange coincidence these three provinces have Liberal administrations and this proposal is, in effect, subsidizing the inefficiency of provincial Liberal administrations. All provinces should receive equal treatment under any federal-provincial agreement. The Roads to Resources program introduced by the former administration is an example that the present administration could well follow. What will happen, honourable senators, if these provinces lag behind in the Roads to Resources agreement and then approach Ottawa and expect to receive increased assistance in order to complete the program? The provinces that have completed or nearly completed the program are not going to be happy with this proposal.

To illustrate my point I would refer to a recent statement made by Premier Shaw of Prince Edward Island in which he pointed out that that province had paid 50 per cent of the costs and he felt that his government should receive a rebate of 40 per cent on the portions that the province completed. He also felt that the agreement should be opened up to permit the province to include areas that were not already included in the program. I feel that Premier Shaw has a just claim in this regard, and that we can expect to hear from other provinces in the future.

The Throne Speech placed great emphasis on bilingualism and biculturalism. In the Atlantic provinces this is not as much of a problem as it is in central Canada. The two founding races have always got along well together in the Atlantic provinces; perhaps that is due to the fact we are more concerned

with the continued development of that area. There, as honourable senators know, for many years the average income per capita has been below that of the average national income, and both the English-speaking persons and those whom we like to refer to as Acadians have worked in harmony to overcome these difficulties. I am sure we have benefited greatly from the assistance we have received from Acadians such as the Honourable Senator from L'Acadie (Hon. Mr. Savoie) who is highly respected by his own people and equally respected by the English-speaking people in the Maritimes.

Perhaps our attitude in the Atlantic provinces could best be described as "bi-financialism", if one is to follow the popular trend.

The previous administration will always be remembered as the first administration which really recognized and attempted to meet our needs in the Atlantic provinces. The Atlantic Provinces Adjustment Grants, first established in 1957, have done much to develop that area. In fact, I have always felt that these grants were mis-named, that perhaps a more appropriate name would have been, the Atlantic Provinces Development Grants. To illustrate this point, the present provincial government in my province has been able to provide financial assistance to various industries, including the establishment of two large frozen food plants. This assistance would have been impossible had it not been for the Atlantic Provinces Adjustment Grants. It is only natural, therefore, that the residents of the Atlantic provinces, including many Liberal supporters remember with a great deal of gratitude the action taken by the Right Honourable John Diefenbaker and his government.

Federal-provincial relations under the present administration will receive close scrutiny from representatives in the Atlantic provinces. We view with apprehension the demands of the province of Quebec, not that we wish to deprive that province of any of its rights. These demands became public following a breakfast meeting between Mr. Pearson and Premier Lesage. It is our view in the Atlantic provinces that this will prove to be the most expensive breakfast in history, and we have no particular inclination to foot the bill. If the formula proposed by Premier Lesage of 25-25-100—that these percentages of income tax, corporation tax and inheritance tax, respectively, be returned to the province—is adopted, it will operate to the detriment of the Atlantic and western provinces. We feel we support the corporations in central Canada and that we are entitled to a share of the corporation taxes paid by those firms. On the other hand, if the 25-25-100 formula were varied, and the money were paid into a central fund to be divided among all provinces, this would receive more support from the premiers of the Atlantic provinces. However, I am not so sure that the present Minister of Finance would be too keen on that. We expect the present administration to continue the assistance granted the Atlantic provinces by the Diefenbaker administration, and we do not wish to lose any of the advantages gained under the previous federal-provincial fiscal arrangements.

One item that particularly surprised me was the reference in the Throne Speech to providing funds for the Unemployment Insurance Fund. I realize, honourable senators, that, despite the many attacks on unemployment launched by the previous Government, it has remained a problem in Canada, and consequently the fund has become depleted. On the other hand, the Liberal party, and particularly the present Prime Minister and the present Minister of Finance, have repeatedly promised full employment in Canada. If the Government is sincere in its promise to provide full employment, then I fail to see the necessity for adding to the Unemployment Insurance Fund. We are at the season of the year when employment is normally at its highest, and it is difficult to understand why we should be adding to the fund at this time. In fact, if everyone is enjoying the benefits of full employment, then surely the Unemployment Insurance Act must become a redundant measure. When one reads between the lines in the Speech from the Throne it is quite evident that the Government, even with all its economic planning, is going to continue to be faced with unemployment for some time to come.

Before closing, honourable senators, I would like to discuss for a moment two items not mentioned in the Throne Speech. There is in the area which I represent a very large air force base, and as a former member of the air force I have naturally taken an interest in the welfare of its men and their families. The recent pay increases granted the members of the armed services were a great shock to them and, I think, to the general public. A leading aircraftsman, private, or an ordinary seaman, received an annual increase of $48 per year, or less than a dollar per week. With coffee becoming 15 cents a cup, this does not provide a cup of coffee per day, and if we are to be practical we must realize that many of these men prefer something a little stronger than coffee. This group, unlike the civil servants with their Civil Service Association, have no organization to present their claims and their viewpoints, and when we consider the rather generous increases that

have been granted the members of the civil service in the past, we can readily understand the disappointment of some members of the armed forces at receiving an increase of 90 cents per week.

The other matter is one which gives me much pleasure. Next year we in Prince Edward Island will take great pride in opening the Confederation Building in Charlottetown. This building, which adjoins the Legislative Buildings, the birthplace of Confederation, is a gift from the people of Canada to commemorate the birth of Confederation. It is my hope that all honourable senators will be able to attend the opening and spend some time in our province next year.

Honourable senators, I again express my thanks for your kind welcome, and I shall do my best to carry out my duties in a manner worthy of this distinguished chamber.

On motion of Hon. Mrs. Inman, debate adjourned.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, before coming into the house this evening the acting Leader of the Opposition (Hon. Mr. Choquette) asked me about the business for tomorrow. As honourable senators know, the intention was to proceed with the interim supply bill this evening. However, it is still being debated in the other house. If it reaches us tomorrow afternoon, I would ask leave of honourable senators to consider it upon its arrival.

The estimates for the year were distributed to all honourable senators last week. The interim supply bill will provide supply for the past two months in this fiscal year—that is, April and May—and also for June and July. Particulars of the bill appear at page 502 of the House of Commons *Hansard*. So with the information appearing there and with the estimates, each honourable senator will be informed of the contents of the bill which will be coming before us. As I say, if it comes before us tomorrow, I hope we will be able to proceed with second reading at that time.

The other business on the Order Paper for tomorrow consists of the items not disposed of today, together with five private bills. If we do not proceed with the interim supply bill tomorrow, we shall likely consider the five private bills.

The Senate adjourned until tomorrow at 3 p.m.

28906-6—5½

THE SENATE

Tuesday, June 4, 1963

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

Prayers.

APPROPRIATION BILL No. 1, 1963

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-69, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Bill read first time.

SECOND READING

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

Hon. W. Ross Macdonald: Honourable senators, with leave of the Senate, I move second reading now.

Honourable senators, there have not been sufficient copies of the bill printed—

Hon. Mr. Aseltine: There never are.

Hon. Mr. Macdonald (Brantford): —to give a copy to each member. We have about sixty copies, and if these are distributed, one to each pair of desks I think we will be able to get along fairly well.

I wish to thank honourable senators for giving me leave to move second reading of this bill today. May I say now that if the bill receives second reading today I hope it will receive third reading tomorrow, and that royal assent will take place tomorrow afternoon at a quarter to six.

Honourable senators, the bill is in the usual, if not the exact, form of interim supply bills of the past. May I point out for the benefit of new senators—though I am sure they are all aware of this—that the Government cannot spend any money unless it is voted by Parliament; and "by Parliament", of course, means both by the House of Commons and the Senate.

As honourable senators know, the fiscal year begins on April 1, and this year Parliament was not in session until the middle of May. It is now June and no money has been voted for this fiscal year. The purpose of this bill is to provide funds for the Government for the months of June and July.

The bill is different from the first appropriation bill of previous years except in those years when it followed immediately upon a general election. This being the first appropriation bill after an election, it is necessary to provide for the moneys which have been spent in April and May as well. So that this bill provides for four-twelfths of the total items, instead of the usual two-twelfths.

The bill goes further than that. Honourable senators will no doubt have noticed that in many instances additional amounts are required. In one instance there is an additional amount of five-twelfths, and in another an additional four-twelfths. Where such additional amounts are required over and above the four-twelfths, the particulars are set forth in the schedules attached to the bill.

The bill contains a clause which sets forth that the total amount authorized in this bill includes the amounts that have already been authorized by special warrants in this fiscal year.

I probably should bring to the attention of honourable senators another section of this bill which differs generally from previous bills. I refer to clause 4. This is not a completely new procedure. What has been provided for in this clause has been carried out by governments in the past; indeed, it has been traditional for governments to proceed in this manner, and therefore it was thought advisable at this stage to put it into legislative form. It has long been assumed that commitments could be entered into in the current year up to the limitation prescribed by the wording of an item. The purpose of clause 4 is merely to clarify the situation.

Probably I can best explain this change by referring honourable senators to the estimates tabled earlier this session. I refer to the estimates for the Department of National Health and Welfare where there is authorization to provide general public health grants to the provinces, the Northwest Territories, and the Yukon Territory up to a certain amount, but with the stipulation that commitments can be entered into up to but not exceeding the sum of $38 million. So, provision is made not only for the expenditure by the department of $31 million, but also that it may enter into commitments not exceeding $38 million.

Section 5 of the bill makes provision with respect to contracts that have been entered into since Parliament was dissolved. As honourable senators know, under the Financial Administration Act these contracts can only be authorized by Comptroller of the Treasury certificates, but upon dissolution on February 6, 1963 the departments had little or no 1962-63 appropriations remaining, and upon dissolution it could not be said that there were

1962-63 estimates before Parliament. No estimates or supply for 1963-64 existed either. The period from February 6 last, when Parliament was dissolved, to May 29, when the estimates were tabled, was one in which all necessary contracts had to be let without authorizing certificates of the Comptroller of the Treasury. For that reason section 5 has been included in this bill. I may say that a similar provision was in the act passed in 1958-59.

I shall refer to just one more section that is new—in any event, it is new as compared to the bill that was passed last year—and that is section 6. This section deals with the special warrants that were obtained from the time Parliament was dissolved until the end of the last fiscal year. As I said before, the amounts that were obtained by Governor General's warrants since April 1 are included in this bill, but those obtained in the previous fiscal year are not contained in this bill, and will be dealt with in detail in a report of supply for 1962. This report will be tabled later this session, and will be the subject of a special appropriation bill.

Honourable senators, I think that fully explains the bill. I trust the bill will receive second reading today, and third reading tomorrow.

Hon. Mr. Power: May I ask the honourable Leader of the Government if the financial estimates for 1961-62, as well as those for 1962-63, have been passed by Parliament?

Hon. Mr. Macdonald (Brantford): No,—

Hon. Mr. Power: In other words, I am asking if there was an appropriation bill for each of those years.

Hon. Mr. Macdonald (Brantford): I believe the 1961-62 estimates were passed, but the 1962-63 estimates have not been passed. The estimates before us today are the estimates for 1963-64.

Hon. Mr. Power: My honourable friend says that the 1961-62 estimates have been passed, but I am not sure. However, the 1962-63 estimates certainly have not been passed?

Hon. Mr. Macdonald (Brantford): That is correct.

Hon. Mr. Roebuck: The honourable Leader of the Government said that a government can spend only money that is passed by Parliament. Does that apply to a Conservative administration as well as to a Liberal administration?

Hon. Mr. Macdonald (Brantford): Oh, yes, that applies to any administration. Money spent by one government is just as good as money spent by another government.

Hon. M. Wallace McCutcheon: Honourable senators, we are engaged here this afternoon in what I might almost call the ritualistic procedure of passing an appropriation bill which we can consider only in totals and as to which we have no opportunity of discussing any details.

It is rather like granting your wife housekeeping money without her really telling you what she is going to do in detail with it over the year, or the full amount that she is going to spend. I suspect that we have not been told the full amount that is to be spent.

Hon. Mr. Power: Did she not tell you what she spent last year?

Hon. Mr. McCutcheon: Do not goad me into going into last year.

Hon. Mr. Macdonald (Brantford): I am sure no one is more generous to his wife than the honourable gentleman.

Hon. Mr. McCutcheon: Honourable senators, I am sure you realize that that is inevitable under the parliamentary system under which we operate; but I am not sure that we cannot effect some improvements even under this system.

I was very much impressed, as I always am, by the words of honourable Senator Hugessen, as reported in the 1962-63 volume of *Hansard*, at page 507, when he was speaking on a similar occasion. He said then:

> I suggest to my honourable friend, the Leader of the Government, that it might be well for us to revert to the practice which existed some years ago when the honourable Senator Crerar was chairman of the Standing Committee on Finance. In those days the practice of this house was to refer the estimates for the year to that committee so that it could make such inquiries as it felt necessary with respect to any particular items, and, indeed, call for witnesses from any particular department in cases where it thought investigation might be required. I think if we did that now we should be fulfilling our functions more adequately as one of the branches of this Parliament, in seeing that expenditures are not made without our having acquainted ourselves at least in some respects with what is proposed to be spent.
>
> I make that suggestion to my honourable friend—

He was referring to the present Leader of the Opposition—

> in all good faith, because I think that during the years when the Finance Committee did perform its functions, it performed a valuable service and we in this

house felt we were taking a better and more active part in the administration of the financial affairs of the country.

Similar sentiments were expressed by my honourable friend Senator Lambert, on the occasion of the consideration of a previous appropriation bill. His remarks are reported in the same volume of *Hansard*, for the last session, at page 311. I commend the views of these senators of long standing and long experience to my friend the Leader of the Government (Hon. Mr. Macdonald, Brantford), and I hope that the estimates for this year—when we probably will have more time to consider them than we had in the previous session—will in due course be referred to the Finance Committee, if that is the appropriate committee.

As honourable senators know, there is complete freedom in discussing this bill; one can discuss anything on it. In the other place there were some very interesting discussions about the Royal Canadian Mounted Police, and about other subjects which bore little relevance to the bill itself. I do not propose to enter into that type of discussion this afternoon, but there are a few comments I would like to make.

It was gratifying that the Minister of Finance, when tabling his estimates in the House of Commons, referred to the report of the Glassco Commission. I believe that was the first official reference made to that commission in the other place since the new Government took office.

The minister referred to one of the main recommendations in the first volume of the Glassco Commission, that the form of the estimates might be improved. The recommendation, as I recall it, was that instead of listing the amount that will be spent for postage, clerical services, and so on, the estimates be set up on a project or program basis. The minister implied that this matter was under review, but that he was unable—and I can understand this—to put any of those recommendations into effect in connection with these estimates. I suggest that it may well be that if the Government adopts this recommendation, we will see the matter proceed by stages, and certain departments at least will present their estimates in the revised form at the next session. I hope that this matter will receive serious consideration by the Government and by the Public Accounts Committee in the other place; and I suggest seriously to my friend the Leader of the Government that the recommendation of the committee in that respect might well be considered in connection with the study of the current year's estimates by the appropriate committee of this chamber.

Of course, I do not need to tell honourable senators that the estimates of spending are up considerably from last year; I believe the figure is an increase of 5.1 per cent. Again I suggest that we have not yet heard the end of the spending estimates. It is a little early in the year even for my friend the Minister of Finance to give in detail all that he will be required to spend in order to redeem the pledges that he made on the platform during the election campaign. However, he does suggest that there may be some reductions in the main estimates and the supplementaries which he has now tabled. He suggests that the most fertile field for finding such reductions will be in a broad review of existing Government programs.

With that I agree. However, I was somewhat concerned when I learned that that broad review was being referred to the Treasury Board. I suggest that it will be very difficult for the devoted, efficient, but greatly overworked officials of the Treasury Board, who will be called upon in another few months to start reviewing departmental estimates for 1964-65, to make the broad review of Government programs that might result in some reduction in the minister's estimates this year. I would hope that he might find some other machinery for making that review.

While the minister suggests that the Glassco Commission concerned itself to a considerable extent with what I would call minor savings, I suggest that there are some broad recommendations which could be considered rapidly by the Government, as to which there has already been given considerable study by officials who were charged with that responsibility, and which might have some effect on this year's estimates and a significant effect on next year's estimates. Otherwise, my prediction is that we are going to be faced with more supplementary estimates and we are not going to get any corresponding offsetting reductions. I hope that this will not happen, but the minister's previously avowed intention of moving towards a balanced budget in accordance with the undertaking —perhaps "understanding" is a better word —that the Government had with the International Monetary Fund may have a negative rather than a positive result.

It is patently clear from what we have before us today that increased revenues will be needed if we are to move towards a balanced budget, and by moving towards a balanced budget I mean that the deficit in the current fiscal year is to be less than that in the immediately preceding or two preceding years.

Now, that statement, which has been made elsewhere, has been erroneously interpreted as meaning that we would require higher

taxation. I am not suggesting that for a moment. It may well be that if the Government can keep the economy going at the rate at which it was going when it took over, that will provide the additional revenues which will obviously be required if it is to achieve this very desirable objective.

While we are all gratified with the minister's references to the Glassco report and the indications that the Government is pressing forward to a review of those recommendations, and that those which will result in greater efficiency or economies will be implemented as quickly as possible, we cannot help but be a little disturbed by the evidence before us that seems to fly completely in the teeth of what I suppose might be called the major underlying basic philosophy of the report which, as I interpreted it, was that the commission was concerned with recommendations to simplify Government organization, not complicate it or compound it, with consequential increase in efficiency and reduction in cost. Now what do we find? We find that the Orders of the Day of the other place—

Hon. Mr. Macdonald (Brantford): Mr. Speaker, I hesitate to interrupt the honourable gentleman but we in the Senate are not carrying on a debate with the other house. It always has been regarded as completely out of order to refer in this house to what is currently taking place in the other house. If we ignore that rule now we will find ourselves engaged in a debate between this house and the other house, which I do not think any honourable senator would want to take place. I did not interrupt the honourable gentleman before as to what was said about the Glassco Commission, for there was no controversy there; but I do not think we should enter into debate with any member of the other house.

Hon. Mr. McCutcheon: Mr. Speaker, with respect to the remarks of the honourable leader, I was not attempting to enter into debate with any member of the other house. I was about to refer, and I am in your hands, Mr. Speaker, to the resolutions which appear on the Order Paper of the other house, not to what any member said.

Hon. Mr. Macdonald (Brantford): I have no objection to the honourable gentleman referring to a resolution on the Order Paper of the other house, if debate on that resolution has not yet taken place.

Hon. Mr. McCutcheon: Mr. Speaker, I am proposing to refer to one or two resolutions on the Order Paper of the other house on which no debate has as yet taken place, and if you agree I will proceed.

Hon. Mr. Macdonald (Brantford): Perhaps it might be better if the honourable gentleman referred only to what is in the resolution, without making reference to the other place.

Hon. Mr. Power: Just refer to what we can read in the newspapers.

Hon. Mr. McCutcheon: I am sorry I have not got the newspapers here.

May I put it this way, honourable senators? It has been forecast in the Speech from the Throne and there have been reports in the press to the effect that we are to have a Department of Industry with the purpose of assisting manufacturing industries. As part of that new department we are to have an area development agency. Just what is the purpose of that agency is not spelt out clearly, but one might assume that its purpose is to give special attention to certain areas in Canada. What I am suggesting is that, far from this simplifying Government procedure, it is merely compounding it.

There is already a Department of Trade and Commerce. Over recent years that department has been paying special and increasing attention to the problems of our secondary manufacturing industries, the area to which, of course, we must look to absorb newcomers into the labour force, as well as some of those who are in the labour force now but who unfortunately are unemployed. I am wondering who is going to resolve the differences that will inevitably arise between the Minister of Trade and Commerce and the Minister of Industry. Matters will be compounded further by the fact that the Department of Industry is to have an area development agency. There is already an Atlantic Development Board. Do we visualize the area development agency of the Department of Industry ignoring the problems of the Atlantic provinces, or if it does not will there not be further overlapping and duplication?

It may well be, as one press commentator said, that the one thing lacking in this respect was a bureau of information at the front door of the Centre Block of the Parliament Buildings to direct harassed businessmen as to which of these three departments they should approach. I suggest that what will happen will be the application of the now familiar Parkinson's law, whereas all that is necessary is to clothe the Minister of Trade and Commerce with whatever powers he does not now have—and I do not know what powers he is lacking—so that that one capable person, with the knowledge and background and experience that he has, can deal with the overall problems in this field. I think that would be much more acceptable in the view of businessmen.

I touch on this question now, for it seems to me that obviously it is going to have budgetary implications. As a matter of fact, there are three ministers involved. The information one gathers from the press is that the Atlantic Development Board will report to the Secretary of State; the area development Agency will report to the Minister of Industry, whose name we will know only as a result of press releases; and the Minister of Trade and Commerce will still have the overall responsibility which he has had in the past.

I wish also to mention item No. 25 of the supplementary estimates, where we see an increase in loans, investments and advances of some $118 million, up approximately $100 milion to $218 million. Honourable senators should bear in mind it has been forecast that the Atlantic Development Board will be provided with $100 million. It has been forecast that the Municipal Development and Loan Board will be provided with $400 million, and no forecast has as yet been made as to what funds will be provided for the Canada Development Corporation.

It is true that resolutions leading to bills to establish these various boards or to make funds available to them have not been discussed, and it is understandable therefore that no provision has been made in the estimates for the very substantial advances, if the forecasts we have are correct.

It is also possible, of course, that decisions cannot be taken quite as readily as we were led to believe a few months ago, and that the full amounts of the funds indicated for these various purposes may not be required in the current fiscal year.

But having said all that, it seems apparent that the Government this year is going to have to go to the market—unless it takes some steps of which we have no indication —for something over $1 billion of new money as compared to some $800 million that was borrowed last year. With the U.S. short-term rates pressing very closely on our own rates, and with the further suggestion this morning that the U.S. rates are going to further increase, we may find ourselves in a very difficult position in going to the market for these large amounts, particularly when we read of other governmental bodies who propose to enter the same market. We may find the paradox of a rate in the United States which will attract money away from this country and which, in the light of that country's balance of payment problems, might not, from its point of view, be unreasonable.

It is therefore interesting to note the statement of the Parliamentary Assistant to the Prime Minister—and I do not want to transgress, Mr. Speaker—with reference to Polymer Corporation. I shall say no more.

Hon. Mr. Macdonald (Brantford): You have probably said too much already.

Hon. Mr. McCutcheon: I do not think so. I will say no more than to suggest that the gentleman in question was really quoting from the Glassco report, volume 2, page 349, where it says:

> The Corporation...

That is the Polymer Corporation.

> ...cannot be regarded as an instrument of public policy. Its ownership by the Crown is in no sense essential, on security or other grounds, to any of the programs of the federal government. Your Commissioners recognize, however, that the transfer of this undertaking to private ownership presents certain practical problems...

What I say is disturbing is that the Prime Minister, in a press conference and not in another place, immediately stated that his Parliamentary Secretary was not stating Government policy. I am not quarrelling with that, but I suggest that this is a matter which might be given serious and quick consideration by the Government. I would hate to think that the Prime Minister's statement to the press meant that there was no Government policy on this matter, or that this was a matter which the Government was not going to review.

I read from page 351 of the report, referring to Eldorado:

> But as a government-owned company, it has not been permitted to use its available funds to diversify its activities or carry on active exploration. Such a proscription promises at best a lingering death. In these circumstances, there is need for a decision as to Eldorado's future, in the absence of which its value as an investment cannot but decline.

It is not my intention, honourable senators, to suggest what the Government policy should be in this matter. The Government has the facts and information available. However, I was concerned, at the mere suggestion that some action might be taken on the question raised—because the Glassco Commission makes no recommendation one way or another but raises very serious questions as to the future of these two companies under Government auspices—to note the very quick reply which almost seemed to close the door to consideration. If my friend the Minister of Finance is anxious to reduce his market

requirements he might wish to look seriously at the questions raised by the Glassco Commission respecting these Crown companies.

Honourable senators, I shall take your time no further at the moment. We on this side of the house will look forward with a great deal of anticipation and interest to the details of the Government's legislative program, to some of which I have referred.

Hon. T. A. Crerar: Honourable senators, if I should not have disappointed the house by refusing to take part in this debate I should have certainly disappointed myself.

The first comment I have to make is a criticism that when I was sitting over where my honourable friend from—usually we do not refer to our colleagues by name, but I shall do that in my straits this afternoon—Senator McCutcheon.

Hon. Mr. Hayden: From Gormley.

Hon. Mr. Aseltine: The rule has been changed.

Hon. Mr. Crerar: I may say to him that when we were sitting on the other side of the house, and when my genial colleague from Rosetown (Hon. Mr. Aseltine), and later his successor (Hon. Mr. Brooks), was leader on the Government side, we had a complaint to make at all times when interim supply was brought down.

Interim supply, of course, is a device for enabling the Government to obtain the money to pay its bills before the main supply is passed in the other house and by Parliament. But it was invariably the practice of the late administration to bring these interim supply bills down at the last possible moment, and then we were met with the urgency that the bills had to be paid and the Government must have its money. And while the Government leader gave all sorts of assurances that it would not abridge in any way, in future, the right of the Senate to criticize, nevertheless the matter was of the most urgent character.

I want to say to my honourable friend who is leading the Government on this side (Hon. Mr. Macdonald, Brantford), that I hope we shall not continue that bad practice, because it is a bad practice. I can understand the position of the Government at the present time. It has recently arrived in office: it has to familiarize itself with the legislation required, with the finances of government generally, and it takes a little time to do that. If you will pardon a personal reference, honourable senators, I discovered that fact a long time ago when I first came to Parliament, but I do hope that this practice will not be repeated.

There is no reason on earth why a government cannot bring down its interim supply ten days before the end of the month. Perhaps that was impossible to do on this occasion because the debate on the address was still in progress in the other place. Interim supply is necessary. It is now June 4. Bills may have to be paid and there is no warrant for paying them because the Government's authority to issue a cheque for even a load of coal does not exist beyond the end of May. Consequently, this interim supply must be voted. But I would like to see some order brought into it.

This is a rather important measure. I have not had time to examine this bill closely because I received it only a few moments ago, but there are some things in it about which I think some questions should be asked. For instance, by clause 7 we are giving the Government authority to borrow up to another billion and a half dollars. Now a billion and a half dollars, to my old-fashioned way of thinking, is a substantial sum of money. This is in addition to the authority presently outstanding to borrow money. What is this money going to be used for? I think we should be told of the need for this. How does this occasion arise? I might add that the late administration also failed to produce information upon which the members of this house could form an intelligent judgment.

Now that situation should not be. Surely we can conduct our business in an intelligent fashion, and when one ranges into these huge sums of money, indeed I might call them mountainous sums of money, the need for doing so is all the greater. I have no doubt that honourable senators are aware of this. We take, for instance, the estimates brought down in the Blue Book, which were those of the late administration, and the supplementary estimates which are the product of the present administration; we put those together and add to them the $755 million estimated expenditure for old age pensions, plus the sums under the item for loans, investments and advances, and we reach a total of $7½ billion. Now is that not a serious question?

It is a matter of grave importance that our spending and the requests made to this house for appropriations are increasing at a faster pace than this thing which we call the gross national product. If we were assured that the gross national product would expand at a certain ratio, then it would be quite practicable and perhaps defensible to increase our spending in a like ratio, but studies indicate that the gap between them is narrowing.

In 1962 we had rather a remarkable growth in the gross national product, which will not be continued this year. I do not want my honourable friend from Gormley (Hon. Mr.

McCutcheon) to get the idea that because we had a high gross national product in 1962 we shall increase in the same ratio in 1963. If we do not get a similar increase it will not be due to any change in the administration, but because we are in the economic grip of forces over which we have a comparatively small measure of control.

Hon. Mr. Choquette: It is unfortunate that that was not said during the 1962 and 1963 elections.

Hon. Mr. Crerar: We are not dealing now with the 1962 or 1963 elections; we are dealing with these estimates. I want to be moderate in my statements, but I think, having regard to the public attitude and the governmental attitude to the spending of money—and this applies to practically all levels of government irrespective of party—we are in grave danger of running into serious trouble. We had an example of this last June when we suddenly found that our foreign exchange reserves had been dissipated and stringent measures had to be taken to rehabilitate them.

The first task of statesmanship is to look ahead and avoid these situations as far as possible, and that is what I, perhaps mistakenly, in my feeble efforts try to bring before the house.

I sometimes wonder in my fanciful moments—and like my old friend and colleague the honourable senator from Carleton (Hon. Mr. O'Leary), I occasionally have fanciful moments—what kind of a result we could achieve in the whole vast ambit of government administration if we could apply the same principles and the same type of management one finds, for instance, in a successful corporation like the Canadian Pacific Railway, or a successful bank, or in the corporations with which my honourable friend from Gormley has been associated, or even in the corporations with which I have been associated. If we could bring that character of administration to bear, I sometimes speculate how much might be saved in the total cost of government operation. But when I mentioned this not very long ago to a friend he said it was impossible because you cannot apply to a government the same principles you apply to a private corporation; public opinion won't let you do it. Governments and opposition parties have to seek votes, and in the process the whole theory is knocked to the ground.

Now I have only a little more to say because I see my leader is looking at me rather dubiously.

Hon. Mr. Macdonald (Brantford): No—rather approvingly.

Hon. Mr. Crerar: I am glad of that. I thought he wanted to get on to something else and that I should sit down.

Hon. Mr. Macdonald (Brantford): No, no.

Hon. Mr. Crerar: If the theory I have put forward could be adopted we would save an immense amount of money. I think one of the good things that the late Government did was to appoint the Glassco Commission and I consider the report of that commission to be worth the study of every honourable senator. If we are facing a situation where additional taxation is necessary, where the alternative is either more taxation or decreased expenditure, and since that is the only choice we seem to have, then I think we should go about the business as intelligently as possible.

The more I think about it the more certain I am that government is becoming a very complex business. Government seems to have an itch to get into everything, no matter where or what it is, and we are not allowing people to do the things they can best do for themselves without someone standing over them and advising them how to go about it. I do not for a moment believe in that philosophy; I think it is all wrong. If we are to saddle government with additional responsibilities, and in particular additional financial responsibilities, then sooner or later we must give government the power to deal adequately with the situation, and that power means the power to regulate and regiment. When that time comes, freedom flies out of the window, and I do not want to see that happen. That is why I am speaking as I am at the present time.

I do not wish to impose on your time any further, but I trust that when the next interim supply bill comes down we will have sufficient time, at least twenty-four hours, to study its provisions before it is brought before us in this house. I repeat that I can see no reason why the last administration should have failed to bring down these interim supply bills at least ten days before the end of the month, nor why the present administration should in future fail to do so. I excuse them on this occasion because of the particular circumstances under which it is done.

Hon. Mr. Aseltine: It was done that way during the twenty-two years before I took over the leadership of the Senate.

Hon. Mr. Crerar: I am not disputing that at all, but it was not so when I first came to Parliament. Interim supply was brought down much earlier, but the tendency has been to let it drift to the end, and that is what I am protesting against at the moment. Let us

have the supply bill in time so that we can look at it and understand it and, if necessary, criticize it.

I would like to ask the honourable Leader of the Government a few questions about this authority to borrow an additional $1½ billion. What is to be done with that amount? What is the purpose of it? Is it a refunding operation, and if it is, to what extent is it so? These are vital matters; they are matters of importance about which this house should be informed.

I apologize to the house for taking so long. When I came into the chamber this afternoon I had not the remotest idea that I would be saying anything.

Hon. John G. Higgins: Honourable senators, I think we ought to take judicial notice of Senator Crerar's absence during the last session. To see his six-foot four-inch frame rising and hear him uttering those words caused me to be amazed that a man of his age could pour forth eloquence for so long a time without a single note.

The honourable senator perhaps ought to be reminded that at the last session a rule of this house was amended to allow senators to refer to a colleague by name rather than by designation.

It is a wonderful thing, particularly for the younger senators like myself—I am still a young member of this house—not to have to remember the designation of each senator. It is difficult enough for the newer senators to remember the names of 101 other senators, but to have to remember their designations as well makes the task all the more difficult.

Perhaps the next time Senator Crerar rises to speak he will remember that he need only refer to a senator by name. However, by that I do not mean that he has to call me "John", and that I have to call him "Skipper Tom". However, I did think it only right that I should remind him of this change in our rules.

Hon. Mr. Crerar: Honourable senators, may I say just one further word? I was not sure about this change in procedure last session. I will now have to set myself the task of memorizing the names of all senators. My discomfort in that is mitigated slightly by the knowledge that each one of you will have to do the same thing.

Hon. Mr. Aseltine: You may use either a senator's name or his designation.

Hon. John J. Connolly: Honourable senators, I rise for just a moment to say that I think all of us are very pleased indeed to hear the honourable senator from Churchill (Hon. Mr. Crerar) speak once again in this house. I should remind honourable senators that since we last met, Senator Crerar became the senior Privy Councillor of Canada, so it is particularly gratifying for all of us to see him back in his usual health and vigor.

I think, too, that we all agree with what he said about the desirability of bringing these interim supply measures to us sooner. When I was a very small boy, the first time I was brought to the Senate was on the occasion of the introduction of an interim supply bill. I can still hear the senators—and this was 40 years or so ago—getting up and saying: "We get these bills too late". That speech has been made in this house by generation after generation of senators. It is time, in my opinion, that something is done about it, and I hope it is done as soon as possible.

Some Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): I wish also to say that I am in agreement with the honourable senator from Gormley (Hon. Mr. McCutcheon), who quoted two very good authorities to the same effect, namely, the honourable senator from Inkerman (Hon. Mr. Hugessen) and the honourable senior senator from Ottawa (Hon. Mr. Lambert), that as soon as possible we adopt again the practice of referring the estimates to the Standing Committee on Finance.

Under the chairmanship of the honourable senator from Churchill (Hon. Mr. Crerar) there have been many improvements made in the form of the estimates, particularly in respect to the summary which is given at the end of the book. That was done many years ago. There have not been many improvements made since.

It is my opinion that members of this chamber faced with the estimates year after year, and usually the main estimates in the last hour of the session, are really in no position to pass them. We cannot give them the kind of attention that we should. I believe that the practice of referring the estimates to our Standing Committee on Finance for study is a valid one. It is really a necessary practice for all of us here. I do not say that we have to examine each individual item, but some of the studies which have been made have been helpful. Perhaps some of the ideas that the honourable senator from Gormley (Hon. Mr. McCutcheon) appears to have in mind about places where economies could be effected in government could also be disclosed at a meeting of such a committee. It would be difficult to do that kind of work in this chamber, but in committee it could be done most effectively.

Hon. Malcolm Hollett: Honourable senators, I do not intend to take up much of your time. I am not a financier, but I have before me

on this side of my desk the Speech from the Throne and on this side a copy of the revised estimates and, personally, I can see no connection whatsoever between them except perhaps in the authority to borrow $1.5 billion.

If honourable senators will look at the Speech from the Throne they will see that the Government is going to do all sorts of things. There is to be a national fishery development program, and that has to be financed in one way or another. I find nothing in the estimates to take care of that. I find nothing in the estimates to take care of the proposed Department of Industry.

I must say that I am happy to have heard what Senator Crerar has just said. He has probably forgotten things that happened last year, or the year before, but he has spoken words of wisdom. There is no explanation whatsoever given to the Senate, yet this is supposed to be a body of men and women who will give a sober, second look at legislation that comes before us. I agree with Senator Crerar that we cannot give a sober look at such legislation in such a short time. There is no explanation whatsoever given for many things, and particularly this authority to borrow $1.5 billion. We are not given an inkling of how that money is to be spent. I personally dislike, as I am sure every senator here dislikes, the idea of consenting to the borrowing of $1.5 billion without having some idea as to just what that money is to be spent on. We are sure it is going to be spent on good causes. I have no doubt about that. But we ought to know, and our people ought to know, precisely what that money is to be used for.

I just wanted to say these few words, honourable senators, and to congratulate Senator Crerar for the excellent contribution he has made to this debate.

Hon. Mr. Macdonald (Brantford): Honourable senators, I think we have spent a very profitable hour and a half, and I am sure the Government will take notice of the advice that has been tendered it. I can assure honourable senators that I will take note of the advice that was indirectly tendered me.

The first suggestion was that the interim supply bill should come to us sooner. I cannot guarantee that it will always come to us sooner, but I can probably guarantee that no senator will come here and be surprised to find the bill on his desk. I think I can arrange that in future, when the bill is presented in the other house, I will obtain as many copies as I can and distribute them to honourable senators.

Hon. Mr. Aseltine: I tried that, but I never could get enough copies.

Hon. Mr. Macdonald (Brantford): I will make another effort. Probably the Government in the past did not have enough printed. I will endeavour to have an extra 100 copies printed, so that we will have the bill before we come here. Honourable senators will then have the bill and the estimates, and will be able to debate the contents of the bill in a more intelligent—if that is possible—manner than you find you are able to do today.

We are indebted to the honourable senator from Gormley (Hon. Mr. McCutcheon) for the advice which he tendered us. He is a man of wide experience as a barrister and as a solicitor, recently in the business world, and more recently still in government. I am glad he spoke here today. I can frankly say that I was rather disappointed during the last session that he did not speak more often. I hope that we can look forward to seeing him on his feet more frequently during the present session.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald (Brantford): Although I did not agree with much that he said in his speech last session, I can say that I agree with a great deal of what he has said today.

Hon. Mr. McCutcheon: I am improving.

Hon. Mr. Macdonald (Brantford): Both he and Senator Crerar referred to the work the Finance Committee had done in the past on estimates. My recollection is that the committee considered the estimates of previous years, rather than the estimates of the current year.

Hon. Mr. Hugessen: That is not so.

Hon. Mr. Macdonald (Brantford): Is that incorrect?

Hon. Mr. Lambert: No, that is not so. May I suggest that the answer is that as soon as all the estimates are available they should be referred to the Finance Committee at once and not wait for a supply bill to come in.

Hon. Mr. Macdonald (Brantford): It may be possible to do that, but I do not know whether the Senate is prepared to spend the days and days required to go through the estimates one by one. I think that in the past the Finance Committee has been concerned with one particular reference, rather than a rambling look at all the estimates. I am sure that the committee, when it met under the leadership of Senator Crerar, considered the estimates from the point of view of how they could be better explained by a short perusal, rather than by spending days and days going through them one by one. I have in my hand a copy of the leaflet which now appears in the back of every copy of the estimates. It

is a comprehensive statement of the expenditures of all departments. It is summarized on one page, and you can get all the information without spending hours searching through the estimates. That was brought about by the committee under the leadership of Senator Crerar.

The honourable senator from Gormley (Hon. Mr. McCutcheon) also referred to the report of the Glassco Commission. I will see that his references are brought to the attention of the Government, and I am sure it will appreciate the suggestions he has made.

Furthermore, I have noted his reference to a committee to consider reductions in expenditures. If I followed correctly what he said, he is under the impression that it should be done by a committee other than the Treasury Board. I will see that that suggestion is also brought to the attention of the Government.

He also referred to the move towards a balanced budget. I thought for a while he was going to suggest an increase in taxation; but he did not allow that impression to stay in our minds very long. I would impress upon him that at no time has the Government suggested that a balanced budget would be brought about overnight. It will take some time to achieve that objective.

Hon. Mr. McCutcheon: I said "a move" towards a balanced budget.

Hon. Mr. Macdonald (Brantford): The words which he used are the correct ones, that there will be a move towards bringing about a balanced budget. I do not know whether the budget will be balanced this year or not. I know no more about the budget than any honourable senator in this house, but I would be very much surprised if there is any more than a move towards a balanced budget.

The honourable senator from Churchill (Hon. Mr. Crerar) and one other honourable senator referred to the authority contained in the bill to borrow up to $1½ billion to provide for authorized payments out of the Consolidated Revenue Fund. I have some information on that. Clause 7 of the bill makes that provision.

Honourable senators, over the years it has been customary to have a similar clause in the supply bill. Each year supply bills contain new authority to borrow money for public works and general purposes of the Government by the issue of Canada Savings Bonds, other types of bonds, and treasury bills. The amounts which were authorized in previous years are as follows:

Year	$billions
1955-56	1
1956-57	1½
1957-58	1
1958-59	2
1959-60	1½
1960-61	1½
1961-62	2
1962-63	2½

In earlier years, before the exchange fund had a significant influence on the Government's cash position it was customary to seek this borrowing authority only once or twice a year and in large amounts; but in recent years, notwithstanding all the unknown and often large requirements for the exchange fund, the borrowing authority has been sought in smaller and more frequent steps.

Debt management has been complicated by the ever-present possibility that borrowing authority would be used up before the next supply bill. It is the Government's intention, I may say, to revert to the earlier practice of seeking borrowing authority only once or twice each year.

In view of the large annual sale of Canada Savings Bonds which takes place in the early fall, other borrowings which stem from the normal cash requirements of the Government, and the unknown course of the exchange fund needs, it is considered desirable at this time to request authority for $1½ billion.

Honourable senators, I have nothing further to say except to express once again to all senators who have taken part in the debate my thanks for the information which has been given. As I said at the beginning, I feel that we have spent a very useful hour and half.

Motion agreed to and bill read second time.

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

Hon. Mr. Macdonald (Brantford) moved that bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Report on the Department of Transport Air Services Needs (1962-1972) entitled: "Canada in the Jet Age". (English and French texts).

BOUCHERVILLE ISLANDS BRIDGE AND TUNNEL BILL

FIRST READING

Hon. Mr. Macdonald (Brantford) presented Bill S-16, to authorize the construction and

maintenance of a bridge and tunnel across the St. Lawrence river at the Boucherville Islands, in the province of Quebec.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

PRIVATE BILLS

CONFEDERATION LIFE ASSOCIATION—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-9, respecting Confederation Life Association.

He said: Honourable senators, the purpose of this bill is to change the existing name in French of Confederation Life Association to *La Confédération, Compagnie d'Assurance-Vie*. The making of such a change has been approved, both in this chamber and by Parliament, in the case of a number of similar bills in the past, and in particular in the case of a bill identical to the one that is now before us.

Bill S-24, which was introduced in the Senate at the last and only session of the previous Parliament, received first and second readings and was referred to our Banking and Commerce Committee. It was reported by that committee without amendment on that fateful day February 6, and before the report of the committee could reach the Senate Parliament was dissolved. Therefore, it is necessary to reintroduce the bill.

On the motion for second reading of Bill S-24 on January 30 last, I did say something about the company. Without dealing with the present bill at the same length, I shall briefly give some facts about Confederation Life Association.

It is one of the oldest and most respected of our Canadian life insurance companies. It was incorporated in 1871, some four years after Confederation, and no doubt that fact had something to do with the choice of name. The company also had some other links with Confederation, since its first president was Sir Francis Hincks, who was Minister of Finance under Sir John A. Macdonald. Sir William P. Howland was vice-president of the company at its founding. It is the fourth oldest Canadian life insurance company and the first one to be established in Toronto. It was founded by John Kay Macdonald, who served the company as managing director and president for the remarkably long period of fifty-seven years. His son, Mr. C. S. Macdonald, became president; and the current president is Mr. John K. Macdonald, grandson of the founder.

The company is just completing mutualization. Over 97 per cent of its shares have been bought in by the company, so that it will be completely mutualized, I think, by the end of this year. The entire board of directors is comprised of policyholders. The company does business throughout the whole of Canada, and has been doing business in Quebec since it was incorporated. At the present time 23 per cent of its business is in Quebec and 21 per cent of its policies have been issued in the French language.

The name of the company in French at the present time is derived from the French translation of the original statute of incorporation of 1871. The French translation in that statute named the company as *Association d'Assurance sur la vie dite de la Confédération*. That is a long and awkward name and one which is not practical for the company to use. The company therefore asks that the name be changed to what I think is the more appropriate one, *La Confédération, Compagnie d'Assurance-Vie*.

Honourable senators, as I have said, such a change in name has been approved by this house and by Parliament in the case of other companies, nevertheless I think it is only proper for me to suggest that if the bill receive second reading today it should be referred to the Banking and Commerce Committee, in view of the fact that the committee's report in the case of Bill S-24 did not reach this chamber before Parliament dissolved last February.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

THE GREAT-WEST LIFE ASSURANCE COMPANY —SECOND READING

Hon. J. Campbell Haig moved the second reading of Bill S-10, respecting The Great-West Life Assurance Company.

He said: Honourable senators, this is a simple bill. Its purpose is to add a French name to the English name of the company.

It is probably of interest to this house to know that the company was formed in the year 1891, and issued its first policy on August 18, 1892. The head office of the company has always been situated in the city of Winnipeg.

Within five years of its incorporation, The Great-West Life Assurance Company was represented in every province of Canada, and by 1907 it had offices in every province. It is also licensed in twenty-three states of the United States of America.

The company is managed by a board of directors of eighteen members, all of whom are Canadians but one, who is an American.

May I inform the house that the Honourable Senator Crerar of Winnipeg, whose designation in this house is Churchill, is a director of this company and has the longest record of service among the present directors.

With regard to the province of Quebec, this company opened its first branch office in that province in the year 1896 and now has some eleven offices and 200 agents and employees there. The company has about $600 million of its business in force in that province. To indicate the extent of its business there I may say that in 1961 the premium income from Quebec amounted to $16 million; furthermore, in the same year the company made investments of some $20 million in that province.

Honourable senators, by way of summary I cannot do better than to read from a memorandum given to me by some of the officials of that company:

> The company has long used the French language extensively in Quebec. This applies not only to such printed matter as notices, reports, correspondence, sales promotion literature and so on, but also to its contracts of insurance and annuities. The company maintains a separate department at its head office to prepare this material in French, but, of necessity, the one item which does not appear in French is the name of the company. The Great-West Life is seeking approval of this bill in order to remedy that situation, and in so doing, enable its large French-speaking organization and policyholders to use a French version of the corporate name rather than requiring them to use the English name.

Honourable senators, if this bill receives second reading, as I trust it will, I shall move to refer it to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

STANDARD TRUST COMPANY—SECOND READING

Hon. Lionel Choquette moved the second reading of Bill S-13, to incorporate Standard Trust Company.

He said: Honourable senators, this is another bill which was given first, second and third readings in this house last session. It was referred to the Standing Committee on Banking and Commerce, and the report of that committee was adopted.

Unfortunately, however, the bill did not pass the other place.

On December 19, 1962, this bill was fully explained and given second reading in this house. The explanation appears in Senate *Hansard* of that date, at page 484. I might, however, give honourable senators a brief explanation as to why a similar bill sponsored by the late Senator Brunt in 1959 has to come before Parliament again. The company had to apply again to Parliament because subsequent to 1959 it had failed to conform with section 13(4) of the Trust Company's Act, Revised Statutes of Canada 1952, chapter 272, which states:

> No certificate under this section shall be given unless application therefor is made within two years after the passing of the company's act of incorporation, or within such extended period not exceeding one year as the Governor in Council before the expiration of such two years allows.

Following the expiration of two years the company applied for and was granted an extension of one year, but it was required to open its doors sometime prior to July 18, 1962. Failure to do so because it could not secure proper management by that date made this re-application necessary.

I am told that the company now possesses the requisite capital. The petition is exactly the same as the 1959 one except that in that petition the company sought approval for an authorized capital stock of $3 million, which could be increased to $5 million, whereas in this petition it asks for the whole $5 million.

The 1959 bill was passed by both Houses of Parliament and became an Act of Parliament on July 18, 1959.

That, honourable senators, explains why a new application has to be made on behalf of this company.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

CANADA PERMANENT TORONTO GENERAL TRUST COMPANY—SECOND READING

Hon. Mr. Choquette moved second reading of Bill S-14, respecting Canada Permanent Toronto General Trust Company.

He said: Honourable senators, the explanatory note to Bill S-14 is very clear: the sole purpose is to change the name of the company in English and in French. I introduced a similar bill—Bill S-23—in the Senate last session, and it received second reading on January 30, 1963. The full explanation appears in Senate *Hansard* of that date, at page 552. That bill and the one before us today, known as Bill S-14, contain the same provisions.

The English name of the company is Canada Permanent Toronto General Trust Company, and in French *Compagnie de Fiducie Canada Permanent Toronto General.* The company has realized that this name is too cumbersome, that people are now fully aware that there was an amalgamation of The Toronto General Trusts Corporation and Canada Permanent Mortgage Corporation, and it now asks leave to use the following names: in English, Canada Permanent Trust Company; and, in French, *La Canada Permanent, Compagnie de Fiducie.*

The bill last session was given first and second readings, was referred to committee, and was reported out of committee with just one change. Instead of spelling "compagnie" with a small "c", it was agreed to follow the practice in the case of this and similar bills that had been passed of using a capital "c". That was the report of the committee, but the bill never went to the other house.

Hon. Mr. Hugessen: As a matter of interest, why does this bill contain the provision in its last clause that the act should come into force on the thirtieth day after the passing of this bill?

Hon. Mr. Choquette: That was explained at the time I introduced the bill during the last Parliament:

> In view of the company's relationship to Canada Permanent Mortgage Corporation, it is felt that a short name similar to that of the parent company would be appropriate and desirable for purposes of advertising and general convenience. Both the French and English names are stated in the bill, and it is my understanding that there will be a period of 30 days after the passing of this bill before it comes into force in order to give the company time to adjust its letterhead and to do all other things connected with the new names.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, before moving the adjournment of the house, I think I should let honourable senators know what I expect to be the business of the house tomorrow, because I am anxious that honourable senators should not be taken by surprise when they come into the house. I believe it advisable, wherever possible, to intimate the day before what the following day's business is likely to be.

I would appreciate it if we could proceed with item No. 9 on today's Order Paper, intituled:

> An Act to amend the Export and Import Permits Act.

The honourable Senator Hugessen will be introducing that bill.

I understand from Senator Croll that he wishes to proceed with item No. 8 on today's Order Paper, intituled:

> An Act to make Provision for the Disclosure of Information in respect of Finance Charges.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 5, 1963

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

Prayers.

PRIVATE BILLS

CHARTERED TRUST COMPANY—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-17, respecting Chartered Trust Company.

Bill read first time.

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

Motion agreed to.

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—FIRST READING

Hon. Harry A. Willis presented Bill S-18, to incorporate Baptist Convention of Ontario and Quebec.

Bill read first time.

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

THE UNION OF SLAVIC CHURCHES OF EVANGELICAL CHRISTIANS AND BAPTISTS OF CANADA—FIRST READING

Hon. Mr. Willis presented Bill S-19, to incorporate the Union of Slavic Churches of Evangelical Christians and Baptists of Canada.

Bill read first time.

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

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Copy of Order in Council P.C. 1963-843, dated May 30, 1963, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the sale of pulp mill equipment from various Canadian suppliers and related project engineering services from H. A. Simons (International) Ltd., Vancouver, B.C., to *Compania Manufacturera de Papeles y Cartones* S.A., Santiago, Chile, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended by chapter 33, Statutes of Canada, 1960-61. (English text).

Statement of moneys received and disbursed in the Special Account (Replacement of Materiel), for the year ended March 31, 1963, pursuant to section 11(4) of the National Defence Act, chapter 184, R.S.C., 1952. (English text).

Statement on the standing and transactions of the Canadian Forces Superannuation Account as at March 31, 1963, together with a statement of annuities, annual allowances, cash termination allowances, and return of contributions, for the year ended March 31, 1963, pursuant to section 26 of the Canadian Forces Superannuation Act, chapter 21, Statutes of Canada, 1959. (English text).

PRIVATE BILL

THE PHARMACY EXAMINING BOARD OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Clarence J. Veniot, Chairman of the Standing Committee on Public Health and Welfare, presented the following report:

The Standing Committee on Public Health and Welfare to whom was referred the Bill S-7 intituled: "An Act to incorporate The Pharmacy Examining Board of Canada", have in obedience to the order of reference of May 30, 1963, examined the said bill and now report the same without any amendment.

A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.

Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Veniot: With leave, now.

Report adopted.

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

Hon. Mr. Kinley moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

NORTH ATLANTIC TREATY ORGANIZATION

INQUIRY RE MEMBER NATIONS—ANSWERED

Hon. W. Ross Macdonald: On May 22 last Senator Pouliot asked the following three-part question:

First: What are the member countries of the North Atlantic Treaty Organization?

Secondly: What has Canada done for each of those countries since the creation of that organization?

Thirdly: What has each of those countries done for Canada since the creation of that organization?

I now have the answer to the inquiry and would ask that it be placed on *Hansard*.

Hon. Senators: Agreed.

Hon. Mr. Macdonald (Brantford): The text of the reply follows:

(1) Apart from Canada, the members of the North Atlantic Treaty Organization are:

Belgium	Luxembourg
Denmark	Netherlands
France	Norway
Germany	Portugal
Greece	Turkey
Iceland	United Kingdom
Italy	United States

(2) As part of her contribution to the North Atlantic Alliance, Canada has made direct donations of military equipment and supplies to various members of the Alliance under her Mutual Aid Program which began in 1950-51. The approximate value of this direct assistance up to the end of the fiscal year 1961-62 was as follows:

	million		million
Belgium	—$115.0	Luxembourg	—$ 1.6
Denmark	—$ 43.0	Netherlands	—$106.0
France	—$128.5	Norway	—$ 34.5
Germany	—$ 46.0	Portugal	—$ 82.0
Greece	—$ 87.5	Turkey	—$156.0
Italy	—$185.0	United Kingdom	—$170.5

(3) It is the Canadian view that the defence of the NATO area is vital to the defence of Canada. All members of the Alliance contribute in one form or another to the defensive strength of NATO and, in so doing, make a contribution to the defence of Canada.

(Translation):

UNITED NATIONS ORGANIZATION

INQUIRY WITH RESPECT TO MEMBER NATIONS

Hon. Jean-François Pouliot: I wish to thank the Leader of the Government for his reply.

I have another question to ask, which is as follows: What countries signed the United Nations charter? That is the first question.

Secondly: Since 1945, what has Canada done (a) for each of those countries as well as (b) for the United Nations Organization?

Thirdly: During the same period, what has each of those countries done for Canada?

(Text):

NORTH PACIFIC FISHING RIGHTS

CORRECTION OF STATEMENT

On the Orders of the Day:

Hon. Thomas Reid: Honourable senators, before the Orders of the Day are proceeded with, may I have the privilege of correcting a statement I made on May 30 in reply to a question asked by honourable Senator Isnor.

The debate is reported at page 55 of *Hansard* as follows:

> Hon. Mr. ISNOR: May I just ask one question of Senator Reid? What was the date of the last agreement between the United States, Japan and Canada regarding fishing rights in the Pacific Ocean?
>
> Hon. Mr. REID: Do you mean in the North Pacific?
>
> Hon. Mr. ISNOR: Yes.
>
> Hon. Mr. REID: I think the North Pacific pact was signed in 1958.
>
> Hon. Mr. ISNOR: For a period of how long?
>
> Hon. Mr. REID: The North Pacific pact stipulated no period of years. Like the life of the commission on which I serve, there is no specified period of years. It is just set up...

This morning I received a communication from Mr. Roger Hager of the Canadian Fishing Company Limited, who is also a member of the Commission. My statement to Senator Isnor should be corrected in accordance with the information received from Mr. Hager. In his letter to me he says:

> The International North Pacific Fisheries Commission was ratified and came into being June, 1953, just ten years ago, and was negotiated for a ten-year period with the proviso that any one of the three contracting parties could give notice by June 12th, 1963 that they wished to terminate the treaty in a further twelve-month period.
>
> You undoubtedly know that several of us are going to Washington, D.C. this week to meet with the Japanese and

Americans on the future of this treaty. I am led to believe that the Japanese wish to have some kind of a treaty with the Americans and ourselves but are bitterly opposed to continuation of the abstention principle, and this of course we think is a dire necessity if we are to preserve our salmon stocks for Canadian and American fishermen, canners, etc. However, each country will probably state its position in Washington over the next three weeks, and then of course it will be up to our External Affairs Department, the American State Department, and the Japanese Foreign Office to negotiate an amended or entirely new treaty.

Hon. Mr. Isnor: Thank you.

APPROPRIATION BILL No. 1, 1963

THIRD READING

Hon. W. Ross Macdonald moved the third reading of Bill C-69, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Hon. A. K. Hugessen: Honourable senators, I hope the house will excuse me for offering a few remarks on the third reading of this bill. I should not have done so had it not been for certain observations that were made on the debate on second reading yesterday afternoon when my honourable friend, Senator McCutcheon, paid me the compliment of quoting from remarks I made in this house last December, suggesting that the estimates for the year be referred to the Standing Committee on Finance, and also certain observations in reply made by my honourable leader (Hon. Mr. Macdonald, Brantford) when he was closing the debate.

I made that suggestion last December when I was speaking from the other side of the house; and I want to assure my honourable friend, Senator McCutcheon, that I do not say one thing when I am sitting on one side of the house and another when I am sitting on the other side. I said last December, and I repeat now, that I think it would be extremely desirable in the interests of this house if the estimates were to be submitted each year, as soon as they are received by us, to our Standing Committee on Finance. The interesting discussion that took place yesterday afternoon on this particular bill, which asks for interim supply in an amount of, I believe, $1¼ billion, rather reinforced the argument that I made last December.

What was the basic problem that was worrying honourable senators yesterday afternoon? Surely it was this, that here we had a demand, an urgent demand, for an immense sum of money in the interim supply bill based entirely upon estimates, and we had not had a chance to consider what the estimates were all about or what the money was needed for. I think that rather indicates the present procedure that we adopt in this chamber with regard to the estimates.

We have no committee dealing with the estimates. At the beginning of the session each of us receives the estimates, this large volume of about 400 pages detailing the proposed expenditures for the current year. I do not know what other honourable senators do, but I must confess very frankly that I do not pay much attention to the document. I suppose if I were really a conscientious member of the Senate I would look through every page very carefully and then be in a position to determine for myself whether and to what extent the proposed expenses for the year were justified. But what I do when I receive these estimates—and I imagine this is what most other honourable senators do—is first of all look at the two summary pages at the beginning, giving the breakdown of expenses by departments and the increases or decreases for the year. Then I turn to this valuable compendium of standard objects which appears at the back of the book, and then perhaps I look at the estimates of one or two departments which particularly concern me, and that is it. I suggest that perhaps that is the normal procedure of honourable senators when they have these estimates placed before them.

Now I suggest, honourable senators, that being so, when in due course we come to an interim supply bill asking for one-twelth, or one-sixth, or whatever it may be, of the estimates for the current year, with that kind of very perfunctory examination made in our own offices we cannot conscientiously say we have any substantial knowledge of the Government expenditures which we are being asked to vote.

I think that situation would be largely remedied if as soon as the estimates were produced in each session they were referred by this house to the Standing Committee on Finance.

Of course it would be quite impossible for the Standing Committee on Finance to conduct any detailed examination of this enormous volume, but it could do work of considerable importance. I should think that the Finance Committee when it meets would begin by considering this general summary at the beginning of the estimates, paying particular attention to those departments which show large increases or decreases of expenditure. Then it would go over the estimates of each individual department—some

of them might take only a minute or two—paying particular attention to those in which there are large increases or large decreases proposed for the year. That being done, and having made any observations which might occur to them in the course of their examination, they could report back to this house telling us what the difference was between the amounts proposed to be expended this year and those which were expended last year, and the reasons in a general way for the increase or the decrease.

I suggest to honourable senators that with a report of that kind in our possession we would feel much more able conscientiously to vote for the bills for interim supply when they come to us every month or every two months during the session, knowing that our Standing Committee on Finance has conducted at least a general examination of the estimates and found nothing irregular.

There are other things which I think the Finance Committee could well do in that connection. A number of honourable senators may often have questions of particular interest to themselves with reference to specific items that appear in the estimates, and I suggest that the committee might issue an invitation to all honourable senators to attend one of its meetings. Honourable senators know, of course, that they are all free to attend the meetings of any committee and to ask questions. They could be invited to come to a meeting of the Finance Committee with any particular questions that occur to them with respect to a specific item or items, and the committee would endeavour to obtain the information for them.

That being so, having conducted a general inquiry along these lines, I think this house would feel much happier in voting interim supply from time to time than it does today, and the complaint that was made so cogently yesterday, of being rushed and hurried into voting interim supply, would disappear because the committee would have examined the estimates upon which the interim supply bill had been based.

I think also that the Standing Committee on Finance could go a bit further than that, and in some other directions. I think it would be a good thing if it were to adopt the system which I understand is followed in England, where every year a substantially similar committee examines in detail the estimates of one or two departments of Government. Such an examination by the Standing Committee on Finance of the Senate would be valuable. It was done on one or two occasions when the honourable Senator Crerar was chairman of the committee, and my experience was that it was a good thing because the senior officials and the deputy ministers of the departments under examination rather welcomed the opportunity of appearing before the Senate committee and telling us what they were doing and what their various activities were. It seems to me to be a rather interesting and effective sort of liaison, if I may put it that way, between the executive branch of Government, represented by these officials, and the legislative branch of Government, represented by this Parliament.

The suggestion that I have made, that these estimates be referred to the Finance Committee, under the existing circumstances would require, of course, an active committee with an active chairman. I am given to understand that the Finance Committee has not in fact met for about three years. One cannot blame the chairman of that committee, because nothing has been referred to his committee for consideration. But, honourable senators, I do make this general observation: I do not think it is consistent with the dignity of this Senate for us to appoint committees with high-sounding titles and then give them nothing to do.

It is most unfortunate that the present chairman of the Standing Committee on Finance is ill, and I am told that it is unlikely he will be back this session. Should my suggestion be adopted and the estimates be referred to the Finance Committee, it would be necessary either to appoint a new chairman or an acting chairman to undertake the work to which I have referred.

In that connection two suggestions occur to me. The first is this: when we are considering Government expenditures it might be well if this house were to adopt the policy that was adopted by the last Government in the House of Commons in connection with the public accounts, when it appointed a member of the Opposition as chairman of the Public Accounts Committee. That, I understand, is the policy that is always adopted in England, where they have committees of Parliament dealing with proposed Government expenditures. I understand it is invariably the case that the chairman of the committee is chosen from the Opposition side of the house.

One further suggestion occurs to me in that connection: if the estimates are to be referred to the Standing Committee on Finance, and if the acting chairman of that committee is to be a member on the Opposition side of the house, I can think of no more appropriate member to act in that capacity than the honourable Senator McCutcheon.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: He has the widest and the broadest experience in matters of finance and industry. He has been a member of the

Government, and he knows the situation from the point of view of the executive, the cabinet. In that capacity I am sure the honourable senator would perform a distinct service, not only to the Senate but to the people of Canada.

Honourable senators, I repeat my apology for intervening at this stage, but I do think that if we adopt some such suggestion we will not only be doing good to ourselves but we will be performing better and more adequately the functions for which the people of Canada have sent us here

Hon. W. Ross Macdonald: Honourable senators, I am sure we are all indebted to the honourable Senator Hugessen for his suggestion. It seems to me to be a very good one, and I believe it would meet with the approval of this house. Of course, I observed that the suggestion to appoint a chairman from the Opposition side of the house met with unanimous approval from my honourable friends opposite.

Hon. Mr. McCutcheon: No, no, Mr. Leader; I must correct you on that.

Hon. Mr. Macdonald (Brantford): I should say that one member abstained from voting. However, it is an excellent suggestion; it is surely worthy of our deepest consideration, and I am indebted to Senator Hugessen for bringing it forward. I know of the work that has been done in the past by the Standing Committee on Finance, and I see no reason why similar good work should not be done in the future.

Referring to the debate yesterday, I neglected to answer a question asked by the honourable Senator Hollett from Newfoundland. He said that he found nothing in the estimates in connection with the Speech from the Throne. Of course there is nothing in the estimates with respect to the Speech from the Throne. The Speech from the Throne is a forecast of what the Government proposes to do. There has been no money spent yet on what is contained in the Speech from the Throne. These estimates are what the Government considers will be required to carry out the legislation which is already on the statute books; so there can be no relationship between what is in the Speech from the Throne and what is in these estimates.

Apart from that, honourable senators, I think we covered all the questions that came forward yesterday, and I have nothing further to say at this time.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa

5th June, 1963

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General will proceed to the Senate Chamber today, the 5th June, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—ORDER STANDS

Resuming the debate on the motion of the Honourable Senator Lefrançois, seconded by the Honourable Senator Taylor (Westmorland), for an Address to His Excellency the Governor General in reply to the Speech from the Throne delivered by His Excellency the Administrator at the opening of the Session.—(Honourable Senator Inman).

Hon. Mrs. Inman: Stand.

Hon. Mr. Macdonald (Brantford): I should like to state at this time that the honourable Senator Inman has consented to allow this matter to stand. Would it meet with the favour of the house that it appear as the first item of business tomorrow?

Hon. Senators: Agreed.

Order stands.

PRIVATE BILL

QUEBEC FIRE ASSURANCE COMPANY—SECOND READING

Hon. Cyrille Vaillancourt moved the second reading of Bill S-8, respecting Quebec Fire Assurance Company.

He said: Honourable senators, this bill is very simple. A similar bill was passed at the last session of the Senate but the dissolution

of Parliament rendered it necessary to bring this bill before the Senate at this time. The purpose of the bill is to change the name in English and in French, and to increase the capital of the company from one-quarter of a million dollars to $900 million.

Hon. Mr. Macdonald (Brantford): Nine hundred million?

Hon. Mr. Vaillancourt: I am sorry. It should be $900,000—from a quarter of a million to nine hundred thousand.

This increase in the share capital has been recommended by the Superintendent of Insurance.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. David A. Croll moved the second reading of Bill S-6, to make provision for the disclosure of information in respect of finance charges.

He said: Honourable senators, this is the fifth occasion on which I have moved the second reading of a bill similar to Bill S-6. I make no apology for my perseverance, although it might appear that I am creating some kind of record so far as this chamber is concerned. However, I recall that the late Senator Euler persevered in his efforts on behalf of margarine, which efforts were in the end crowned with success. I should also like to quote the words of Shakespeare when he wrote:

> An enterprise, when fairly once begun, should not be left till all that ought is won.

This bill is in identical terms with the bill I introduced at the last session. Therefore, it is unnecessary for me to make any extended remarks on this occasion. However, I do make this plea: that as soon as possible the measure be referred to the appropriate committee of this house for detailed examination, for the hearing of witnesses, and for report. The identical bill received second reading—which connotes approval in principle—on previous occasions, and during the last session by unanimous consent.

I am sure that nearly all honourable senators are in sympathy with the principle of the bill and will be anxious to ensure that it reaches the same stage as it did at the last session, without unnecessary delay. It should be possible for the committee's study of the bill to be concluded before the summer adjournment.

I have often expressed my view that the bill is constitutional on the basis that in its pith and substance it is legislation in relation to "Interest" as that word appears in Head 19 of Section 91 of the British North America Act, 1867. Others have expressed some fears or doubts about this.

As honourable senators know, the Court of Appeal of Ontario has declared the Unconscionable Transactions Act of that province beyond the scope of provincial legislative power, on the basis that in pith and substance it is legislation in respect of interest. The relevance of the unanimous judgment of the Ontario Court of Appeal to the constitutionality of Bill S-6 will be obvious to all honourable senators. That decision is now under appeal to the Supreme Court of Canada.

I have already indicated my willingness, if the standing committee thinks it desirable, to support the inclusion of a clause deferring the coming into force of the bill until the Supreme Court of Canada has passed on the constitutionality of its main provisions. I do not see how I could be any fairer than that.

As for further improvements or refinements in the bill which honourable senators may think advisable, may I say that I know of no body more qualified to deal with such matters than the appropriate committee of the Senate. That committee will have the advantage of hearing witnesses and arguments pro and con, and will be able to ascertain "who is afraid of the big bad truth".

I commend the new senators who may be unfamiliar with the proposed bill, if that is conceivable, to the preamble, and to the explanatory notes which read as follows:

> The sole purpose of this bill is to require every person who carries on the business of extending consumer credit to disclose in writing to the consumer of such credit the total cost thereof, expressed both as a lump sum and in terms of simple annual interest.
>
> The bill is restricted to the field of consumer credit and has no application to cash loans, mortgages on real estate, etc.
>
> No criminal liability would flow from non-compliance with the bill but in the event of non-disclosure a credit financier would be unable to recover or retain any finance charges whatever on any unpaid balance in respect of which he has extended credit.

I also draw the attention of new senators to the extended remarks I made in this chamber on November 1 of last year, which appear in *The Debates of the Senate* for the session

of 1962-63, and in particular to page 191 where I said:

> This bill constitutes an important first step in the protection of consumers of retail credit. It is based on the premise that if people knew what they were being charged they would be less likely to make instalment purchases which would leave them hard up or destitute, and at the very least, would enable them to shop intelligently for credit.
>
> Why do people enter into these instalment arrangements often at grave risk to the financial security of themselves and their families? It is easy to say, "Charge it", sign a piece of paper, and walk away with the merchandise. It is easy to avoid finding out what the finance charges are, not having to face up to them immediately. The sole purpose of this bill is to require credit financiers to tell the truth about these charges. In too many cases the consumer is misled into paying a higher price for credit than he has been led to expect, and indeed a higher price than he can afford.

And further:

> Honourable senators, this bill does not attempt to set a ceiling on finance charges. Perhaps it should, as does the Small Loans Act in respect of cash loans. What it does do is protect the innocent, the unwary, the ignorant and the unsuspecting by requiring that they be fully and accurately informed of the costs they are incurring. As I remarked on an earlier occasion:
>
> > In this age of credit card mentality the consumer is being sliced up like a piece of cheese and he hardly realizes it.

The growth of consumer credit has been fantastic. There is ample evidence all around us that the bulk of credit supplied to consumers is made available without the consumer having a clear and full knowledge of the alternatives available to him and the cost of each.

Let me try to make it as simple as I can. The law has not kept up with the development of consumer credit. The law has not paralleled the progress in that field. Thus we have—and I can give it to you in capsule form—an anomalous situation which has developed in which the consumer by borrowing money and paying cash is protected by the Small Loans Act, whereas if he finances his acquisition by instalment purchase he has no protection. It is as simple as that. There it is in a nutshell. This bill is an endeavour to set right a situation that has long cried out for some kind of attention.

It is also true that dollar disclosure is not sufficient to allow comparison of credit costs. This bill provides for the disclosure of dollar amounts and simple interest rates, and it is the answer to the proposition that I presented to you. I repeat, because I think it is worth remembering, that the man who borrows money from a loan company and pays cash is protected by the Small Loans Act, whereas the man who goes in and makes an instalment purchase is not protected. This act would protect such a man.

Hon. Mr. Choquette: May I ask my honourable friend a question? Let us assume a young married couple want to buy furniture, and they cannot get credit from the bank. They have no security whatever upon which to borrow from a loan company. If you say to them: "Do you know that after a year and a half you will have paid $150 more than the goods are worth?", they will answer: "So what? We need them, and we cannot borrow the money". I submit that that is the case with respect to eight out of ten users of consumer financing. What does the honourable senator say about that?

Hon. Mr. Croll: All I say to such a couple is: "Good luck to you". As long as they are told the cost in dollars and the interest rate, then it is all right. I am one of those who believe that it is good business for the individual and for the country to have the use of the goods while they are paying for them. All I am asking you to do is to tell such people the truth. When such a man deals with a loan company he knows what he is paying because the amount of interest is limited by the Small Loans Act. Interest at a certain percentage is charged for money up to a certain amount, and the borrower knows exactly what it is. I am asking you to tell the consumer the same truth with respect to consumer financing. It is as simple as that. Let him be the judge. If he does not want to buy then he does not have to, but if he does then he at least has all the information. At the present time the law in that respect is lax. The law has not kept up with the development of consumer credit, and it is about time it did. This bill is a step in that direction.

This measure has been discussed across the country. I think it has captured the attention and the imagination of many Canadians, and I am sure the discussion before the committee will generate a good deal of interest. I seek your endorsement of this bill in principle at a very early date and ask that it be sent on to the appropriate committee.

Yesterday we dealt with four or five bills, and today we dealt with another, all of which were referred to committee during

the last Parliament but did not proceed further because Parliament was dissolved. All I ask is that within a short time—and I am not suggesting that there be no discussion at all on second reading; far from it—this bill be put in the same position as those other bills are at the present time, and that it not be postponed for too long a time.

I suggest that this bill is in the public interest. It is one in which the people who are concerned about this matter want to be heard. I am hopeful that you will give this bill second reading at an early date.

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

EXPORT AND IMPORT PERMITS ACT

BILL TO AMEND—SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill S-3, to amend the Export and Import Permits Act.

He said: Honourable senators, this is a very simple bill. All that it does is to extend for a further period of three years the operation of the present Export and Import Permits Act.

The Export and Import Permits Act was enacted in the first instance in 1954, replacing somewhat similar legislation, and it was provided that it should remain in force for a period of three years.

Since, in effect, it is an act which restricts the trade of Canada, I suppose the Parliament of that day in its wisdom thought it should be in force for only a certain period, and that at the end of three years Parliament should have another chance to look at it.

The act was extended in 1957 for a further period of three years, and again in 1960 for a further period of three years. It will expire on July 31 next, and this bill proposes to extend it to July 31, 1966.

Briefly, the Export and Import Permits Act does three things. First, it gives authority to the Governor in Council to control the export from Canada of strategic materials and military equipment by establishing an export control list. Export of any item on this list can only be made from Canada with a permit, and these controls cover shipments to every destination.

The second thing the act does is provide for the establishment of what is called an area control list. Exports of every kind to any country named in that list can be made only under permit. At the present time, the area subject to this area control list includes all the countries of the Sino-Soviet bloc.

The third thing the act does is provide authority for the Governor in Council to establish an import control list for certain specific purposes, relating particularly to the support of agricultural prices in this country. The import control part is not an important element in the act; as a matter of fact, the only commodities now subject to import control are butter, cheddar cheese, dry skim milk, butterfat and turkeys. That, as I say, is in pursuance of the Agricultural Prices Support legislation provided in various acts passed by Parliament.

Under section 26 of the act, the minister is required to prepare and submit to Parliament each year a report of the operations under the act. The report for the calendar year 1962 has been tabled and is available to honourable senators.

I am told that an attempt is made to minimize inconveniences for exporters of materials under the act; administrative procedures are simplified from time to time through the issue of general export permits and general import permits, which eliminate the necessity for making individual applications with respect to those particular articles; and the closest attention is paid to representations from businessmen and trade associations who seek to simplify procedure. All details regarding individual transactions are treated as strictly confidential.

With respect to the list of strategic materials, which perhaps is the most important feature of the act—strategic materials, military supplies and so on—that list is revised from time to time as conditions require. The object is always to keep the list to the minimum, commensurate with the needs of Canada's safety.

There is machinery for consultation between the nations of the free world, to define what each and all of them regard as strategic materials subject to control. Regular intergovernmental consultations are held with our allies to ensure that there are no differences in control policies and that our fundamental security interests are protected.

If the bill should receive second reading, I would suggest that it be referred to the Standing Committee on Banking and Commerce where honourable senators can make inquiries in detail, if they wish, as to the operation of this legislation.

Hon. M. Wallace McCutcheon: Honourable senators, this bill is in the exact terms of a similar bill introduced in the last session of Parliament in the House of Commons by the Government of that day. On this side of the house we are quite prepared to see it given second reading at this time, on the understanding that it will be referred to the Standing Committee on Banking and Commerce. I think all honourable senators would be interested in having an up-to-date list of restricted materials and restricted areas.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Hugessen: I move, seconded by honourable Senator Lambert, that this bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Macdonald (Brantford): Honourable senators, I can speak only for myself. I am quite in favour of the bill. On this side of the house we have complete freedom and no one can speak on behalf of this side of the house. Therefore, speaking only for myself, I agree with the motion.

Hon. David A. Croll: Honourable senators, I speak in exercise of that freedom, as I have always done without having been told about it. In line with the suggestion made earlier by Senator Hugessen, would it not be a good idea to send some of the bills, which would ordinarily be referred to the Banking and Commerce Committee, to the Finance Committee and let its members get their share of work?

Here is an export-import bill, and if it is to be given a fair and complete hearing it will take up most of a morning in committee. I remember the last time a similar measure was before us the officials from the department presented us with a great deal of information, but we had little time in which to ask questions.

For the most part these private bills are not controversial, and I think some of them might be dealt with in the way I have suggested. However, it is up to the leader to decide.

Hon. Mr. Macdonald (Brantford): Honourable senators, I have expressed myself in favour of the motion and I am not going back on that. If the house would prefer that the bill go to the Finance Committee, I have no objection. However, it has always been the custom, in connection with this legislation, to send the bill to the Banking and Commerce Committee.

Hon. Mr. McCutcheon: It is the proper place.

Hon. Mr. Macdonald (Brantford): In regard to what Senator Croll has said about other bills, it is true that the other day when bills were before us to change the names of insurance companies, and where there was no financial implication, they were sent to the Committee on Banking and Commerce. It occurred to me then that those bills should have gone to the Standing Committee on Miscellaneous Private Bills.

Hon. Mr. Lambert: That is quite right.

Hon. Mr. Macdonald (Brantford): There was a bill before us today to change a name, but there was also a proposal of a large increase—not as large as was stated in the first instance—in the capital structure of the company. I suggest that in future we keep in mind that bills which have no financial implication should be sent to a committee other than Banking and Commerce.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, as to the business for tomorrow, the debate on the Speech from the Throne will be continued. I had hoped that we could proceed with the second reading of Bill S-16, with respect to the Boucherville Islands Bridge and Tunnel; however, we will not have sufficient information to do so. The bill will be handled by Senator Bouffard, and he will be prepared to proceed with it on Monday night.

I notice there is a private bill in the name of Honourable Senator Beaubien (Provencher). Probably he will be proceeding tomorrow with that bill.

In any event, I cannot speak as to private bills, but may I suggest to honourable senators who are interested in private bills that if they would let their Whip know when they propose to proceed with them, the Whip could then inform me, and at the close of business each day I could intimate what bills would likely be considered on the following day.

Hon. Mr. Horner: May I ask if the bridge and tunnel specified in Bill S-16 is part bridge and part tunnel? Are they two different undertakings?

Hon. Mr. Macdonald (Brantford): The title of the bill reads "to authorize the construction and maintenance of a bridge and tunnel...". I take it that there is to be a bridge to the tunnel, that you will go through a tunnel and come out to a bridge. However, I have no specific information on that. Senator Bouffard will have all the information on Tuesday evening.

Hon. Mr. Pouliot: May I ask the Leader of the Government if when the house adjourns tomorrow will it adjourn until Monday or Tuesday of next week?

Hon. Mr. Macdonald (Brantford): At the present time it is expected that the house will adjourn tomorrow until Tuesday evening next. However, I do not like to be too definite with respect to that.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Speaker of the Senate said:

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Robert Taschereau, P.C., Chief Justice of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 6, 1963

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

Prayers.

THE LATE SENATOR RAYMOND

TRIBUTES

Hon. W. Ross Macdonald: Honourable senators, it is with deep sorrow that I rise to pay tribute to our late colleague, Senator Donat Raymond, who passed away late yesterday afternoon at the age of 83. Little did we think when he returned to Montreal last week that we had seen him for the last time.

Senator Raymond was born in Beauharnois county, in the province of Quebec, in 1880, and was educated at Valleyfield College. As a young man he went to Montreal and created for himself a long, varied and successful career as a leading figure in Montreal financial and commercial circles. He also had a deep interest in sports and had a lengthy association with the famous hockey team, the Montreal Canadiens.

Senator Raymond was called to the Senate in December 1926, and for many years he took an active part in the proceedings of this house and its committees. Prior to his death Senator Raymond was dean of this chamber.

Honourable senators, I wish to extend to the family of the late Senator, and especially to Madame Raymond and her four daughters, our heartfelt sympathy and condolences, which will be conveyed in person by the Speaker of the Senate and other senators who will attend the funeral at the Basilica-Cathedral of Mary Queen of the World in Montreal on Saturday morning next.

Hon. Lionel Choquette: Honourable senators, I was not closely associated with the late Senator Donat Raymond, though naturally we all knew him. Senator Raymond was a distinguished son of the Province of Quebec, and he brought to this chamber a fine record of service.

Senator Raymond, dean of the Senate, was a very successful businessman, an active sportsman, and a true gentleman.

I join with the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) in expressing to his widow and four daughters our sincere sympathy, and our appreciation of the honourable service he rendered to Canada as a member of this chamber.

(Translation):

Hon. J.-M. Dessureault: Honourable senators, I concur wholeheartedly in the feelings expressed by the Leader of the Government in this house and the acting Leader of the Opposition, as well as by those of my colleagues who paid an eloquent and richly-deserved tribute to Senator Donat Raymond.

I have lost in the person of Senator Raymond a personal friend and a most valuable colleague for whom I have always had the highest respect and admiration.

He was prominent in the sports, industrial, financial and political circles of Montreal and constantly active in various fields of Canadian life.

He was a founder and former president of the Canadiens hockey team and the Montreal Forum and, until his death, chairman of the board of directors of the General Trust of Canada, of which I was a member for many years. He was also director of many other important companies and he played a leading part in the organization of the Liberal party.

Appointed to the Senate, as mentioned by our leader, on December 20, 1926, he was the only survivor of the Liberal regime prior to the Bennett government.

With the death of Senator Raymond, a great and distinguished figure has passed away. He well deserved his generally recognized reputation of being a gentleman.

In closing I should like to extend to Mrs. Raymond and the members of her family my heartfelt sympathy and my sincere condolences.

Hon. Cyrille Vaillancourt: Honourable senators, may I add a few words to what the previous speakers have already said to express to the Raymond family my deepest sympathy.

I would like to hold up Senator Raymond as a model for our youth. He left his native village, because at the time he was born Beauharnois was a village like mine, and he came to Montreal where he made a name for himself through hard and steady work.

What I noticed most about Senator Raymond was his great courtesy. When we went to him for advice, he was always ready to suggest the solution he thought best for us. Moreover, the great courtesy he always showed brought him success in life to the point where he became one of our best organizers, one of the most important financiers of the city of Montreal, and even one

of our greatest sportsmen. A sporting spirit can lead to many things, especially if we keep in mind the Latin saying:

A sound mind in a sound body.

It follows from that, honourable senators, that he strove to develop a sense of leadership in young people.

May I join with my colleagues in extending to Mrs. Raymond and to their four daughters my heartfelt and deep sympathy.

(Text):

THE SENATE

AIR CONDITIONING OF OFFICES

Hon. Jean-François Pouliot: Honourable senators, I would like to ask the Leader of the Government (Hon. Mr. Macdonald, Brantford) if it would not be possible to do something about air conditioning this building. The temperature in my office is 88 degrees, almost unbearable. I am wondering if there could not be air conditioning units supplied for use by the members of the Senate, as well as general air conditioning for the building. I understand the difficulty of the proposal, but at the present time it is as hot as it could possibly be, and it is most difficult to work in such a temperature.

I draw this to the attention of the honourable gentleman and I hope he will discuss the matter with his colleagues of the cabinet at the first possible opportunity.

Hon. Mr. Macdonald (Brantford): Honourable senators, I shall be pleased to bring the suggestion of the honourable Senator Pouliot to the attention of the Government. I recall that some members have had air conditioning equipment installed in their individual offices. I thought that was what Senator Pouliot had in mind when he rose to speak on the matter, and I was going to suggest that if air conditioning equipment were installed in his office I would be the next to ask for it, for I can assure honourable senators that it is just as hot in my office as in any other office.

I do not know what can be done to relieve the unpleasant conditions, but I shall be pleased to bring the matter to the attention of the Government. The Chairman of our Internal Economy Committee (Hon. Mr. Connolly, Ottawa West) might consider bringing the matter to the attention of that committee.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, June 11, at 8 o'clock in the evening.

Motion agreed to.

PRIVATE BILL

THE PHARMACY EXAMINING BOARD OF CANADA—THIRD READING

Hon. John J. Kinley moved the third reading of Bill S-7, to incorporate The Pharmacy Examining Board of Canada.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, before the Senate adjourns may I give some information on the business for Tuesday night.

I expect we will proceed with item No. 5 on today's Order Paper, being Bill S-16, respecting the construction and maintenance of a bridge and tunnel across the St. Lawrence river at Boucherville Islands. Then if Senator Vaillancourt is ready, we will continue the debate on Bill S-6, being a private member's public bill respecting the disclosure of information in respect of finance charges. Following that we could go on with item No. 7, Bill S-4, to amend the Bankruptcy Act, and, if Senator Inman feels so inclined, she could speak on the debate on the Speech from the Throne.

I cannot say definitely what items will be taken up, but I think we should be prepared to go on with those four I have mentioned.

Honourable senators, I have just received word from the House of Commons, which I am sure will be of interest to all honourable senators, to the effect that the Honourable Mr. Gordon, Minister of Finance, has just announced that the Budget will be brought down on Thursday, June 13, and that the White Paper will be presented on June 11.

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

THE SENATE

Tuesday, June 11, 1963

The Senate met at 8 p.m., Hon. Thomas Vien, Acting Speaker, in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Custodian of Enemy Property, for the year ended December 31, 1962, pursuant to section 3 of The Trading with the Enemy (Transitional Powers) Act, chapter 24, Statutes of Canada, 1947. (English and French texts).

Report of permits issued under the authority of section 8 of the Immigration Act, for the calendar year 1962, pursuant to section 8 (5) of the said act, chapter 325, R.S.C., 1952. (English and French texts).

Budget Papers, 1963-1964, for the information of Parliament, as follows:

Part I—Economic Review of 1962

Part II—A preliminary review of the Government Accounts for the fiscal year ended March 31, 1963.

(English and French texts).

PRIVATE BILLS

CHARTERED TRUST COMPANY—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-17, respecting Chartered Trust Company.

He said: Honourable senators, the purpose of this bill is to increase the authorized capital of the Chartered Trust Company from $2½ million to $10 million. This company was incorporated in 1905, and has had a very distinguished and successful career. Its last increase in capital was granted in 1929, when it was raised to $2½ million.

Under the general Trust Companies Act there is a limit on the amount of money that a trust company may borrow or of which it may guarantee the repayment, and that limit is 12½ times the paid-up capital of the trust company and its unimpaired reserve. The Chartered Trust Company has been expanding rapidly, and is approaching the time when it will exceed the limitation imposed by the Trust Companies Act; therefore, this bill is brought forward so that the authorized capital may be increased and the company may then proceed with its expansion in its borrowings by way of deposits and guaranteed receipts.

There is a slight error in the explanatory note to which I should call your attention. The note says that the purpose of this bill is to increase the capital stock of the company from $2,500,000 divided into 25,000 shares of $100 each, to $10 million divided into one million shares of $10 each.

The error is as to the present capital stock of the company, which is 250,000 shares of $10 each. In other words, the shares have already been divided. Instead of 25,000 of $100 each, it is 250,000 shares of $10 each. That mistake does not affect the bill itself, and the explanatory note will be corrected, I understand, on the next printing.

If the bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce. Mr. MacGregor, Superintendent of Insurance, and representatives of the company will be present in committee to answer any questions in connection with the bill.

I may say that other federally incorporated trust companies have had their authorized capital stock increased to $10 million.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—SECOND READING

Hon. Harry A. Willis moved the second reading of Bill S-18, to incorporate Baptist Convention of Ontario and Quebec.

He said: Honourable senators, this is the second time that I have risen in this Chamber to introduce a bill respecting the Baptist Convention of Ontario and Quebec, and I feel that in doing so I should have a text for my sermon. However, I am not going to bother you with that.

I would repeat what I said on November 21, 1962, that in 1889 the Baptist Convention of Ontario and Quebec came to this Parliament and obtained an act permitting them to carry on in those two provinces. That act gave them power to set up certain boards. They now have eight different boards which are sometimes conflicting, sometimes functioning parallel, and often causing confusion for everyone.

This Convention met in June 1958 and decided to set up a committee to examine the whole matter. As a result, in 1962 a motion was adopted to the effect that the present bill be brought before Parliament for enactment.

All that the bill provides for is the doing away with these eight different boards and the setting up of one corporation, to be an umbrella under which all the functions of the present boards will be carried on.

With that explanation, honourable senators, I, as a Baptist, ask that this bill be passed. If it is given second reading I will immediately move that it be referred to the Standing Committee on Miscellaneous Private Bills.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Willis, bill referred to the Standing Committee on Miscellaneous Private Bills.

BOUCHERVILLE ISLANDS BRIDGE AND TUNNEL BILL

SECOND READING—DEBATE ADJOURNED

Hon. Paul H. Bouffard moved the second reading of Bill S-16, to authorize the construction and maintenance of a bridge and tunnel across the St. Lawrence River at the Boucherville Islands, in the province of Quebec.

He said: Honourable senators, in the province of Quebec the Trans-Canada Highway runs along the south shore of the St. Lawrence River. As it approaches Montreal it becomes necessary to build a bridge and tunnel across the St. Lawrence River in order to reach Metropolitan Boulevard. The federal Government is to contribute part of the cost of building the proposed bridge and tunnel.

The bridge will start at the city of Jacques Cartier, near Montreal, and will extend to Charron island, which is not exactly in the middle of the St. Lawrence River, but is about 1,500 feet from the city of Jacques Cartier. From Charron Island there will be constructed a tunnel of about 4,700 feet, or nearly a mile in length, leading to the south shore of the river.

As this construction might affect the navigation of the St. Lawrence River, it is necessary for the province of Quebec to obtain the consent and authorization of the federal Government. The purpose of this bill is to give the province of Quebec authority to build the bridge and tunnel across the St. Lawrence River according to the regulations that have been put into force by the Governor in Council, and any regulations that may have to be put into force, to ensure that navigation will not be affected on the river.

I may briefly cite chapter 193 of the Revised Statutes of Canada, 1952 concerning the protection of navigable waters. That act requires approval of all plans for work to be done over or under any navigable river. When the St. Lawrence River is involved, approval of such plans is always granted by the passage of legislation by Parliament, presumably because of the importance of that river for navigation. That was done two years ago in the case of the Three Rivers bridge, and also in the case of the Island of Orleans bridge, built in 1932 or 1933. On both occasions a bill was passed by the federal Parliament authorizing the construction of the bridge, by the province in the case of the Orleans bridge, and by the city of Three Rivers in the case of the bridge at that city. This work is done according to regulations put into force from time to time by the Governor in Council. That is the only purpose of the law.

It may not be necessary to have legislation concerning the construction of the tunnel. It is necessary to have that highway completed and both the bridge and tunnel constructed for the Montreal World's Fair in 1967. The completion of this work is an undertaking of such considerable magnitude and urgency that, in order to obviate any doubt whatever, it was decided to request authority for both the tunnel and bridge in the same bill. That is why clause 2 refers to the bridge and clause 3 refers to the tunnel.

As to the plans and drawings, they too have to be approved by the Government before the work can commence. The Government may also prescribe regulations concerning the building of the bridge and tunnel so that navigation on the St. Lawrence will not be affected.

If the bill receives second reading it is proposed that it be sent to the Standing Committee on Transport and Communications where any explanations or information required by honourable senators as to engineering work or other matters as to the urgency of completion will be made available. The bridge and the tunnel will each have six traffic lanes.

Hon. Mr. Macdonald (Brantford): Is there any financial obligation on the part of the federal Government in connection with this undertaking?

Hon. Mr. Bouffard: Not at all, except that the federal Government, since this project is part of the Trans-Canada Highway, will make a contribution for two traffic lanes on the bridge and in the tunnel. As the Trans-Canada Highway is a two-lane highway the federal Government will, according to the agreement, contribute to the construction of two lanes on the bridge and through the tunnel. The rest will be borne by the province.

Hon. Mr. Roebuck: May I ask if the requirement that the plans be approved by the Government is expressed in the bill?

Hon. Mr. Bouffard: Yes. Clause 4 of the bill provides:

> The bridge and tunnel described in sections 2 and 3 respectively and the works ancillary thereto shall be constructed and maintained in accordance

with and subject to such regulations for the safeguarding of navigation of the St. Lawrence River as the Governor in Council may prescribe, and, for that purpose, the province shall, prior to the commencement of construction of the bridge, tunnel or ancillary works, submit to the Governor in Council for examination and approval plans and drawings thereof and a map of their proposed locations, indicating accurately all relevant soundings and showing the bed of the stream and the location of all other bridges in the area, and furnish to the Governor in Council such other information as is required for a full and satisfactory understanding of the project.

Hon. A. J. Brooks: Honourable senators, I wish to make just a few remarks at the present time. This, of course, is a very important project, because both the bridge and tunnel will form part of the Trans-Canada Highway. I am sure we all appreciate the explanation that the honourable Senator Bouffard has given. Yesterday I travelled over that portion of the Trans-Canada Highway between Quebec and Montreal, and I was amazed to see the tremendous amount of work that is being done at the present time.

Senator Roebuck has asked if it is necessary to have an agreement with the federal Government as to the plans. The answer to that question is that it is always necessary to have such an agreement when bridges are built over navigable rivers.

I would like to ask the honourable senator if he knows how much the federal Government is to contribute towards the construction cost. He spoke of two lanes on the bridge and in the tunnel for which the federal Government will be responsible.

Hon. Mr. Bouffard: Yes.

Hon. Mr. Brooks: In my own province of New Brunswick when the Trans-Canada Highway crossed the river at Fredericton the federal Government contributed 90 per cent of the cost of the bridge. I have noticed many remarks in recent months to the effect that the Government has stated it would contribute 90 per cent of the construction costs of the uncompleted portions of the Trans-Canada Highway. I wonder if there is such a provision in the agreement between the province of Quebec and the federal Government.

Hon. Mr. Bouffard: It would be impossible for me to give you that information. It is in accordance with the contract that exists between the Government of the province of Quebec and the federal Government, which is similar to contracts with all other provinces with respect to the contribution made by the federal Government towards the cost of the highway. I know that lately the law has been amended and the federal Government now makes a contribution of 90 per cent of the cost of a certain portion of the road, but it is a very small portion. I think it is only 10 per cent of the highway cost to which it may contribute 90 per cent. The rest of the highway is on a 50-50 basis.

Hon. Mr. Brooks: Of course, we cannot determine it now, but to me it seems very unfair that the provinces which have almost completed their portions of the Trans-Canada Highway should be paid under the old agreements, and the provinces that have not completed as much as 50 per cent should receive special consideration under a new agreement. However, that matter does not arise particularly with respect to this bill.

Hon. Mr. Bouffard: I think the only place where you could get that information would be in committee.

Hon. Mr. Brooks: Yes. I think we should have that information. As I say, this is important, and I would like to move that this debate be adjourned until tomorrow when perhaps some other senators from Quebec who are interested in this matter will have something to say.

Hon. Austin C. Taylor: Honourable senators, before the debate is adjourned may I say a word with respect to the reference that the honourable Leader of the Opposition (Hon. Mr. Brooks) made to the bridge at Fredericton.

Honourable senators will recall that some years ago a new agreement was reached with the provinces to the effect that 10 per cent of the Trans-Canada Highway in a province would carry a contribution of 90 per cent of the cost by the federal Government. I know that such an agreement applied to the province of New Brunswick. My honourable colleague from Madawaska-Restigouche (Hon. Mr. Fournier) is quite familiar with this. As was quite natural, the provinces elected to apply the 90 per cent federal contribution towards the 10 per cent portion of the highway which would go through the more difficult areas of the province and would be the most expensive to build. In some cases, I think, that contribution applied to diversions made in the Trans-Canada Highway. The Fredericton bridge came under it as a diversion and, therefore, became subject to the 90 per cent contribution by the federal Government.

Hon. Mr. Brooks: It will be pointed out in committee, I am sure, that in this instance there is both a tunnel and a bridge, and the question might be asked: Why not build a 12-lane bridge and no tunnel? Why is there to be both a tunnel and a bridge? I would imagine there is quite a large difference between the cost of the two constructions.

Hon. Mr. Bouffard: The officers of the Department of Transport are in a better position to explain that than I, and they will do so when the bill is before the committee.

Hon. A. K. Hugessen: Honourable senators, the bridge is to be built over the southern portion, which is relatively short and where there is no navigation by steamers. The tunnel is proposed for the longer portion over which ships travel to and from Montreal, and where a tunnel is the better construction from the point of view of navigation.

Hon. Mr. Brooks: A tunnel would cause no interference with navigation.

Hon. Mr. Hugessen: No.

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

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, before moving the adjournment of the house, may I ask that the order for the resumption of the debate on the motion for an address in reply to the Speech from the Throne be the first item on the Orders of the Day for tomorrow. It is my understanding that Senator Inman will be prepared to proceed tomorrow.

Hon. Senators: Agreed.

Hon. Mr. Macdonald (Brantford): We will then continue with the debate on the motion for second reading of Bill S-16, to authorize the construction and maintenance of a bridge and tunnel across the St. Lawrence River at the Boucherville Islands, in the province of Quebec. Item No. 3 will be the resumption of the debate on the motion for second reading of Bill S-2, to amend the Bankruptcy Act, and then will follow the resumption of the debate on the motion for second reading of Bill S-6, to make provision for the disclosure of information in respect of finance charges.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 12, 1963

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

Prayers.

PRIVATE BILL

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-20, respecting General Mortgage Service Corporation of Canada.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Department of External Affairs, for the year ending December 31, 1962, pursuant to section 6 of the Department of External Affairs Act, chapter 68, R.S.C., 1952. (English and French texts).

Copy of Order in Council P.C. 1963-873, dated June 6, 1963, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the sale of engineering services and capital equipment from Pelletier Engineering (International) Limited, Montreal, Quebec, to East Pakistan Water and Power Development Authority, Dacca, East Pakistan, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended by Chapter 33, Statutes of Canada, 1960-61. (English text).

Report of the Royal Commission on Government Organization, Volume 5, *The Organization of the Government of Canada*, (J. Grant Glassco, Chairman), dated February 28, 1963. (English and French texts).

EXPORT AND IMPORT PERMITS ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-3, to amend the Export and Import Permits Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Macdonald (Brantford): Next sitting.

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

THE GREAT-WEST LIFE ASSURANCE COMPANY —REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-10, respecting The Great-West Life Assurance Company, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Malcolm Hollett, for Hon. Mr. Haig, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

STANDARD TRUST COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

The Standing Committee on Banking and Commerce to whom was referred the Bill S-13, intituled: "An Act to incorporate Standard Trust Company", have in obedience to the order of reference of June 4, 1963, examined the said bill and now report the same without any amendment.

A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.

Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Report adopted.

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

Hon. Mr. Choquette moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADA PERMANENT TORONTO GENERAL TRUST COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

The Standing Committee on Banking and Commerce to whom was referred the Bill S-14, intituled: "An Act respecting Canada Permanent Toronto General Trust Company", have in obedience to the order of reference of June 4, 1963, examined the said bill and now report the same without any amendment.

A similar bill in this matter was approved by this committee during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.

Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be adopted now.

Report adopted.

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

Hon. Mr. Choquette moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

QUEBEC FIRE ASSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

The Standing Committee on Banking and Commerce to whom was referred the Bill S-8, intituled: "An Act respecting Quebec Fire Assurance Company", have in obedience to the order of reference of June 5, 1963, examined the said bill and now report the same without any amendment.

A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.

Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be adopted now.

Report adopted.

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

Hon. Mr. Vaillancourt moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

CONFEDERATION LIFE ASSOCIATION—REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

The Standing Committee on Banking and Commerce to whom was referred the Bill S-9, intituled: "An Act respecting Confederation Life Association", have in obedience to the order of reference of June 4, 1963, examined the said bill and now report the same without any amendment.

A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.

Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Hayden: With leave of the Senate, I move that the report be adopted now.

Hon. Mr. Stambaugh: Next sitting.

The Hon. the Speaker: Consideration next sitting.

TRANSPORT AND COMMUNICATIONS COMMITTEE

CHANGE IN MEMBERSHIP

Hon. John M. Macdonald, with leave of the Senate, moved:

> That the names of the Honourable Senators Haig and McCutcheon, P.C., be substituted for those of the Honourable Senators Blois and Gladstone on the list of Senators serving on the Standing Committee on Transport and Communications.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Monday, June 3, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. F. Elsie Inman: Honourable senators, I wish first of all to congratulate His Honour the Speaker on being chosen to fill this high office. I hope that he and his charming wife will be very happy here and enjoy their duties.

I also wish to associate myself with those who have congratulated the mover and seconder of the motion for an address in reply to the Speech from the Throne on their excellent speeches. They were interesting, informative and of high standard.

Honourable senators, this era is one of challenge to individuals and nations. While vast horizons beckon men to explore outer space, complex human problems occupy the mental and physical capacity of others.

The Government in its announced program in the Throne Speech has tangibly shown its determination to provide a progressive and prosperous future for Canadian citizens. I wish to mention especially two departments of Government.

The health and welfare program of the late Right Honourable Mackenzie King, envisioned in his heart and mind and designed to provide Canadians with a better life has, through the years, been accomplished to a large degree. It has been a long, tedious and, at times, a discouraging program for those intimately concerned with providing the detail in workable form without altering the principle. This is a branch of Government that has been, and must be, carried on in a capable and progressive manner as it affects intimately the life and home of the private individual. We know that this department is in excellent hands under the present minister.

The other department I wish to speak of is the Department of Labour. The relative rates of employment and unemployment are always a major concern in any country. Productivity meets a great human need. It is right for people to be gainfully employed because then they are happier and more contented, and they make better citizens. We see already an improvement in the employment situation, and we hope it will continue to improve. But this task is not for governments alone; it is also a personal responsibility, and each individual must accept it as such.

Unity among our people is necessary, and must be nurtured to continue to grow. The problems facing us today can only be solved by solidarity, a deep awareness of our common destinies, and a strong will to stay united. It is people, not territory, that make a nation.

As honourable senators know, one of the interesting public questions in the 1850's was the possibility of forming a union of Upper and Lower Canada. Prince Edward Island was not in favour of the idea, and it refused to discuss the matter officially. However, when Maritime union was proposed 14 years later, a meeting was arranged and the conference opened in Charlottetown, Prince Edward Island, on September 1, 1864. Quebec and Ontario asked if they might send representatives to the meeting to see if the proposed union could be extended to include Upper Canada. That request was granted, and seven men, headed by John A. Macdonald, afterwards Sir John A. Macdonald, arrived as unofficial observers.

The "Islanders" were not too interested. There was no official welcome. The delegates had to stay aboard the ship that had brought them to Charlottetown, or in the homes of the Island delegates, as the Charlottetown hotels were filled with visitors who had come to see a circus which was performing there at the time.

The meetings were held in the Council Chamber in the Colonial Building, as it was then called, which is now the provincial building. In this historic room the chairs, cabinets, bookcases and the three-in-one table of antique mahogany remain exactly as they were when the "Fathers" met there.

The discussions which took place at that meeting produced three definite results. It was considered that Maritime union was impracticable but that a larger union was feasible, and that another conference should

be held to discuss details further. This conference was to be held in Quebec in October of the same year. Perhaps the most important result of the Charlottetown conference was the goodwill and friendly feeling that was created among the delegates. Apart from the formal discussions, the social activities did much to foster good personal relations so necessary to the future negotiations, for this meeting was the prelude to the succession of events that finally led to Confederation. It was at this time that the foundations were laid.

May I be excused a personal reference? It was my privilege many years ago to know quite well the daughter of one of the Fathers of Confederation, a wonderful, intelligent and gracious lady. She had accompanied her father to the Quebec conference, and she often told me stories of the boat trip up from Charlottetown, the gay parties on board, the fabulous entertaining and social functions tendered to the visitors by their Quebec hosts while in that city, and also about those that took place at Montreal, Kingston and Toronto on their continued journey after the Quebec meeting.

At Quebec a number of resolutions were drawn up for a federal union, but were rejected by some of the delegates, with the result that many negotiations and manoeuvers had to take place between that time and the fall of 1866 when representatives from Quebec, Ontario, New Brunswick and Nova Scotia went to England, and in the Westminster Palace Hotel in London drew up the British North America Act to which Queen Victoria gave her assent. Thus came into being on July 1, 1867, the Dominion of Canada.

Prince Edward Island did not send any delegates to London, and refused to become part of the Dominion at that time. However, later, due to economic and political misfortunes and the need to build a railroad which it could not afford to do on its own, the Island sought admission to the union and became the fifth province of Canada on July 1, 1873. Prince Edward Island is the only island province in the Dominion.

All maritimers are proud of the fact that the Confederation of Canada was, to a considerable degree, due to the enterprise and initiative of maritime men who had vision and foresight in organizing the preliminary conference.

The pioneers of the two great nations, France and Great Britain, who together built the foundation of another great nation, now Canada, in the new world, would be amazed if they could see today the anxieties and mental conflicts that beset their great-grandchildren. Canadians must again examine the principles upon which the Canadian way of life was founded. As we are now approaching the centenary of Confederation we must look ahead to the next hundred years and what it holds for Canada. We have no yesterdays—time took them away—but we have today and the future, and today we are interested more in the future than in the past, so in unity we must build that future.

One interesting point from the past is, however, the loss of a Senate chaplain. When the Parliament of Canada was constituted after the pattern of Great Britain's Parliament with a House of Commons, and with a Senate in lieu of the House of Lords, a chaplain was named to the Senate, the Reverend Dr. Adamson. He died in 1868, and was succeeded by the Reverend Canon Johnston who officiated as chaplain from April 1869 until his death in October 1883. The Venerable John S. Lauder was appointed in November 1883 and was in office in 1888. I do not know when the office of chaplain was dropped or why. Perhaps some honourable senators have this information.

I should like to turn now to a more commercial view. In 1934 a tourist committee was set up in the Senate to encourage and stimulate travel from the United States to Canada, and it has helped greatly to make the tourist industry one of Canada's top money-makers. Tourism has been called an important "invisible export", and is the name given to the industry whereby the person who comes to dinner willingly becomes a paying guest.

Few industries have grown as fast as has the tourist industry in the past decade. It is the third largest revenue-producing industry in Canada, but it is still only a start on what can be accomplished.

We have a wealth of attractions for the traveller in this vast country, with its variations from coast to coast in scenery and climate, and in the people and their way of life. Every effort must be made to promote the travel industry that is so vital to our economy and growth. It is essential to keep our visitors longer and sell them our seasonal attractions.

Canada does not advertise herself abroad sufficiently. This is a co-operative field, not only for governments at every level but for individual citizens as well. It means increased spending, of course, but the results would be rewarding.

In 1961 Canadian tourists abroad spent $633 million, but our tourist receipts totalled only $473 million. Reports show that tourist expenditures by citizens of Canada, Britain, the

United States and West Germany exceeded the tourist revenues enjoyed by those countries. But more tourist money flowed into than out of Austria, Denmark, France, Ireland, Italy, the Netherlands, Spain, Switzerland and Turkey.

While we are interested in an intensive campaign to encourage Canadians to travel and see their own country which is large enough and varied enough to suit all tastes and preferences, it is very necessary to make the peoples of other lands conscious of what we can offer for a happy, interesting vacation.

One of the most often voiced complaints from tourists to Canada is that we Canadians are not enthusiastic enough about our homeland. Many Canadians who come in contact with our visitors are not familiar with the history of even the area in which they live, nor can they tell anything about the famous historic sites, landmarks or folklore of their own province.

Visitors from abroad like to feel, and be reminded, that they are in a foreign country. They like to be kept interested in the things they see and do. Tourists these days want action. It is a restless age and people are not satisfied now to sit on a verandah and rock all day, even though rocking has become fashionable. Neither do they want to spend a whole vacation lying on the beaches.

In Canada our tourist industry is still too highly seasonal. This should be remedied to make tourism more stable and on a year-round basis. Winter in Canada can be an excellent tourist season for those who enjoy winter sports, such as skiing, skating, ice-boating and ice fishing, among other attractions.

Gone are the days when ice fishing was only for the very hardy and, shall I say, "frost proof" individuals, for now the cabins or huts provide most of the comforts of home around a hole cut in the ice. This type of winter sport has spread throughout every province and is on the increase. And it is fun!

Here I would like to tell you a little story, a true one. At one time we had a young maid who was going to be married. It was winter time. I asked her, "Where are you going on your honeymoon, Kathleen?" She replied, "We are going on the ice to fish." And they did; furthermore, they made money, because they took in as much as $8 a day, she told me.

Worldwide competition for tourist dollars is becoming keener all the time. If Canada is to meet this competition successfully we must put forth every effort to sell the "Canada story".

Honourable senators, I feel the time has come for Canada to have a Department of Tourism, and I would strongly urge the Government to give this matter early consideration.

The Atlantic provinces, the gateway to Canada, constitute a most important region of this great country. Who wants to put a limit on their possibilities in regard to tourism and other industries? Ever since Confederation, maritimers have hoped and looked for a prosperity that never came, but it was one of the inducements held out as a reason for union. After all is said and done, though, we often find that more has been said than done.

We in the Atlantic provinces must foster a closely knit, fully integrated community in order to achieve our full potential. This will call for ideas, education and money, but it is our challenge. We must forget or bury any little differences, if we ever have any. We must look at ourselves broadmindedly and go forward together to progress and prosperity.

Perhaps we have not been aggressive enough in the past. We may have allowed events to overtake us too much. Now it is time for maritimers to wake up and let the rest of Canada know we are around. True, we have little in the way of big industry in the Atlantic provinces but what we have could become bigger.

Canada produces 60 per cent of the world newsprint and a fair percentage of that comes from the Maritimes, especially New Brunswick and Newfoundland. No doubt this percentage could be increased.

Then, of course, we have fish. Those who foresee an expanding world population eating itself off this planet in the predictable future, might revise their thinking if they would look to the sea. In fact, it is not beyond the realm of reason that some people may in a few years' time live under the sea. I was most interested a few nights ago to see a television interview in which a naval officer told of research that is being conducted to explore that possibility. It may be that some day in the distant future our senators will be holding their deliberations under the ocean.

In the sea there is everything to supply man's need for nourishment. Evidence of this can be seen in the studies and experiments that are going on to devise new methods and new types of vessels for catching fish and to find new ways of processing, preserving and utilizing the vast resources of the sea.

One of the new and most notable uses for fish is in so-called fish flour. Experiments on this product have been carried on at the Fisheries Research Board Station at Halifax,

Nova Scotia. Fish flour is a rich protein which puts wheat flour pretty much in second place by nutritional comparison. This flour, which is made from cod and haddock—the most abundant species caught in Canada's Atlantic waters—is colourless, odourless and tasteless. It is fine in texture and extraordinarily rich in body-building properties.

This valuable product may be used in a variety of ways. I understand one scientist regularly adds a couple of heaping spoonfuls to his breakfast cereal to aid body tissue. Extremely tasty cookies can be made from it. It is used in milk shakes, and is also added to wheat flour for greater food value and in the diets of post-operative cases as a quick boost towards recuperation. In short, fish protein holds exceptional promise for the future of the human race. The Maritimes could well be one of the largest storehouses of the world for this valuable product.

Fishing is perhaps the oldest industry in man's activity. Even before the end of the Stone Age, evidence shows that fish was preserved in an organized fashion, for bones of sea fish were found in the refuse of the cave dwellers of West Central France, indicating that trade in fishing was carried on even in that era. A Roman writer of about 200 A.D. lists 200 different ways of preparing and preserving fish—more ways than we have today.

Honourable senators, I wish to tell you something more about Prince Edward Island, the smallest province in Canada. How big is "small"? This is a vague, neat, categorical word that can be used relatively.

In area the Island is small, but in importance is big; in fact, very big, since it was there that in 1864 the cornerstone of Confederation was laid. It has sent many of its sons and daughters across this country and to many other lands, where they have brought honour and fame to their beloved Island as well as to themselves.

The beauty of this little province, nestled in the Gulf of St. Lawrence, has to be seen to be appreciated. Each season has its own attractions. The fresh brilliant green against the red soil brings wonder to those who come to us in spring. Summer, with the smell of the sea and soft balmy breezes, has a peaceful soothing effect on those who live in the hustle and bustle of cities, and the scarlet and gold of autumn delights the eyes.

This Island, called "Abegweit" by its earliest inhabitants, the Micmac Indians, is only 140 miles long from North Cape to East Point, the two extremities which reach out into the Gulf of St. Lawrence like long fingers. In width it is only three miles at the narrowest point and about forty miles at the widest. It is crescent shaped with 1,100 miles of coastline deeply indented with hundreds of bays and harbours. There are almost 4,000 miles of highways, and this was the first province to complete its Trans-Canada Highway program. We have one city, Charlottetown, the capital, with a population of something over 20,000. There are seven small towns and many attractive and picturesque villages.

Prince Edward Island was discovered, so history states, by Cabot in 1497. It was ceded by France to Great Britain in 1763 and placed under the government of Nova Scotia. In 1770 it came under a separate government. At this time there were only 150 families and five proprietors living on the Island.

The first militia act was passed on July 3, 1780. Under it all males between the ages of 16 and 60 were called to bear arms and attend musters and military exercises. This law was not taken seriously, and such calls were looked upon as a joke. Often it merely meant a roll call and the appearance of a keg of beer. Thus was peace preserved on Prince Edward Island in those days. Perhaps there is something to be said for that system.

Farming is our major natural resource. Here, honourable senators, let me say that only an amazing character like the Canadian farmer can lose money annually year after year and still not be discouraged.

The Island has now embarked on the ARDA program, with encouraging results. When this program gets well under way it should be of material assistance to the small farms and the not-so-well-off communities.

At the present time, potatoes are the major farm products of the Island. Prince Edward Island potatoes command a top premium on Canadian markets, and on more than one occasion the international seed potato championship has come to our province.

Specialists in the nutrition field, not only in Canada but also in other countries, have come up with the findings that the potato is not fattening—without butter, of course. Not only is the potato not fattening, but some authorities claim it may well help in cutting down heart disease. Potatoes contain a high percentage of potassium, an element essential to a healthy heart. They are also rich in vitamins. I would recommend that potatoes occupy a prominent place on our menus.

Tobacco is a new agricultural crop being experimented with on the Island and is proving to be successful. Over forty farmers are in the business now, most of them in southern King's County where the soil is said to be excellent for the cultivation of this crop. A number of Ontario tobacco farmers have bought farms in this area and settled there. Five hundred acres were planted last year and the returns were most satisfactory. This year the acreage will be increased, and more

curing barns will be built. Tobacco may well be one of the Island's major crops in the future.

Fishing is one of our principal industries. Prince Edward Island is, without doubt, one of the best fishing stations in the Gulf of St. Lawrence; but the habits and feelings of its people have become so decidedly agricultural that the fishing potential has not for some time received the attention which it deserves.

A newspaper, published in Charlottetown in 1883, mentioned that the Island had the best fish production in the Maritimes. In 1882, 49 million pounds of sea food were taken from the seas, consisting of mackerel, lobsters, herring, cod, haddock, oysters, salmon, bass, shad, halibut and trout. The present catch of Malpeque oysters in Malpeque Bay represents half of Canada's output. These oysters are considered to be the finest found anywhere in the world.

Another sea harvest that fishermen have been reaping in recent years, and one which means an important supplement to their income, is Irish moss. After a storm, thousands of tons of this seaweed is heaped along the Island shores. The moss must be picked over by hand and after all foreign objects are removed it is spread out and dried. It takes five tons of wet moss to get one ton of saleable product. This commodity is used as an agent to supply smooth texture to such items as ice cream and tooth paste, as well as for many medicinal purposes. It is used in some foods in the same way as is gelatine, and is extremely digestible and nourishing.

In the resort areas, a few steps take you from your hotel or cottage right onto a beautiful, smooth sandy beach. You can eat your meals while overlooking the blue waters of the Gulf of St. Lawrence, if on the north shore, or into the Straits of Northumberland, if you prefer the south side.

If you like to swim, you will find the warmest salt water north of Florida. Why is this so? One reason is that the Island is protected from the cold Atlantic by the Gulf of St. Lawrence. Another is that the shallowness of the water on the long, sloping beaches makes it easy for the sun to warm both sands and water.

In Charlottetown you can buy your suntan lotion, insect repellent and various other things at the oldest drug store in Canada, which has been operating constantly for one hundred and fifty years. There are prescriptions which have been on file for more than one hundred years. Among the rather unusual requests they formerly had were frost-proof tablets, and also a rat poison known as "the last supper". Such a poison did exist, but it was in fact called "the last meal".

The museum at Montague, which is the only one on the Island, contains many interesting antiques, all telling the story of pioneer days when life was not so easy.

A fish hatchery located near Cardigan is a fascinating place to visit. The many pools in beautiful settings can occupy one's attention for hours. A visit to Green Gables in the national park, made famous by an Island author, Lucy Maud Montgomery, is well worth while. The golf course there is considered one of the finest in Canada.

We also have ghosts on our Island: the phantom ship, always on fire; the jilted girl who turned herself into a pig and hounded the man ever after; a flaming casket, and many others. I shall not go into the details of these weird stories, but do come and hear them first hand.

Among the many attractions that Prince Edward Island has to offer her visitors, and one that is a must for people who come to the Island, is a visit to Woodleigh. Nowhere else in the whole world is there anything like the collection of replicas that one may see here. There is a twelve-foot stone model of Glamis Castle, complete as to detail, even to the moat and drawbridge, a wishing well, and Shakespeare's birthplace. Yorkminister is a very beautiful structure and a perfect replica to the most minute details: lights, chimes, stained glass windows and great doors. Much of the material used in its construction was brought from England.

There are also Stoke-Poges Church, Anne Hathaway's Cottage, and Ye Old Blue Dragon Inn, large enough to enter and containing all the articles found in the old stage coach inns of England.

The last addition to this collection is The Mill on the Floss with the huge water wheel. This also is a spacious building and contains a refreshment room where scones and tea are served.

One of the most serious problems faced by Prince Edward Island is transportation; in fact, it is a problem that has always dogged the province. Is a causeway the answer? Time will tell. Talk is being revived again of a tunnel. In 1886 a tunnel was proposed to connect Prince Edward Island with New Brunswick. The premier of our province at that time, the late Donald Ferguson, went to England to consult with an outstanding engineer on this matter. Tunnel stamps were issued and there was a lot of talk and excitement over the idea, but it was thought too costly a project at that time—a couple of million dollars or more—so the proposal was dropped.

I am pleased to hear that a new, large icebreaker will be on the stocks this fall, but it cannot be completed in a short time, so I

would strongly suggest that the Government procure one or two car ferries to fill the gap until the new boat is ready.

Honourable senators, next year, 1964, the centennial of the conference at Charlottetown which resulted in Confederation, will see a huge influx of visitors to our province. Last year the tourist industry was worth $9,500,000 to the Island's economy, and next year we expect it will be worth much more.

The new Confederation Building, a memorial to honour the union of the Maritimes and Upper Canada, costing $5,600,000, provided by the federal and provincial governments and private individuals, is to be opened, and a tremendous program is being prepared to celebrate this event.

We look for next year to be our biggest tourist year in the history of the province and we want to be assured of continuous service between Prince Edward Island and the mainland to expedite the movement of traffic coming and going.

We hope many honourable senators will find time to come to the Island for the opening of the Confederation Memorial Building in Charlottetown. We assure them of a warm welcome and real Prince Edward Island hospitality.

Hon. M. Grattan O'Leary: Honourable senators, since it is my clear conviction that the entire nation is waiting anxiously for what I am going to say, I will, with your permission, move the adjournment of the debate.

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

BOUCHERVILLE ISLANDS BRIDGE AND TUNNEL BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Bouffard for the second reading of Bill S-16, to authorize the construction and maintenance of a bridge and tunnel across the St. Lawrence River at the Boucherville Islands, in the Province of Quebec.

(Translation):

Hon. Jacques Flynn: Honourable senators, as this the first time that I rise to speak since the beginning of the session, I should like to make a brief digression. It is also the first time that I speak from the left side of this house. I cannot say that this change was fully agreeable but every cloud has its silver lining, and by that I mean the appointment of Hon. Maurice Bourget as Speaker of the Senate.

During the years we spent together in the House of Commons, we were not on the same side of the fence, and I could even add that, as Deputy Speaker, I may have served as a fence at times, but I appreciated the fine qualities of heart and mind of our Speaker and we became fast friends. His parliamentary experience and his humanitarianism made him a logical choice for high office. I wish to pay him my respects.

I should also ask him to convey to his charming wife my best wishes.

Honourable senators, the purpose of Bill S-16 is to authorize the construction and maintenance of a bridge and tunnel across the St. Lauwrence River, by the government of the province of Quebec, to connect the city of Montreal to a point located at or near the city of Jacques Cartier, on the south shore. The principle of the bill is therefore very simple. The purpose of the bill was clearly established yesterday by the honourable Senator Bouffard.

According to the Navigable Waters Protection Act, no structure can be erected over, under or along navigable waters without prior authorization of the federal Government. But section 11 of the act provides that no approval will be given for the site and plans of a bridge over the St. Lawrence River, probably because the St. Lawrence is the most important waterway in this country.

Consequently, special legislation is needed which is a further assurance of the security and protection of navigation on that important waterway. However, since it is the province of Quebec that is authorized in the bill to build this bridge and tunnel which will be part of the Trans-Canada Highway and since both structures will be part of the approaches to the Island of Montreal, where the 1967 World Fair will be held, I feel that the Senate has all the guarantees it may require and that it should unhesitatingly approve the bill in principle.

(Text):

Hon. L. M. Gouin: Honourable senators, first of all I wish to congratulate Senator Flynn for his remarks and, as an old Montrealer, I wish also to thank him. Yesterday we heard our distinguished colleague from Quebec city, Senator Bouffard, give an explanation of the bill, for which we are all very thankful, and today we have heard a colleague from our ancient Capital give a further explanation of the plan for a bridge over and a tunnel under the St. Lawrence River.

Before expressing my support for this motion I am going to follow the example set by Senator Flynn and by Senator Inman and say a few words to our new Speaker. The only occasion on which I have spoken since the opening of the session was to pay tribute to the memory of our late Pope, and it was not proper on that occasion to pay tribute to our new Speaker, though, in a certain sense, this house may be for all of us the way to Heaven.

Though I was not a member in the other place, I had for many years very satisfactory relations with the honourable gentleman who was then the member for Lévis. I appreciated his qualities and I considered him as one of the most intelligent, most active and hardest working members of the House of Commons. What impressed me most about him was his clear and sound judgment, and for this reason I believe that he is highly qualified to preside over our deliberations. I sincerely hope that he is happy in this house. Speaking for myself, I may say that I was thoroughly delighted with his appointment as a senator and with his nomination as the Honourable the Speaker of this house.

Coming to the bill now before us, I would like to add just a few remarks in explanation as to the site of the bridge and tunnel. Were I to have the honour of travelling to Ottawa with the honourable Leader of the Opposition (Hon. Mr. Brooks), from his very beautiful and sympathetic province, when driving along the south shore of the St. Lawrence between the old village of Boucherville, which dates back to the year 1600-odd, and the old city of Longueuil, we would reach a place now called the town of Jacques Cartier, where there is a narrow, or what I would call a shallow channel, one which cannot be used by ocean steamers. It is about 1,500 feet in width and separates the south shore from one of the Boucherville Islands called Charron Island. For that part of the construction it is quite logical to have a bridge because the water is not deep, there is no sea-going vessel navigation, and it would be quite inexpensive. But from Charron Island we would take a tunnel under the St. Lawrence River for a distance of about one mile—4,700 feet, I believe—and we would reach the Island of Montreal near its eastern extremity. If my memory is correct, I believe it would be near Boulevard Pie IX, on the east side of which are the botanical gardens, and so on. Trans Island Boulevard runs from the south to the north from the St. Lawrence to what we call, in English, Back River, and, in French, Rivière des Prairies. Our translations are sometimes not quite accurate.

Why do we propose a tunnel? Well, the main reason is that in this part of the St. Lawrence there is a channel in which the current is very swift and it is difficult for navigation. Near Victoria pier, for instance, is the so-called St. Mary's channel, where the current has a speed of about nine miles an hour, and for many ships it is quite a problem to go up the river. Moreover, the water is deep. To build a bridge would require the erection of tall pillars for a distance of one mile, and the spans would have to be high enough to allow such big ocean-going steamers as the White *Empresses*, for instance, to pass under it. All of this would involve expenses which, I believe, would be higher than those incurred by the construction of a tunnel.

Honourable senators, I want to express a purely personal opinion. I believe that in wartime a tunnel is much less vulnerable than a bridge. We have the Jacques Cartier bridge—and this tunnel would be a few miles to the east of that bridge—which runs over Ile Ste. Helene. We have the Victoria Bridge, the so-called Mercier or Caughnawaga bridge, and the C.P.R. bridge just alongside the Mercier bridge. So, in those circumstances and under certain conditions, a tunnel would be a valuable asset.

Then one might ask, why do we not replace the proposed Charron bridge by a tunnel, because that part of it would be easy to build? And as we saw so often during the war in Europe, there it was easy to build a Bailey bridge. But we could not possibly do so over the main channel of the St. Lawrence.

At all events, as an old Montrealer I am delighted to note that apparently everyone is willing to assist in having this bill duly considered by the appropriate committee, because for us it is a matter of urgent necessity. We are now preparing for the World's Fair, and I believe that as Montreal was founded in 1642, and as this is the first opportunity we have had to hold a World's Fair in Canada, it is only right and proper that it should take place in my own home town. On behalf of the people of the province of Quebec I may say that it would be greatly appreciated if we could have the opportunity of receiving from the experts who will appear before the committee the answers to our questions and the explanations we require. Then I believe we would be satisfied that we should go ahead with this monumental project.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Brantford), bill referred to the Standing Committee on Transport and Communications.

PRIVATE BILLS

THE EVANGELICAL LUTHERAN SYNOD OF WESTERN CANADA—SECOND READING

Hon. John Hnatyshyn moved the second reading of Bill S-11, respecting The Evangelical Lutheran Synod of Western Canada.

He said: Honourable senators, a bill in the same form as this one went through this house at the last session, and I believe it reached the stage of second reading in the other place when Parliament was suddenly dissolved.

The explanatory notes comprise a concise explanation of the objects of the bill. I would only add that The Evangelical Lutheran Synod of Western Canada was incorporated under special act, being chapter 65 of the statutes of 1953. This entity was one of the synods of the United Lutheran Church in America.

The United Lutheran Church in America and four other branches of the Lutheran Church in the United States and Canada, namely, the American Evangelical Lutheran Church, the Finnish Evangelical Lutheran Church of America, the Augustana Evangelical Lutheran Church and the United Lutheran Church in America, by agreement of consolidation effective as of July 1, 1962, agreed to consolidate under the name "Lutheran Church in America". The Evangelical Lutheran Synod of Western Canada was one of the synods of the United Lutheran Church in America.

The territorial jurisdiction of the Evangelical Lutheran Synod of Western Canada, as set out in the private act of incorporation, included the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and that part of Ontario lying west of the 86th meridian of longitude, and the Yukon Territory and the Northwest Territories. Under the terms of consolidation, this synod is to be known as Central Canada Synod of the Lutheran Church in America, and the territorial jurisdiction is to be limited to the provinces of Saskatchewan and Manitoba and that portion of the province of Ontario lying west of the 88th meridian. It was considered that the words "Western Canada" would be somewhat misleading in view of the fact that the provinces of British Columbia and Alberta will be in another synod.

Clause 2 of the bill amends the objects of the corporation to provide that the synod shall, in ecclesiastical matters, adhere to the Lutheran Church in America. This was felt desirable as there are other Lutheran Church bodies in the United States.

With reference to clause 3 of the bill, as I have mentioned, the agreement of consolidation changed the territorial jurisdiction of this synod and it is therefore necessary to request an amendment of the incorporating act in this respect.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to Standing Committee on Miscellaneous Private Bills.

UKRAINIAN NATIONAL FEDERATION OF CANADA—SECOND READING

Hon. Mr. Hnatyshyn moved the second reading of Bill S-12 respecting the Ukrainian National Federation of Canada.

He said: Honourable senators, the object of this bill is to amend the act of incorporation of the Ukrainian National Federation of Canada, chapter 66 of the Statutes of Canada of 1950. The federation for the most part owns community halls throughout Canada which serve not only as meeting places but do cultural work in the study of music, the teaching of the Ukrainian language and other similar matters.

The object of the present bill is to amend the act of incorporation of the Ukrainian National Federation of Canada, which, as I mentioned, was incorporated in 1950, so as to clarify the said act of incorporation with respect to its power to establish branches of the association, pursuant to section 8 of the said act of incorporation in a manner that would provide corporate status for each of the said branches within the realm of the federal incorporation. Such amendment would extend the association's corporate powers of limited liability and property rights to the existing member branches of the association, which power the said branches of the association, heretofore, did not enjoy. The said branches *per se* have been unable to comply with the legislation of the various provinces of Canada with respect to property and civil rights, and thereby have been unable to hold property in the name of the individual branches within the scope and by the authority of the original act to incorporate Ukrainian National Federation of Canada, chapter 66, and specifically sections 8 and 9 thereof. And further, the association may establish branches, boards, committees, or other bodies as corporate entities in the manner provided in the proposed new subsection (a) of section 8, with power to manage the various undertakings of the association.

This amendment will enable the association to segregate its various undertakings and specifically permit the existing branches and the future branches of the association to be corporate entities in themselves, but within the power, scope and authority of the original federal incorporation.

If this bill receives second reading, I propose to move that it be referred to the Standing Committee on Miscellaneous Private Bills, where, if additional information is needed, I am sure some person on behalf of this corporation will be able to give us such additional information.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to the Standing Committee on Miscellaneous Private Bills.

THE UNION OF SLAVIC CHURCHES OF EVANGELICAL CHRISTIANS AND BAPTISTS OF CANADA—SECOND READING

Hon. Harry A. Willis moved the second reading of Bill S-19, to incorporate The Union of Slavic Churches of Evangelical Christians and Baptists of Canada.

He said: Honourable senators, on January 29 last I moved the second reading of a bill similar to the one now before us. It was then sent to the Standing Committee on Miscellaneous Private Bills, and that committee reported on it. However, owing to circumstances beyond our control, nothing further was done about it, and once again I am moving the second reading of such a bill.

To explain the purpose of this bill, I shall repeat what I said with respect to its predecessor on January 29 last.

The Slavic Churches originated in Russia and Poland, and as their adherents emigrated to Canada they formed themselves into two local groups here. These two groups became separate. Having been established here for some time, they formed an agreement five years ago among themselves whereby they would apply to Parliament to have these churches united and incorporated. It took five years to bring this petition before Parliament. The proposers of this union and incorporation come from all parts of Canada.

If the bill receives second reading, I propose moving that it be referred to the Standing Committee on Miscellaneous Private Bills.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Willis, bill referred to Standing Committee on Miscellaneous Private Bills.

THE GOOD NEWS BROADCASTING ASSOCIATION OF CANADA—SECOND READING

Hon. T. A. Crerar, for Hon. Arthur L. Beaubien, moved the second reading of Bill S-15, to incorporate The Good News Broadcasting Association of Canada.

He said: Honourable senators, this bill was introduced by Senator Beaubien (Provencher) on June 3. Senator Beaubien is unavoidably absent, and I have undertaken to discharge his obligations on second reading.

This bill is also one of the brood of bills that were passed by this house during the previous session and failed to pass Parliament. It was introduced on December 11, 1962 and received second reading on January 29, 1963, but fell by the wayside a few days later when Parliament was dissolved. Consequently, it appears again at the present time.

While I am wholly unacquainted with the origin of this measure, it does appear to me to be in essence a very simple one. The first comment I have to make is that the title of the bill might prove misleading to some honourable senators because it describes the bill as being an act to incorporate The Good News Broadcasting Association of Canada.

Let me make clear at this point that it is not the intention of the promoters to operate a broadcasting station within the generally accepted meaning of that term. The word "broadcasting" is used here in its rather narrower sense of spreading good news around and beyond the community in the traditional old-fashioned way and by the use of broadcasting media as well.

The promoters of this bill reside in the city of Winnipeg. The important thing about the bill is the objects of the corporation. If honourable senators have read the section that discloses those objects, they will have seen that the bill is a measure to incorporate a body to spread religious knowledge, to promote, organize and maintain organizations or facilities for the dissemination of religious knowledge, to render charitable services, and to do such other things as may be incidental to the discharge of these purposes. The purposes might include the establishment of old folks' homes and charitable organizations of other kinds. Consequently, it can be said without qualification that the purposes of this corporation are wholly humanitarian.

It is not a commercial organization in any sense of the word, although it is given powers to do things that commercial organizations require to do, such as owning property and accepting bequests from those who wish to assist the corporation in its charitable work, and will have all the necessary powers for the discharge of these purposes.

I do not think it is necessary to take up the time of this house at any length in explaining this bill. The corporation will have

the power to pass by-laws, to create an organization of directors and committees, all in the furtherance of carrying out its objects.

Hon. Mr. Brooks: May I ask the honourable senator if this association has the backing of any particular religious denomination?

Hon. Mr. Crerar: So far as I have been able to determine it has not. It is a body organized by a group of people in Winnipeg to carry on the purposes I have been endeavouring to outline to the house. That is not to say that my information is complete. However, I can assure the house that if the bill goes to a committee all these details can be disclosed there and all the necessary information given, so that honourable senators can form a proper judgment and the measure be weighed and balanced. All I am stating at the moment is that the association is to be incorporated for the purposes already mentioned, and the bill seeks, in its various clauses, to give the necessary authority to the corporation in order that it may carry out these humanitarian purposes.

It is expressly stated in the bill that the corporation will have no power to authorize any person to ordain ministers of the gospel, or to solemnize marriages, or to conduct funeral services.

I must confess, honourable senators, that all the knowledge I have, and that I am disclosing to you, is derived simply from my own conclusions with respect to what is meant by the various clauses of the bill to incorporate this association.

Perhaps that is all I need to say. Personally I think that it is wholly desirable to encourage any body of people who have enough public spirit to try to found a humanitarian organization, and who will rely on their own energies in finding the necessary funds for the carrying out of their purposes without having to go to some government for a grant. For that reason, if for no other, I would commend this bill to the favourable consideration of the house for its second reading.

Hon. A. K. Hugessen: Honourable senators, one point occurred to me in reading the bill and in hearing the explanation of my honourable friend Senator Crerar. As he has quite rightly said, the objects of the bill are set out clearly in the fourth clause. This is to be an organization for the forwarding of charitable and religious objects. The question comes to my mind as to whether under those circumstances the proposed name, The Good News Broadcasting Association of Canada, is a misleading one. The word "broadcasting" has taken on a rather technical meaning, and ordinary people will understand it in a quite different sense from that in which the proponents of this bill mean it.

I merely put that suggestion forward as one that could be considered by the committee when it comes to study the bill.

Hon. Mr. Roebuck: "Dissemination" is the word.

Hon. Mr. Choquette: I was surprised to see that the bill was allowed to come forward with the word "broadcasting" in its title.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Crerar, on behalf of Hon. Mr. Beaubien (Provencher), bill referred to the Standing Committee on Miscellaneous Private Bills.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, tomorrow we will have third readings of a number of bills which received second reading today. Also, if the honourable senator from Carleton (Hon. Mr. O'Leary) is prepared, is in the proper mood, and looks kindly upon the Government benches, he might favour us with the address which he announced today.

We should be prepared to go on with Bill S-6, to make provision for the disclosure of information in respect of finance charges, but whether or not we will proceed with it, I cannot say. I hope that we will get at least as far as resuming the address in reply to the Speech from the Throne.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 13, 1963

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

Prayers.

NEW SENATOR

The Hon. the Speaker informed the Senate that the Clerk had received a certificate from the Secretary of State of Canada showing that

Duncan Kenneth MacTavish, Esquire,

has been summoned to the Senate.

NEW SENATOR INTRODUCED

The Hon. the Speaker having informed the Senate that there was a senator without, waiting to be introduced:

The following honourable senator was introduced; presented Her Majesty's writ of summons, which was read by the Clerk Assistant; took and subscribed the oath prescribed by law, which was administered by the Clerk, and was seated:

Hon. Duncan Kenneth MacTavish, of the village of Rockcliffe Park, in the province of Ontario, introduced between Hon. Mr. Macdonald (Brantford) and Hon. Mr. Lambert.

The Hon. the Speaker informed the Senate that the honourable senator named above had made and subscribed the declaration of qualification required by the British North America Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

PROPERTY QUALIFICATION OF SENATORS

RETURN PRESENTED

The Hon. the Speaker presented a return, submitted by the Clerk of the Senate in accordance with Rule 105, listing the names of members of the Senate who have renewed their declaration of property qualification.

MOTION FOR SUPPLEMENTARY RETURN

Hon. W. Ross Macdonald: Honourable senators, with leave, I move:

> That the Clerk of the Senate be authorized to receive the renewed declarations of property qualification from those members of the Senate who have not had the opportunity to make and file the same in accordance with Rule 105, and to make a supplementary return accordingly.

Motion agreed to.

INTERNAL ECONOMY

FIRST REPORT OF COMMITTEE

Hon. John J. Connolly, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's first report:

Your committee recommend:

1. That Mr. Clive Watson, Postmaster, Senate, be retired effective May 1st, 1963, under the provisions of the Public Service Superannuation Act.

2. That Mr. Watson be granted, in lieu of retiring leave with pay, a gratuity equal to the difference between six months' salary and annuity for that period.

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

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

Motion agreed to.

SECOND REPORT

Hon. Mr. Connolly (Ottawa West) presented the second report of the Standing Committee on Internal Economy and Contingent Accounts:

Your committee recommend:

1. That Mr. J. A. Laliberte, Confidential Messenger, Senate, be retired on June 15, 1963, under the provisions of the Public Service Superannuation Act.

2. That Mr. Laliberte be granted, in lieu of retiring leave with pay, a gratuity equal to the difference between six months' salary and annuity for that period.

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

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

Motion agreed to.

THIRD REPORT

Hon. Mr. Connolly (Ottawa West) presented the third report of the Standing Committee on Internal Economy and Contingent Accounts:

Your committee recommend:

1. That Mrs. Marguerite Brunet, Sessional Stenographer, Senate, be retired effective May 16, 1963, under the provisions of the Public Service Superannuation Act.

2. That Mrs. Brunet be granted, in lieu of retiring leave with pay, a gratuity equal to the difference between six weeks' salary and annuity for that period.

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

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

Motion agreed to.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, June 18, at 8 o'clock in the evening.

Motion agreed to.

EXPORT AND IMPORT PERMITS ACT

BILL TO AMEND—THIRD READING

Hon. A. K. Hugessen moved the third reading of Bill S-3, to amend the Export and Import Permits Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

STANDARD TRUST COMPANY—THIRD READING

Hon. Lionel Choquette moved the third reading of Bill S-13, to incorporate Standard Trust Company.

Motion agreed to and bill read third time and passed.

CANADA PERMANENT TORONTO GENERAL TRUST COMPANY—THIRD READING

Hon. Mr. Choquette moved the third reading of Bill S-14, respecting Canada Permanent Toronto General Trust Company.

Motion agreed to and bill read third time and passed.

QUEBEC FIRE ASSURANCE COMPANY—THIRD READING

Hon. Cyrille Vaillancourt moved the third reading of Bill S-8, respecting Quebec Fire Assurance Company.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. M. Grattan O'Leary: Honourable senators, I would like, even at this late date, to join with the two leaders of this house in their words of grace and good sentiment for His Excellency the Governor General, their praise well deserved, of the mover and seconder of the motion for an address, and their congratulations to you, Mr. Speaker, for your clear consciousness of the high traditions of the office to which you have been called.

I would like to say a word of my own about our two leaders in this house; about Senator Brooks, who leads this side of the house with competence and gentle wisdom, and about Senator Macdonald, now restored to a post which he adorned in the past and which I am sure he will continue to adorn.

Honourable senators, there is one other in this house to whom I would like to say a personal word. When last year I came to this chamber and was received so kindly, there was one face that I missed, the face of a long-time friend, Senator Crerar of Winnipeg. I knew him in those far years when he was a member of Union Government, serving this country with devotion and distinction. I watched him put off his armour and then, like Cincinnatus, return to his fields; and then I saw him come back again, come out of the west, beckoning us all to the uplands where, as he put it lyrically, the air was pure and sweet.

Then, a bit more sadly, I saw him join a Liberal ministry, and watched him standing there like Ruth amid the alien corn. In later years I have followed his career in the Senate, giving it the rich wisdom garnered from long years, almost the lone survivor of a breed now all but extinct, that breed of Liberals who used to know what Liberalism was about. I was delighted the other day to see him standing in this chamber with all his old mental vigour; and I extend to him now that grand old Irish wish, that the good Lord may take a liking to him, but not too soon.

May I presume to be permitted to speak a word of welcome to this chamber to a fellow townsman who was sworn into the Senate this afternoon. Senator MacTavish comes of a family with very deep roots in the Ottawa community. He is a great Canadian in his own right and, except for certain heresies which sometimes he has exercised all too generously, I am sure he will make a worthy member of this chamber.

Now, honourable senators, I have thought that today I might presume, even as a junior member of this chamber, to say something

about Senate reform. Many years ago, in what Sir Wilfrid Laurier used to call the young and salad years, I wrote an article on the Senate, far more lively than sensible, and, for some reason not clear to me, Professor MacGregor Dawson included it in his book *The Government of Canada*. It has haunted me ever since, and all I can say by way of extenuation is to repeat what Joseph Howe said: there was little in the world that he had less respect for than his opinions of yesterday.

Honourable senators, I do feel that some things could be done about this Senate to improve its usefulness. I think I have read every book ever written about the Senate. I have read every criticism of the Senate, and I have read only recently the splendid debate which took place in this chamber, to which men like Senator Hugessen and Senator Roebuck, and my friend Senator Lambert, made very notable contributions.

I shall not go into my thoughts on this matter today in detail, except to say this. Having watched the Senate now for a brief period from what I suppose I could call a ringside seat, I am convinced that this house could improve its usefulness as a second chamber and could do it within this chamber; that Senate reform, so-called, can be brought about more successfully, more sensibly and more effectively by the Senate than by any agency outside the Senate. I myself am convinced that the Senate, in its existing circumstances, with what is known today as "big government" reaching out into our very private lives, is incapable of giving to legislation that second look about which we talk. I am convinced that with legislation coming here, and so much of it coming here, of a highly complex character, the Senate today cannot in the very nature of things give legislation a second look that can be either effective or even meaningful. I shall pass on from this today, because I hope at some future hour or date to come back to it.

I wish now to approach the Speech from the Throne, which is the subject of this debate. I have always been aware that the honourable leader of this house (Hon. Mr. Macdonald, Brantford) was a gentleman possessed of many gifts; but not until I heard him two weeks ago in this house tell of the good things he had found in the Speech from the Throne did I realize that his gifts must include that of extrasensory perception. Honourable senators, I have read the Speech from the Throne over and over again; I have read it from its first page of platitudinous inconsequence all through to the last page, where it calls for the protection of Divine Providence, and that, I suggest to honourable senators, was about the only hopeful thing in the whole document.

I hope to deal in a specific way with four things mentioned in the Speech from the Throne. I shall deal with them not as bills, for we have only one bill before us, so far as I know, namely Bill C-72. I shall come to that presently. First, I want to treat these proposed measures by way of their trends. There are two trends. The first is towards continued irresponsible extravagance and expenditure; the second, a trend towards what I shall call the managerial state.

Let us take, first of all, Bill C-72. I venture to say that this bill in its form, in its manner of expression, is one of the most remarkable acts ever proposed in any parliament in the world. Let me read some extracts from it. It is almost unbelieveble that an act of Parliament should contain language of the imprecision that you will find in this document.

Hon. Mr. Macdonald (Brantford): May I ask the honourable gentleman if the bill is before the Senate?

Hon. Mr. O'Leary (Carleton): Well, I received a copy of it in my mail, whether it is before the Senate or not.

Hon. Mr. Macdonald (Brantford): I do not believe the bill has come to the Senate.

Hon. Mr. O'Leary (Carleton): If it has not, all right, I shall drop it. At all events, surely I can discuss the Speech from the Throne?

Hon. Mr. Macdonald (Brantford): Oh, yes.

Hon. Mr. O'Leary (Carleton): All right. I shall not mention the bill again, but it is proposed, or suggested, in the Speech from the Throne that there be set up in Canada an economic council. I would like to ask the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford), how many economic councils we need in this country. Canada is literally crawling with economic councils. There is an economic council in Manitoba, one in Ontario, one, or something like one, in Nova Scotia, one, or the equivalent of one, in Quebec, and now it is proposed to have another for Canada as a whole.

I know that the previous government had set up a proposal of this kind. In fact, I believe it came to this house. However, my point is, how many of these bodies are we going to have in Canada? Honourable senators, during the height of World War II when Canada had her forces on every water and every continent in the world, when we were mobilizing our industry as we never mobilized it before, this country had 16 cabinet ministers. Today we have 26, with a provision for or a promise of two more. We now have 26 cabinet ministers, 26 executive assistants, 16

parliamentary secretaries—and all this in time of peace. I ask this honourable Senate, does this not signify that we are allowing the welfare state to pass beyond control of the Parliament of Canada? And does it not indicate a complete trend towards what I have called the managerial state? We have economic councils all about us, boards, committees, commissions, all the apparatus of the managerial state.

The honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) has objected to my dealing with Bill C-72, and I bow to the ruling to refrain from doing so; but I venture to say that when the bill does come before us it will astonish members of this chamber who have any knowledge of what government is about. I have read it, only to wonder at the ingenuity of people who could devise something so useless. In fact, when the bill comes before this house, and you have an opportunity to read it, I venture to say you will conclude what I have already concluded, that not since James Joyce wrote *Finnegans Wake* has so much gibberish anywhere been committed to print.

Honourable senators, allow me to go to another point. Here is a Government which tonight will bring down a budget with a deficit which, according to the inspired voices, will range between $600 million and $700 million. Here is a Government faced by a request from one province for 25 per cent of the corporation tax, 25 per cent of the income tax, and the entire succession duties. Yet that Government comes to us now, through the Speech from the Throne, with a proposal to spend $400 million for the muncipalities, $100 million for the Atlantic Development Board, and heaven knows how much for other proposals scattered through this document. Let us take the $400 million for the municipal boards. Where is this money to come from?

Hon. Mr. Macdonald (Brantford): That will be a loan.

Hon. Mr. O'Leary (Carleton): It does not matter if it is a loan or not, Sir; it will have to come from the taxpayer eventually. If the loan is made, the money will have to come either from the people of Canada or the United States market; and that loan will be made at roughly 4 per cent and will add $16 million of debt service charges to the national debt. The cost of servicing that debt now is reaching perilously near $1 billion.

I sat in the Parliamentary Press Gallery when the national debt of Canada was $350 million. Now we spend that much in a month. That loan is to go to the municipalities. I have heard it suggested it would be done through the Central Mortgage and Housing Corporation. Well, that corporation has no money of its own. It already owes the Government $1,600 million. This money will be borrowed in the open market, and it is going to be added to the national debt. We all know what the national debt is at the present time. But more than that, this $400 million is going to be spent by the municipalities, which are already spending more than they can afford. This money may well be spent unwisely, because it will not be raised by the taxes of the municipality itself. Honourable senators, do you realize what the net direct debt of the municipalities of Canada is today? It stands at $4,700 million.

The municipalities have spent beyond their means; the provinces have spent beyond their means; and heaven knows we have spent beyond our means. We are all engaged in a sort of rake's progress. What I cannot understand is why the business leaders of Canada are saying nothing about it.

Only the other night I was reading the *Life and Times of John W. Dafoe* and one of the things that struck me in that biography was the number of leading businessmen, captains of industry—like Sir Joseph Flavelle—who took an active interest in the political life of the country. Where are the captains of industry now? Where are the people who in the last election cried out so vigorously for, yes, and supported so generously, the party of my honourable friend? Is this what they expected from the party that was going to give them stable government? Did they expect that, despite a budget deficit of some $700 million, they were going to come forward with all these fresh expenditures? Did they believe Mr. Walter Gordon when he suggested in his book *Troubled Canada* that deficit budgeting was irresponsible, immoral and ruinous?

Honourable senators, this is the trend in the legislation of Canada today which should compel more thought and attention by people. I am not talking in a partisan spirit at all; I am not speaking of extravagances in a partisan sense. Whether you believe in Tory reaction, which heaven forbid, or whether you are bemused by the almost sanctified mythologies of the Liberal party, you must surely realize that this country has been carried along a path of ruinous expenditure. There can be no question about this at all.

Then there is the proposal of the Atlantic Development Act. Last year there was set up an advisory board or commission to advise the Government on expenditures that should be made in the Atlantic provinces. Heaven

forbid that I should say the Atlantic provinces are not worthy of special attention—I think they are. I think they have been too long the poor farm of Canada, and do require some special attention. But this Government is proposing to change this act. This board is no longer an advisory board; it is now an executive board, enlarged from five to eleven members, and given $100 million; and though there is some talk about cabinet control of its expenditures, I venture to say that these people have not been made executives merely to hire stenographers and lease office space. They are going to spend this $100 million and, honourable senators, they are going to spend it as they please, when they please, how they please and for whom they please without the Parliament of Canada having a voice in the matter at all. And this is where we are going in the way of building up more and more monolithic bureaucracy—economic councils, boards and committees here, there and everywhere. What in the name of heaven is the Civil Service of Canada going to do?

We have just had the report of the Glassco Commission pay a tribute to the efficiency and competence of the Civil Service of Canada, and here is legislation providing for advice from literally hundreds of people outside the civil service. Who is going to be responsible for government in this country?

And now I come to what is perhaps the most sinister proposal of all. It is the setting up of what is called a Canada Development Corporation, by means of which Canadians can more readily direct their savings to the building of new Canadian industries and to increasing the Canadian ownership of existing industries. But, honourable senators, Mr. Walter Gordon, in discussing this matter with the Toronto *Star*, on April 3, said the C.D.C. could not do the job without several billion dollars at its disposal. Several billion dollars!

Where is that money to come from? I know that in our banks there are now savings accounts totalling $8,275 million. But, honourable senators, if you examine these accounts you will find that in very great measure they consist of deposits of $1,000, $2,000, $5,000, $10,000—money put there to be used in case of sickness or death, or for all of the other changes and chances of life. Do you think the people of Canada are going to withdraw that money and invest in this development corporation? It is not stated clearly, but it is intimated that this corporation will issue bonds and common stocks. The bonds are to be guaranteed by the development corporation, in other words by the Government, and the common stock is to take chances as other stocks do.

Honourable senators, let me put this to you: If there is an industry in this country whose bonds are held by the Government and guaranteed by it, what about the industry in competition with that particular industry whose bonds are not guaranteed by the Government?

Mr. Gordon said it would be an excellent thing if we could keep the Government out of it. Keep the Government out of business with its guarantee of bonds of certain industries! Let me put this to you: Mr. Gordon in this interview, and in his book *Troubled Canada* said that if an industry in Canada got into difficulty and it was being taken over by foreign interests—which, of course, meant United States interests—this development corporation would step in and buy control of its stock.

Well, honourable senators, everybody knows that when an enterprise in Canada is going to be sold to outside interests its stock goes up and immediately there are inflated prices for it. That happened when the Shell Oil Company took over the Canadian Oil Companies not long ago. Is it being suggested then that in a case such as this the Government, through this development board, would step in and buy the stock of a company at inflated prices and guarantee its bonds?

What would happen if later on the company failed? The bonds would be guaranteed. But what about the stock? In any event, does this not put the Government of Canada lock, stock and barrel into business? There is no getting away from that. Yet, this is the trend of everything in the Speech from the Throne—bringing the Government more and more into business, more and more into the control of industry. There is no doubt about this. This is what you will find in the minds of those young men, those brain-trusters who are sitting around writing policies, writing things like this—and I do not blame the Government leader for not wanting it read.

Hon. Mr. Macdonald (Brantford): I don't mind having it read if it is in order, and I don't think my honourable friend would want to read it if it is not in order.

Hon. Mr. O'Leary (Carleton): I would want to read it very much because it forms a great part of my speech. I do not mind imprecision or looseness in ordinary documents or in newspapers, but to have this sort of thing, this mere jargon in an act of Parliament is, I think, a deplorable thing. I feel sure that in their heart of hearts all honourable senators on the Government benches agree with me.

Hon. Mr. Macdonald (Brantford): No, no. I must object to that.

Hon. Mr. O'Leary (Carleton): Where are the great leaders of the old Liberal party?

Hon. Mr. Macdonald (Brantford): Right here.

Hon. Mr. O'Leary (Carleton): Where are the Laurier Liberals and the Gladstonian Liberals? Do they subscribe to the policy of the Government taking over everything in the state? Of course they do not.

I am looking at my friend Senator Power; I am looking at my friend Senator Crerar. Are they telling me, or would they like to tell anyone, that they think this Government should go on spending and spending money which the country does not possess? I am not blaming this Government alone. I know how much the national debt of Canada increased in the last five years; I know how much the Liberal party increased it in the last three years they were in office. They all spend too much, whether it is the Conservative Government in Ontario or Manitoba, or the Liberal Government in Quebec or New Brunswick. We are all spending too much, and this country is on the way to bankruptcy unless a halt is called somewhere. I do not think any sane person in this country questions that.

But the worst feature is that all this spending, all this interference by the state in public business and public activities in Canada, is building up in this country a monolithic bureaucracy, with our boards, our committees, our commissions and our sprawling empire of Crown corporations. We are by-passing Parliament; we are not only taking the government of this country out of the hands of the people: we are taking it out of the hands of the people's representatives in Parliament, whether elected or appointed. There is no question about this.

Honourable senators, in the last analysis, what is involved is liberty. You cannot build up a managerial state without infringing on the rights of the individual. This has been tried again and again, and we all know the sad story. Thomas Jefferson once warned the American people that freedom could be frittered away. We are not merely frittering it away; we are throwing it away with thoughtless abandon, and the end is inevitable. If we in this country, whether under a Liberal, or Conservative, or whatever form of government, continue spending beyond the resources of the country, if we continue invading private rights, and if we continue putting government into business, then the end of the road is inevitable. We shall invite and deserve the tragedy that has come to so many areas of the earth where, because of lethargy, indifference, cynicism and the betrayal of democracy, you see today lands where despair is having the last word, and tyranny crushes down the bodies and souls of men.

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

PRIVATE BILL

CONFEDERATION LIFE ASSOCIATION—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill S-9, respecting Confederation Life Association, which was presented yesterday.

Hon. J. Wesley Stambaugh, for Hon. Salter A. Hayden, moved adoption of the report.

Report adopted.

THIRD READING

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

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

Motion agreed to and bill read third time and passed.

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

THE SENATE

Tuesday, June 18, 1963

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

Prayers.

(Translation):

NEW SENATOR

The Hon. the Speaker informed the Senate that the Clerk had received a certificate from the Secretary of State of Canada showing that

Louis P. Gelinas, Esquire,

has been summoned to the Senate.

NEW SENATOR INTRODUCED

The Hon. the Speaker having informed the Senate that there was a senator without, waiting to be introduced:

The following honourable senator was introduced; presented Her Majesty's writ of summons, which was read by the Clerk Assistant; took and subscribed the oath prescribed by law, which was administered by the Clerk, and was seated:

Hon. Louis P. Gelinas, of Montarville, in the province of Quebec, introduced between Hon. Mr. Vaillancourt and Hon. Mr. Vien.

The Hon. the Speaker informed the Senate that the honourable senator named above had made and subscribed the declaration of qualification required by the British North America Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

(Text):

PRIVATE BILLS

THE UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO—FIRST READING

Hon. John Hnatyshyn presented Bill S-21, to incorporate the Ukrainian Canadian Foundation of Taras Shevchenko.

Bill read first time.

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

Motion agreed to.

FIDELITY MORTGAGE AND SAVINGS CORPORATION—FIRST READING

Hon. William H. Taylor presented Bill S-22, to incorporate Fidelity Mortgage and Savings Corporation.

Bill read first time.

Hon. Mr. Taylor (Norfolk) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. Cyrille Vaillancourt tabled:

Copy of ordinance, chapter 1, made by the Commissioner in Council of the Northwest Territories, assented to May 17, 1963, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C., 1952, as amended by 1953-54, together with a copy of Order in Council P.C. 1963-885, dated June 6, 1963, approving same. (English text).

Copy of financial agreement between the Government of Canada and the Government of India concerning the purchase by India of 16 Caribou I aircraft and associated spare parts and equipment. Signed at Ottawa, May 14, 1963. In force October 14, 1963. (English and French texts).

Report of operations under the Bretton Woods Agreements Act (International Monetary Fund, International Bank for Reconstruction and Development, and International Finance Corporation) and Report of Operations under the International Development Association Act, for the year ended March 31, 1963, pursuant to section 7 of the first-mentioned act, chapter 19, R.S.C., 1952, and section 5 of the latter act, chapter 32, Statutes of Canada, 1960. (English text).

Report on the Government Annuities Act, for the year ended March 31, 1963, pursuant to section 16 of the said act, chapter 132, R.S.C., 1952. (English text).

Report to Parliament of the Civil Service Commission of Canada on exclusions from the Civil Service Act, and appointments made under section 25 of the act, January 1 to April 30, 1963, pursuant to section 76(2) of the said act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

REFUND OF FEE

THE RELIABLE LIFE INSURANCE COMPANY

Hon. Gunnar S. Thorvaldson, with leave of the Senate, moved:

That the Parliamentary fee paid upon a proposed bill to incorporate The Reliable Life Insurance Company be refunded to the petitioners.

Hon. Mr. Roebuck: On what grounds?

Hon. Mr. Thorvaldson: Honourable senators, in explanation of this motion may I say that it concerns a petition presented to the last Parliament for a private bill to incorporate a company to be called The

Reliable Life Insurance Company. The proposed incorporators of this company, for certain reasons, have decided to withdraw their petition.

I am informed that various problems were encountered regarding the proposed federal incorporation of this company. It had been intended that the company take over a company by the name of The Reliable Life Insurance Society, which is a fraternal society in the province of Ontario. However, as I say, the incorporators of the proposed company decided to abandon their petition to this Parliament, and I believe they intend to seek incorporation under the Joint Stock Insurance Companies Act of the province of Ontario. That is the reason for the request for the return of the fee.

Hon. Mr. Vaillancourt: Was a bill passed by the Senate at the last session?

Hon. Mr. Thorvaldson: No, a bill was not even introduced at the last session.

Hon. Mr. Roebuck: May I ask if there were any printing costs incurred?

Hon. Mr. Thorvaldson: I do not know if there were any printing costs incurred.

Hon. Mr. Roebuck: We ought to know that.

Hon. Mr. Thorvaldson: I do not believe there were but, of course, if there were that amount should be deducted before any return of fees is made.

Hon. Mr. Croll: Honourable senators, there cannot be any urgency about this matter. It would appear that the petitioners are entitled to a refund, but there may be some outstanding accounts which should be deducted. Perhaps some inquiries can be made, and the house can be informed and we can deal with the matter tomorrow.

Hon. Mr. Brooks: Could this matter not be referred to the Standing Committee on Miscellaneous Private Bills?

Hon. Mr. Croll: There is nothing to refer to the committee, because there is no bill. If Senator Thorvaldson will undertake to find out whether there are any outstanding accounts to be paid, and so inform us tomorrow, we can deal with his motion then.

Hon. Mr. Thorvaldson: Honourable senators, I have been informed that it is the practice in cases like this to refund the fee that has been paid. I am not aware of whether there were any printing costs. I shall find out. Perhaps the matter can be dealt with tomorrow, if it is the desire of honourable senators that it should stand for consideration.

Hon. Mr. Lambert: Did I understand my honourable friend (Hon. Mr. Thorvaldson) to say that the incorporation fee has been paid?

Hon. Mr. Thorvaldson: The incorporation fee was paid.

Hon. Mr. Roebuck: I do not know that there is any policy with respect to refunding money. In the Standing Committee on Divorce we recommend refund of the Parliamentary fee when a petition is withdrawn. We are always glad to hand the petitioners back their money and get rid of their petitions. However, we do make a distinction. If the case has been on our boards for some length of time we do not refund the entire amount, and the longer it has been with us the less we refund. So I do not know that there is any firm practice about this.

No doubt it is the proper thing to do if the petitioners wish to be incorporated elsewhere but I think this matter should be left open until tomorrow.

Hon. Mr. Lambert: I may say that in a good many cases the money has been refunded, especially those involving religious organizations. I understand that this petition is in that class.

Hon. Mr. Thorvaldson: No, this is a commercial corporation, relating to the business of life insurance.

The Hon. the Speaker: Consideration next sitting.

HON. T. A. CRERAR, P.C.

BIRTHDAY FELICITATIONS

Hon. Jean-François Pouliot: Honourable senators, yesterday was the birthday of one of our most esteemed colleagues, honourable Senator Tom Crerar, whom we all like and for whom we have a great deal of admiration.

I have known him for quite a number of years, and he appears just the same as when I met him first. He has remained alert in mind and body. His mind is as clear as crystal and when he speaks he gives us the benefit of his very wide experience and wisdom. This is so true that, whenever he speaks, words of wisdom flow from his lips.

I offer to Senator Crerar my very best wishes for the years to come, and to his charming wife, the gracious Mrs. Crerar, and to his family. I hope that he will be spared for a great number of years to enliven the Senate and to give us the benefit of his experience and his wisdom.

Hon. A. J. Brooks: Honourable senators, may I add a few words of tribute to those which the honourable Senator Pouliot has

just paid to a very great Canadian, honourable Senator Crerar. I read of his eighty-seventh birthday yesterday, Senator Crerar having been born in 1876, a long, long time ago. I congratulate him on this happy occasion and trust that he will have many more years of health and happiness.

Senator Crerar has made for himself one of the most outstanding reputations of any public man in the history of Canada. He was a cabinet minister in 1917—that in itself is a good many years ago. Quite recently the honourable Senator Connolly of Ottawa West spoke about the splendid work Senator Crerar had done as chairman of the Senate Standing Committee on Finance.

The *Hansard* of the House of Commons and the *Hansard* of the Senate are replete with many of the great things done by our very distinguished senator.

I am happy, indeed, to join with the honourable Senator Pouliot in paying tribute to Senator Tom Crerar, and in wishing him and Mrs. Crerar many more years of happiness.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I believe that a French-speaking voice should also pay tribute to Senator Crerar.

The senators who rose before me lived with Senator Crerar much longer than I did because I have been here for only 19 years; however, in those years, I learned that experience was quite an important asset in the life of a man.

For instance, I remember that in the proceedings of various committees, after everyone else had voiced his opinion, Senator Crerar drew from his wealth of experience, his sound judgment, and his great common sense, and usually offered a solution to which we could not but agree; experience is a quality acquired through the years. Senator Crerar acquired that quality and he developed it. Sometimes when a person has reached a certain age, it is said that he goes through a second childhood; but as far as Senator Crerar is concerned it is entirely different; he has always shown that his wide experience and his very sound judgment are always present.

Senator Crerar, please accept not only my congratulations but my most sincere wishes; I hope that you will remain with us for many, many years in order that we may benefit from your experience and learn how to gain such a valuable asset.

(Text):

Hon. T. A. Crerar: Honourable senators, I would indeed be ungrateful if I did not acknowledge the very kind tributes that have been paid to me this evening by Senator Pouliot, my old friend Senator Brooks and my good friend Senator Vaillancourt.

It is true that I have journeyed down through life for a great many years. Just how many years will be left for me, I do not know. However, may they be many or few, I shall endeavour to do as I have done in the past—speak my mind rather freely at times. As a matter of fact, honourable senators, that is something I learned many years ago from my old friend Grattan O'Leary; he set me on the right path, so far as being frank and straightforward in public life was concerned.

Naturally, it is very pleasing to an old man, who has yet considerable vanity in his makeup, to have such eulogies paid to him.

Hon. Mr. Brooks: Justifiably paid.

Hon. Mr. Crerar: I hope to be around for a while yet, and according to my lights put in a word for the good and welfare of this country.

Once again, honourable senators, thank you very much for your kindness in paying these tributes to me.

PRIVATE BILLS

THE GREAT-WEST LIFE ASSURANCE COMPANY —THIRD READING

Hon. Malcolm Hollett, for Hon. Mr. Haig, moved the third reading of Bill S-10, respecting the Great-West Life Assurance Company.

Motion agreed to and bill read third time and passed.

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-20, respecting General Mortgage Service Corporation of Canada.

He said: Honourable senators, this bill is now presented for second reading in this house for the second time. The bill was first presented here on January 30, 1963, and the explanation of it on second reading appears in the *Debates of the Senate* for the session 1962-63, at page 546. Consequently, I shall probably be briefer than I would otherwise be in my review of the purposes of the bill.

This bill proposes an amendment to an act incorporating General Mortgage Service Corporation of Canada, which is chapter 78 of the Statutes of Canada of 1961. The purpose of the bill, firstly, as indicated in clause 1, is to add a French version to the name of the corporation.

Clause 2 of the bill contains five subclauses, namely, 9A, 9B, 9C, 9D, 9E, which are clauses intended to amend the powers granted to the company in its act of incorporation.

The purpose of the corporation, as is indicated by the name General Mortgage Service Corporation of Canada, is that of an investment company for the purpose of investing in mortgage securities. It was granted certain powers in its act of incorporation to raise moneys on its own securities and then it was granted certain powers of investment in mortgages.

The proposed subsection 9A gives the corporation express powers of interim investment of funds received for the purpose of investment in mortgages. In other words, if the company has funds on hand which cannot be placed in mortgage securities immediately, or conveniently at the moment, this amendment proposes to give it the power to invest such funds in the bonds, debentures or other securities of, or guaranteed by, the Government of Canada or the government of any province of Canada, or in any loans fully secured by such bonds, debentures or other securities.

The new subsection 9B authorizes the corporation to issue bonds by way of pledge to chartered banks in Canada.

The purpose of the new subsection 9c is to give moneys received by a pledge of bonds the same legal status as moneys received by the sale of bonds. In other words, moneys that are received by the corporation by way of pledge may be used in the same manner as moneys secured by it from the sale of its securities.

Subsection 9D has for its purpose the giving to the holder of a bond by way of pledge the same legal status as the holder of a bond by way of purchase.

The final subsection, 9E, has for its purpose the authorizing of the directors to use moneys in what is known in the bill as Mortgage Fund A to redeem Series A Mortgage Bonds, which are issued by way of pledge, and to authorize the directors to use Mortgage Fund B to repay moneys borrowed on the security of Series B Mortgage Bonds issued by way of pledge.

Honourable senators may recall in regard to this bill that the corporation was authorized to set up two funds: one of them was named Mortgage Fund A, and the other Mortgage Fund B.

Hon. Mr. Vien: Will the honourable senator tell us why in section 9c it would be necessary to state that if the corporation borrowed money from a bank and gave bonds as collateral security it would be as if the bonds had been sold? That is a most unusual provision, and I would like to understand the reason why it is considered necessary.

Hon. Mr. Thorvaldson: I agree with the honourable senator that this is a somewhat unusual provision, and for that reason I would suggest that the explanation of it could better be given when the bill is before the Standing Committee on Banking and Commerce.

Hon. Mr. Baird: Do I understand that this bill was passed at the last session?

Hon. Mr. Thorvaldson: Yes, this bill in fact was given second reading by the Senate on January 30 last. Some of the questions being asked now were raised at that time. I explained then as I do now, that the original act of incorporation was indeed somewhat unusual and some of the powers being asked in this amending act are somewhat unusual; consequently, I stated that it was more appropriate to give the explanations in committee, and indeed I think it is the proper place to give them.

Hon. Mr. Vien: Would you speak a little louder, please? We do not hear you.

Hon. Mr. Thorvaldson: I have said that there are unusual provisions both in the act of incorporation and the amending bill.

Honourable senators who were members of the Standing Committee on Banking and Commerce in 1960 and 1961, when the act of incorporation came before that committee, will recall that the measure was thoroughly discussed and debated in committee because of its somewhat unusual character. Nevertheless, the incorporation was granted both by this house and the other place, and the bill became law.

Hon. Mr. Vien: Does this explain why, if the bonds are pledged, it should be necessary to say that the moneys received shall be deemed to have been moneys received from the sale of the bonds? Why should that be necessary? If the bonds are pledged, they are pledged to the bank which advances the money. That is the usual course of business. Why should it be necessary in this instance to say that the moneys will be deemed to be moneys received from the sale of the bonds.

Hon. Mr. Thorvaldson: Frankly, I agree with the honourable senator that it is a little difficult to understand. I understand the language used in the bill, but I am afraid I cannot give to the honourable senator the reason now.

Hon. Mr. Vien: You cannot?

Hon. Mr. Thorvaldson: I cannot give you the reason, and that is why I suggest that a full explanation of the subsection will be given to the Banking and Commerce Committee when the bill is before that committee.

Hon. Arthur W. Roebuck: Honourable senators, this bill is similar to many others that we have passed recently in which we have

given to corporations power to use two names, one English and one French.

I raised this point in the Banking and Commerce Committee when this bill, or one of similar character, came before us, permitting a company to use either French or English in the transaction of its business, and also allowing the company to sue in either name, the French or the English. It therefore permitted the company to transact its business, say, in French so that the community would know it by its French name, and then to sue in the English name, thus inviting, I suggest, confusion and uncertainty. In the Banking and Commerce Committee recently I suggested that, while it is all right to be sued in either name—there is no possibility of confusion there—when the company sues, it should use both names. It is not sufficient to say it must use the name in which it does business in that section of the community, because actions in court may affect more than just the parties to the action.

Everybody should understand who is suing and who is being sued, and so recently I moved in another matter that while a company may be sued in either name it should sue in both names. I can see no inconvenience whatever in putting both names on the writ or statement of claim. But I was met with the argument that we have given this right to others and, therefore, we should continue to give it; that is, having once made a mistake, we should continue to make it now and forever.

I would suggest that when this bill comes before the Banking and Commerce Committee the sponsors agree to a change of the nature I have indicated. If it is not so amended when it is reported to this chamber by the Banking and Commerce Committee, I will then move that we amend it here to require suit in both names before we give it third reading.

Hon. Paul H. Bouffard: Honourable senators, I do not want to interfere unduly in this matter. I think the clauses are quite helpful, but I do not think they are all absolutely necessary. I want to make this remark, that if the honourable sponsor of the bill wants to have a translation in French, at least it should be a good one. The translation that exists at the present time—*Compagnie Générale Mortgage Service du Canada*—is not good French at all. There is no such word as "mortgage" in French. "Hypothèque" is a good word, but "Mortgage Service" is not an expression in the French language.

I would not oppose the bill on account of that, but I would invite my friend to engage someone who would give the company a proper French name, if he wants to have the two names. It seems to me that we should not try to translate literally the English name into French, unless it is really a French name and can be understood in French. I am not going to object to the bill on that account, but I think this is an invitation that should be extended to members who promote bills to give two names to a company, that if the name is a French translation it should at least be proper French that can be understood by everyone; there should not be introduced in the French name a word which is not proper French and which cannot be considered as French.

Some suggestions of a proper name in French for this company would be, "La Compagnie générale de prêts hypothécaires du Canada" or, "La Compagnie générale de service hypothécaire du Canada." Either would be a correct French name, but the one proposed in the bill is not. I would invite the promoter to come to the committee with another translation, so that the name of the company will be a true French name.

Hon. L. M. Gouin: Honourable senators, last year when this measure came before the Standing Committee on Banking and Commerce I raised the precise point which has been raised with good reason by Senator Bouffard concerning the expression "Mortgage Service". No one with any notion of French would believe that this is a French expression. I consider it an insult to the French language, to its Majesty the French language—sa majesté la langue française—that they would pretend to adopt a translation and to use language which would not be understood by any French-speaking person.

As to the point raised by Senator Roebuck, I am sorry to say that my opinion differs from his, but now is not the time to go into that question. The bill will come before the committee, and then we may decide to continue to give what I would call the option to use both the English and French names or either one of them, because I am convinced that is the right thing to do. The honourable senator and I may differ in opinion but still be the best friends in the world.

Hon. Louis P. Gelinas: Honourable senators, I would like to inform the sponsor of the bill (Hon. Mr. Thorvaldson) that another translation has been made, and I am sorry if he has not been apprised of this fact.

Hon. Gunnar S. Thorvaldson: Honourable senators, if I may speak to this matter again, I want to say that the objection which was taken by Senator Gouin is quite valid. The same objection was taken last year. It only came to my attention this morning that this bill was coming up for second reading today, and indeed I thought the translation had been

changed. May I read to the house the explanation I made in this regard on January 30 last, when the matter of the French version of the name was brought up? I said:

> The only explanation I can make is that the version of the name given in the bill is in "Toronto French", and, indeed, I am already under instructions by the sponsors of the bill that they have discussed this matter with the Committees Branch and have decided that it will be necessary to move an amendment in committee to change the French version of the name from what I call "Toronto French" to "Quebec French".

Hon. Mr. Vaillancourt: I am not a lawyer, and I have only one remark to make. We have already stated that the translation is terrible—horrible! Sometimes people speak slang in French, and we say they are speaking *joual*, a horse language. This is language that is worse than horse language; it is not French at all.

Hon. Mr. Choquette: Honourable senators, I got into this kind of discussion when I presented the bill for the Sun Life Assurance Company, and I think that at that time it was made clear that we cannot impose on a company a translation of its trade name. I remember that the Sun Life Company asked the translators here to give them the French name. I think they had nine words as against the English version with three. People kept on saying, "Je suis assuré avec la Sun Life," and the translators had translated "Sun Life" as, "l'assurance vie dite du soleil." The company never made use of it.

Hon. Mr. Vaillancourt: Would you permit a suggestion, that The Sun have two names, "Le Soleil" and "The Sun" at the beginning?

Hon. Mr. Choquette: We cannot impose a translation on a company. Let us say that a company wants to call itself the North-East Insurance Company. There is an old French expression in France, in Europe generally, and among some French Canadians, "nordais". It is old French. If these people come to us and say, "la compagnie d'assurance nordais," are we going to say that is patois, old French from Europe? This is quibbling. We cannot quibble with them. Let them ask for a French name, and if they think it is going to be popular and people are going to buy their products, we cannot say to our translators, who are experts in translations, that this is not good. If the company wants to sue or is sued in either name, again, we cannot quibble with that.

Hon. Mr. Vaillancourt: In the explanatory notes it says:

> The purpose of clause 1 of the bill is to add a French version to the name of the corporation.

The company asks the translator to translate.

Hon. Mr. Gouin: May I ask the honourable Senator Choquette a question? Does he believe that "Mortgage Service" is good French?

Hon. Mr. Choquette: It is not French. They do not ask you to pronounce "Mortgage" with a French accent. It is just as it is with the Sun Life. In this instance it is "Mortgage Service". French people will say, "Je suis assuré ou je fais affaires avec la Mortgage Service compagnie d'assurance vie", and that is all.

Hon. Mr. Power: Would my honourable friend look at the explanatory note. It says:

> The purpose of clause 1 of the bill is to add a French version to the name of the corporation.

And they add it. If I were not in this house, in this honourable body, I would characterize it somewhat differently, but it has no bearing in either French or English. We can change the name, amend any clause of the bill, or reject the bill altogether. We do not have to accept the name or any other clause of the bill propounded to us by the promoters. We have a perfect right to call it any name we like. In a bilingual country we should not have such a name such as this one, which is neither French nor English.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

INTERNAL ECONOMY

REPORTS OF COMMITTEE

The Senate proceeded to consideration of the first, second and third reports of the Standing Committee on Internal Economy and Contingent Accounts.

FIRST REPORT ADOPTED

Hon. John J. Connolly moved that the first report of the committee be adopted.

He said: This first report appears at page 102 of the *Minutes of the Proceedings* No. 14. Perhaps honourable senators would wish me to add that it deals with the retirement of Mr. Clive Watson, Senate Postmaster, and recommends the payment of the customary gratuity. Mr. Watson was first employed as

a page in 1910. He was later a sessional messenger and became a permanent member of the staff of the Senate in 1940. He resigned as of May 1, 1963.

Report adopted.

SECOND REPORT ADOPTED

Hon. Mr. Connolly (Ottawa West) moved that the second report of the committee be adopted.

He said: This second report deals with the retirement of Mr. J. A. Laliberte, who has been on the Senate messenger staff for many years. He joined the staff in 1919 and his total pensionable service amounts to something over twenty-five years. I understand he has been in charge of the Senate gallery in the House of Commons. The usual gratuity in accordance with the practice in such cases has been provided.

Report adopted.

THIRD REPORT ADOPTED

Hon. Mr. Connolly (Ottawa West) moved that the third report of the committee be adopted.

He said: Honourable senators, this report deals with the retirement of Mrs. Marguerite Brunet, who has been on the sessional stenographic staff for nearly seven years. She has retired on account of ill health, and the gratuity is based upon her length of service.

Hon. Mr. Reid: May I ask the honourable senator if the staff of the Senate is under the Civil Service Superannuation Act or is it separate and apart like the House of Commons?

Hon. Mr. Connolly (Ottawa West): As I understand the situation, the members of the Senate staff are under the superannuation act, and we provide a gratuity in this way when people retire. They have superannuation benefits. We provide for a period of time a certain retiring gratuity, based upon length of service and equivalent to the difference between the superannuation they receive and the salary they received before retirement.

Report adopted.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, June 5, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-6, to make provision for the disclosure of information in respect of finance charges.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, in connection with Bill S-6, I shall take this opportunity of explaining the evolution we have experienced in the last few years with regard to credit and consumers' needs.

The remarks I propose to make result from a survey we asked the social research centre of Laval University to make with regard to the economic position of Franch-Canadian wage earners' families. This survey carried out some of the recommendations of the international convention of credit associations which took place in Lévis in 1957, under the slogan: Think before you spend. There are some people who only think afterwards, but then it is too late.

The changes with regard to consumers' needs can be, for the greater part, attributed to the advent of industrialization which made us into a society of city dwellers, while increasing the income of our citizens, which rose from $5 billion in 1940 to $30 billion in 1962. Only a third of the Canadian people, which number 18½ million, live in the country today.

Meanwhile, consumers' standards for city and country dwellers have become practically the same. Means of transportation, facilities for communication and electrification of the farm have given to rural or farm families a possibility of acquiring the same goods and services as city families.

The great modern means of public information, i.e. radio, television, press and film have widely affected the tastes and way of life of the consumer public.

The personal income of Canadian citizens, considering the increase in the cost of living and the increase in population has at least tripled since the beginning of the war. Canadians can today with their available income procure for themselves three times as much goods and services as before the last world war.

The development of mass production and distribution of consumer goods, a better sharing of considerably increased incomes, the shortening of distances between urban and rural areas and the development of mass information have given some uniformity to the taste and habits of consumers.

All these factors have increased consumers' needs and have considerably modified the structure of the expense column on the family budget ledger.

The proportion of foodstuff expenditures in the budget has been reduced with the increased incomes. The proportion spent on appliances and cars has considerably increased. The desire and financial capacity

of an increasing number of families to own their own homes have rendered inevitable the development of family housing around the large urban areas where all available land is occupied. The development of such urban areas mostly comprised of owner-occupied family units has increased the need of a car to go to work at the office or at the plant and the need for domestic appliances and equipment in the homes.

The possibility of purchasing single family houses at more reasonable prices due to increased incomes has, furthermore, drawn many families outside the boundaries of the large cities. And many of those families have become owners of automobiles. The development of private home ownership around our industrial cities has brought about the extension of private ownership of automobiles and other durable goods such as household appliances. Nowadays, many families consider it economical to acquire those durable goods which provide right in the home services for which they formerly had to pay outsiders.

I set out this argument in order to prove the definite evolution of credit. Too many people live stingily and say that in their days they did not need this or that. But in the old days, we used to ride in a cart and there was little risk of getting run over or banged up as happens nowadays with automobiles. But today, if you want to ride a cart on the highways, it is so much more dangerous.

So that is why I want to outline the economic situation in our country.

Instead of having their clothes cleaned at the laundry and having to pay for such a service, people would rather buy on the instalment plan an automatic washing machine which provides that service at home. The instalment they have to pay every month for a certain period of time for the machine which provides the service at home replaces the disbursements they had to make every time they had to pay for such a service outside. By the same token, the instalments on a TV set replaces in part the expenses incurred to go to a movie.

In several cases, the acquisition of capital goods is an asset, because nowadays the family finds in his own home the service which formerly it sought outside.

The distribution of this mass production of goods, especially capital goods, increasingly in demand as a result of the increased income and the development of private housing in the suburbs of industrial centres and the progressive decentralization which emphasizes the distances between the home and the factory or office and leads to a growing number of cars, have been made easier by a system of establishments and improved loan techniques.

An essential factor of the production and distribution of goods and services, consumer credit plays an increasingly important part in our modern economy. It has been a thousand times more effective in enriching mankind, according to Daniel Webster, than all the gold mines throughout the world.

Consumer debts in Canada since the end of the war have increased from $297 million to more than $3,664 million as at March 31, 1963.

In 1945, they absorbed 3.5 per cent of the personal income of Canadians, after taxes, while they absorb at present 13.5 per cent of their personal income. Those are only the debts resulting from consumer credit. Consumers' debts exceed $3,600 million in Canada.

This economic phenomenon is probably not peculiar to Canada. As a matter of fact, it developed in much the same way in the United States where consumer debts have increased from $5,665 million in 1945 to $39,500 million in 1956 and to $57 billion, including $45 billion for sales on the instalment plan, $40 billion for cars, at December 31, 1962. Such an increase in consumer debts is likely to give cause for concern to all those who wish to maintain a healthy economy and to promote the welfare of the people.

The economic and social function of consumer credit, which more and more takes the form of instalment buying in our modern economy, raises one of the most serious problems. The main purposes of our economic policy are to promote economic development to the greatest possible extent, a high level of employment, price stability, an adequate distribution of resources and of national income in order to improve the standard of living for everyone, while keeping in mind, of course, the less obvious aims of political and economic freedom and social peace.

With regard to such aims, some may wonder whether the rapid development of consumer credit is an essential and desirable factor to their achievement. Or whether, left to the free play of economic and social forces, with-

out direction or control, consumer credit might, in addition, interfere with the achievement of some of those aims and lead us sooner than later to economic upheavals and social ills.

Politicians and economists are concerned about such questions for, undoubtedly, they all want for Canada "a high level of economy and employment within a structure of firm prices". The brisk expansion of consumer credit these last years may set up conditions that could affect the economic welfare of the nation.

According to our modern language, the words "consumer credit" apply as well to property which can be distinguished by the following criteria: (1) non-durable goods, that is the goods that meet the consumer's needs and disappear, such as food, and (2), durable goods, which outlive the credit used for their purpose.

Capital goods can be divided in two categories: (a) those which depreciate rather quickly and which consist mostly of wearing apparel; and (b) household goods like electrical appliances, goods which are produced either mechanically or electrically, and those which are produced by the automobile industry and which still have a certain market value after fairly long use.

It is precisely in the field of household goods, like electrical appliances, and motor vehicles which have a certain market value after prolonged use, that instalment purchasing has mushroomed in the past few years.

Formerly, the words "consumer credit" were applied especially to non-durable goods such as those which disappear after the first usage. Today, these words mainly apply to capital goods, household and electrical appliances, radio and television sets and automobiles, which last fairly long and which have a certain value after quite long usage. Therefore the expression "consumer credit" has become rather improper since today it applies mostly to the credit facilities for the purchase of non-consumable capital goods.

When the *Fédération de Québec des Caisses populaires Desjardins* testified before the Banking and Commerce Committee of the House of Commons during the inquiry on the bill to amend the Small Loans Act which was passed in August 1956, it expressed its views on consumer credit and on the nefarious consequences that could result for private individuals and the national economy, if it were used abusively. It urged the qualified authorities to establish certain controls in order to avoid the excess in consumer credit and to protect our economy. The problem raised by consumer credit, it was pointed out in the brief, is to ensure that the use of such credit by the citizens is to their advantage and that a reasonable price is paid for this use.

The advantages of consumer credit should not shield its disadvantages and the cost to the consumers. How many people live in financial insecurity as a result of their misuse of consumer credit?

Too many people have forgotten how to limit their needs or to resist the everlasting solicitations from many advertising media that lead them to take the superfluous for the necessary and they end up by seeing nothing unusual about living above their means.

Under the urging of commercial advertising, citizens gradually become slaves to innumerable needs and look for all kinds of ways, most of them expensive, to buy more and more, giving little thought to what will happen tomorrow. A wife will sometimes have to leave her home and go to work to supplement her husband's salary because they cannot make ends meet. The happiness, the peace of the home is threatened. Large credit facilities can lead to unfortunate abuses and create misunderstanding in the home. Besides, that is the experience we had at the family service on the south shore, at Lévis, where we compiled statistics for five years—and I can say, in passing, that this family service is a kind of heart clinic where people come and tell us their troubles and their difficulties; the husband complains about his wife, and vice versa, and the parents complain about their children who roam wildly out of their control. We collected data, a few years ago, which showed that in 52.5 per cent of cases economic problems were at the root of trouble in homes. These people bought too much on the instalment plan, then payments become too high and they had no money left on which to live; they thought they could buy happiness, but happiness cannot be bought, it is found in the heart.

I know people who have lived in debt for 18 years, when they borrowed a thousand dollars; 18 years later, having made some payments from time to time, having been

unemployed, they owe today over two thousand dollars, because of those purchases on the instalment plan on which they paid interest rates of 24, 48 and even 90 per cent—and I know personally of such cases.

Purchases on the instalment plan mortgage the future, tomorrow's salary being already committed to payments on unpaid purchases.

As everyone's purchasing power is limited, a more or less sudden reduction in purchases may well take place some day, then a marked reduction in production, followed by unemployment and a complete collapse of the country's purchasing power, which would be tragic for our economy.

If, on the one hand, instalment plans can stir up production and allow a higher standard of living for our citizens, it can, on the other hand, bring about unfortunate situations, when abuses take place. Too many people forget that down-payments made to reduce their debts due to purchases through instalment plans are really a withdrawal and a reduction from the total amount of their income available for other expenses and that the available income representing their salary might, after such a reduction, be inadequate to meet the essential expenses for food, clothing and housing.

Moreover, the loans for consumer needs are made at high rates of interest, and the people who resort to them are generally those who are in the least favourable position to do so, and very often, these people are not aware of the actual interest they will have to pay. For example, someone needs $300 to buy goods: he borrows at an interest rate of 2 per cent per month, that is 24 per cent per year, for 24 months. The borrower must repay $15.87 a month and, after 24 months, he has paid $380.88, $80.88 being interest. If the same person chose the savings methods, by depositing at his credit union branch $3 a week, that is $13 a month, he would have $333.58 after 24 months, enjoying on his deposit an interest of 3 per cent capitalized every six months.

Let us suppose that this same individual wants to buy the same merchandise valued at $300; if he has the money to pay cash, perhaps he will have the opportunity to obtain a 10 per cent discount; he would take advantage of a $30 reduction which, added to $17.40 that he will have drawn in interest, would enable him to save $47.40 and to buy something else, which he would be unable to do by borrowing $300. Hence the habit of saving results in an increase and not in a decrease of purchasing power.

Please note that I merely choose an interest rate of 2 per cent per month. However, when other charges are added to that 2 per cent, the cost doubles.

If salesmen were compelled by the law to require a substantial amount, that is, 25 per cent of the selling price, as down payment at the time of the sale, purchasers would thus be encouraged to show foresight and to save money; they would have to put aside every week a few dollars from their salary to get what they need. That way they would get used to saving, they would practice economy, they would learn the value of money, they would endeavour to think before spending, they would buy necessary or useful things first, and they would avoid committing themselves beyond their capacity to pay; and, living within their means, they would be free from concern which brings unhappiness to those who are unable to resist the urging pressures of publicity and their insatiable desires.

Several countries have passed in recent years legislation regulating instalment sales and their financing.

One of the provisions of such legislation requires a substantial down payment to be paid in cash by the buyer at the time of purchase.

Another provision to be noted and which is found in most legislation is the obligation to show on the contract the maximum amount of charges, that is, everything that will have to be paid besides the down payment, so that the consumer may know what it actually costs him.

People do not know what interest or other charges they have to pay on their credit or instalment purchases and, often, even on the amount they borrow from small loan companies. As a matter of fact, surveys have already shown that most people do not care too much about that. They only inquire about the amount they will have to pay each month and how long this thing will last.

Canadian consumers, as a general rule, are not familiar with the cost of retail buying.

It is important that legislation be passed to force retailers to indicate clearly in their bills of sale all costs charged to the buyer,

whether they be called interest, financing costs, carrying charges or otherwise, so that the buyer may know the total amount he will have to pay, that is, the price of the merchandise, plus the total amount of interest and other charges, and what the financing costs represent in annual interest.

Canadian consumers do not seem to realize how much interest and charges they are paying on their credit purchases; they are not aware that the people who buy regularly on credit in our large retail stores have their purchasing power reduced between 20 to 30 per cent as a result of the interest and additional charges they have to pay with their monthly payments under their budget plan or instalment plan.

I am going to sum up my thinking. We are told that this bill placed before us by Senator Croll is not operative because, on the one hand, the rates of interest are determined by the federal Government and, on the other hand, the charges are fixed by provincial statutes. But this is business. Really it is unfortunate if, in a country such as ours, we cannot pass legislation which would allow the low-wage earners to live decently.

What kind of a country are we living in, I wonder. There must be a way for the provinces and the federal Government to enact legislation which would solve the problem.

We are told that it is impossible to calculate the interest. If financiers who lend at 40 and 50 per cent interest are unable to calculate the cost of their loans, you can imagine how hard it is for the average man to understand anything in that respect. The worst part of it is that our laws protect the strong when they should assist the helpless and small citizens.

Nowadays people are attracted by just about anything. Are we to say that they are wrong? Yes, they are, but let us look at the situation from another point of view. Bridges are provided with guard-rails to prevent people from falling off. Drivers are usually reasonable, except when they are drunk, but still we have guard-rails to show people where they must go. Nevertheless, they are reasonable people.

It is usually small citizens who are faced with financial problems and they are unable to solve them.

I can give you an example from my district. An old man died in Lake St. John and left his farm to his son who was no brighter than I am. If he had been just as bright as I am, I would have said it was not so bad, but he was no brighter. A funeral director said to him: "Your father was most generous. He left you his farm on which there was just a small mortgage of $2,000. He has deserved well. You should give him a first-class funeral." In time of mourning, people cannot resist the temptation to arrange for the best funeral. It costs a thousand dollars to bury a man. Then, one has to borrow a thousand dollars from finance companies, universal loans or some such name. But he will have to refund that amount within two years' time. However, as he did not have very much experience, he was told: "We are going to protect you and take a second mortgage on your farm, in the amount of $1,000, but that will cost you $900 for two years, in charges and interest."

So $1,000 plus $900, that makes $1,900; it is easy to figure out the interest and we do not need machines to do it. Now, what happened? It so happened that, six months later, our good fellow being unable to pay was told: "We are going to take your land and sell it for $15,000 or $16,000." But the son protested and said: "Your loan was only $1,000." Finally, a credit union fortunately intervened and took over the land to try to save it for the grandchildren.

Will you tell me now that this makes sense, that things should be allowed to continue like that? It is nonsensical.

If you wish, and if you have time, I have here hundreds of cases of which I could mention a few to show you what is happening.

Therefore, I want to see that act passed to protect honest people, the small people, who are seduced by such misleading advertising.

Moreover, it is said that there is no way of calculating the interest although it seems easy enough to do to make money. However, when it comes to setting them at a reasonable level, it seems impossible.

That is why I should like to see this bill sent to the committee so that a profitable and final solution can be found. Because it is the people who support industry, as I said earlier and backed up with figures amounting to billions of dollars, who pay at the rate of 30, 40 and 50 per cent to finance companies. Then consider the figures of a few years ago, when the capital stood at $3,900,000 odd and has since increased to over $5 million paid out as interest to the shareholders every year. But that cannot be picked up just anywhere. Therefore, let us try to adopt reasonable legislation, to assist the small people, to save them—not legislation to oppress labour, or ruin our economy.

Besides, if you read what American economists have to say about it, you see that what they fear is exaggerated credit. Credit is fine when there is no abuse, but abuse must be prevented.

That is why I support this motion. If I could endorse this legislation twice or even three times as vigorously, I would do so in order to find the solution which we have been seeking for 63 years in the credit unions. But we have not lost heart, because we know that there is a great deal of educating to do. Five years ago, our credit unions granted $53 million in loans, not like this, not with a mortgage, but on promissory notes. Last year, we granted almost $100 million in loans, while telling the people: come and see what we are doing and then go and see what happens elsewhere, and you will note the difference between all those loans.

A moment ago, I spoke about a $300 loan granted by a finance company. The monthly instalment would be $15.87, so that after two years the interest paid amounts to $80.00. But if you borrowed $300 at a *Caisse populaire*, you would pay $13.30 per month, instead of $15.87 and your interest total would be $19.20 and not $80.88. This makes a big difference, and we really help borrowers.

The *Caisses populaires* do not only try to help people with small income, but also strive to help the economy of the country, by persuading Canadians that it pays to be thrifty, for thriftiness insures stability and is based upon common sense. People must be shown that to save properly is not to put money in a drawer, but that their savings should allow them to live as well today as in ten years from now. Then our people will realize what it is costing them now to live and what it will cost them tomorrow. I feel people will finally understand and realize the situation when they find what an awful lot of interest they will have to pay. Then they will stop and think before spending. That is a basic principle. Unfortunately, there are too many people who only think afterwards.

(Text):

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 19, 1963

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

Prayers.

DOCUMENT TABLED

Hon. Cyrille Vaillancourt tabled:

Order in Council P.C. 1963-390, dated March 9, 1963, authorizing the manner in which fishing bounty may be distributed for the year ended March 31, 1963, together with a statement of such payments for the said year, pursuant to section 4 of the Deep Sea Fisheries Act, chapter 61, R.S.C., 1952. (English text).

PRIVATE BILLS

THE EVANGELICAL LUTHERAN SYNOD OF WESTERN CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the following report:

The Standing Committee on Miscellaneous Private Bills to whom was referred the Bill S-11, intituled: "An Act respecting The Evangelical Lutheran Synod of Western Canada", have in obedience to the order of reference of June 12, 1963, examined the said bill and now report the same without any amendment.

A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.

Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Bouffard: With leave of the Senate, I move that this report be adopted now.

Report adopted.

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

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

UKRAINIAN NATIONAL FEDERATION OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-12, respecting Ukrainian National Federation of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE GOOD NEWS BROADCASTING ASSOCIATION OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the following report:

The Standing Committee on Miscellaneous Private Bills to whom was referred the Bill S-15, intituled: "An Act to incorporate The Good News Broadcasting Association of Canada", have in obedience to the order of reference of June 12, 1963, examined the said bill and now report the same without any amendment.

A similar bill in this matter received second reading in the Senate at the last session of Parliament and was referred to the Standing Committee on Miscellaneous Private Bills for consideration, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.

Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Bouffard: With leave, I move that the report be adopted now.

Report adopted.

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

Hon. Mr. Crerar, for Hon. Mr. Beaubien (Provencher), moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the following report:

> The Standing Committee on Miscellaneous Private Bills to whom was referred the Bill S-18, intituled: "An Act to incorporate Baptist Convention of Ontario and Quebec", have in obedience to the order of reference of June 11, 1963, examined the said bill and now report the same without any amendment.
>
> A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.
>
> Your committee recommend that the parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Bouffard: With leave, I move that this report be adopted now.

Report adopted.

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

Hon. Mr. Macdonald (Cape Breton), for Hon. Mr. Willis, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE UNION OF SLAVIC CHURCHES OF EVANGELICAL CHRISTIANS AND BAPTISTS OF CANADA—REPORT OF COMMITTEE

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the following report:

> The Standing Committee on Miscellaneous Private Bills to whom was referred the Bill S-19, intituled: "An Act to incorporate The Union of Slavic Churches of Evangelical Christians and Baptists of Canada", have in obedience to the order of reference of June 12, 1963, examined the said bill and now report the same with the following amendments:
>
> 1. *Page 1, line 18*: Immediately before "Baptists" insert "Slavic".
>
> 2. *In the title*: Immediately before "Baptists" insert "Slavic".
>
> A similar bill in this matter was approved by this committee during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.
>
> Your committee recommend that the parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

He said: Honourable senators, I wish to add that the two amendments which are set out in the report were passed by the committee last session.

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

Hon. Mr. Bouffard: With leave of the Senate, I move that this report be adopted now.

Hon. Mr. Isnor: May I ask the honourable chairman of the committee why these words were added?

Hon. Mr. Bouffard: It is merely a change in the name. I understand that numerous Baptist congregations exist in Canada, and that the petitioners desire to make a distinction between this particular body of Baptists and others. I understand that is the main reason for the amendments.

Hon. Mr. Croll: I understood Senator Bouffard to say that the amendments now proposed were also made by the committee last session.

Hon. Mr. Bouffard: That is right.

Hon. Mr. Croll: When the bill was reported back to the Senate why were the amendments not included? Was there any reason for that?

Hon. Mr. Bouffard: Dissolution of Parliament intervened, and the report of the committee was not presented to the Senate. Therefore the bill remained in its original form and was re-introduced this session.

Hon. Mr. Isnor: I ask that the report stand until the next sitting.

The Hon. the Speaker: The report stands until the next sitting.

CHARTERED TRUST COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. John J. Connolly, Acting Chairman of the Standing Committee on Banking and

Commerce, reported that the committee had considered Bill S-17, respecting Chartered Trust Company, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Connolly (Ottawa West), for Hon. Mr. Leonard, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

REFUND OF FEE

THE RELIABLE LIFE INSURANCE COMPANY

The Senate resumed from yesterday consideration of the motion by Hon. Gunnar S. Thorvaldson:

> That the Parliamentary fee paid upon a proposed bill to incorporate The Reliable Life Insurance Company be refunded to the petitioners.

Hon. Gunnar S. Thorvaldson: Honourable senators, when I presented this motion in the house last evening the question arose as to whether any printing costs had been incurred in the matter, and I undertook to ascertain the facts in that regard.

I have been informed by the committees branch that the only action taken regarding this proposed incorporation was as to the petition. No bill was printed, and consequently no printing costs were incurred.

I would add that a refund of fees has been made on other occasions. I would refer honourable senators to at least one precedent which appears at page 294 of the *Debates of the Senate* of the 1957 session. There in respect of the Co-Operative Life Insurance Company, an intended corporation in the province of Saskatchewan, a petition was presented and then for some reason it was withdrawn by the promoters. Subsequently a motion was made in this house by honourable Senator Cameron for the return of the fees, and the motion passed.

Hon. Arthur W. Roebuck: Honourable senators, it was I who raised the question as to whether any printing costs had been incurred, but not because I opposed the return of the fee. I think under the circumstances just now described by the honourable senator we ought to comply with the motion, irrespective of any precedent in that regard. All that happened was the filing of the petition and the payment of the money. There was no reference of the matter to the chamber or to any committee—no work was done on it. I think we are entirely justified in returning the money, and would be unjustified in keeping it.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, June 13, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Jean-François Pouliot: Honourable senators, my first word today is to offer my congratulations to you, Mr. Speaker, on your appointment which has long been overdue. I remember with great pleasure our association in the House of Commons, and I remember too that you neglected nothing to help your constituents, and your colleagues as well, without showing any political distinction. I remember you particularly in the hot summer days in your office with your sleeves rolled up, listening to the countless problems submitted to you by members from all parts of the country, and you were always in a recipient mood to listen to them. You accomplished a lot towards the solution of their problems and the building up of Canada, both in your capacity as member for Lévis and as Parliamentary Assistant to the then Minister of Public Works.

I remember also that for a time we were together with a friend of ours who has since gone; we were rather isolated like orphans of the storm, and we weathered it for the defence of our convictions. It was a very difficult time, and it was not permited to disagree with anyone. It occurs to me that this beautiful country is not one where differences of opinion are taken for granted. For instance, if on a beautiful day one goes for a walk on the street with a friend and says, "Is it not a beautiful day?" the friend answers, "Yes, but don't you see the clouds there?" The one will then find it rather unpleasant that the other does not agree entirely with him, and agree that it is a beautiful day without mentioning the clouds.

When Senator Power and I, along with several others, were appointed to the Senate nearly eight years ago, he was at that time, in order of seniority, the dean of the House of Commons, with 37 years' parliamentary experience, and I followed him with 31 years in parliamentary life, which meant that in the House of Commons we were the deans. Yet, when we were appointed to the Senate it was a different story. All of our colleagues who were being appointed at that time were sworn

in before us; we were waiting at the door, and finally we got in. Senator Power was sworn in and I followed him. Then for some time I was the junior senator, and he was the assistant junior senator, which means that although we had been the senior members in the House of Commons we had become very much younger in the Senate.

That proves also the relativity of age, which leads me to what was said yesterday about Senator Crerar, that perhaps the reason why the atmosphere is so pleasant in the Senate is because of the tolerance that exists here and because here we are freer than anywhere else to express our own opinions.

Be that as it may, I was most grateful to the Prime Minister of the time, the Right Honourable Mr. St. Laurent, for his having appointed me to the Senate, to take my place amongst such a distinguished gathering and to meet again friends whom I had known in the House of Commons, such as the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford), and the honourable Leader of the Opposition (Hon. Mr. Brooks) who was one of the active members of the illustrious Civil Service Committee of 1938-39. It was a pleasure, and I decided that I would try to find some means of proving my appreciation to the Prime Minister who had appointed me to the Senate.

Incidentally, I had a look at the Table of Precedence, and I saw that his rank was in the eighties among the privy councillors who were not members of the cabinet. As you know, the Table of Precedence is an interesting document which sets out the order of procession at a public ceremony, starting with the Governor General, and including parliamentarians and others. This is set out for the very good reason that when we are together and have to be seated it is impossible for all of us to sit on the same chair, one on top of the other, but there is a demarcation line.

As I say, the first person in order of precedence is His Excellency the Governor General, and then His Excellency the Administrator, who has the right to be so called because he substitutes for the Governor General, by right, even if only for a few hours. After the Governor General and the Administrator comes the Prime Minister of Canada, who is the first citizen of the land; and then, after many others, I think in the eightieth position, is the former Prime Minister. Placed before him are the Chief Justice of the Supreme Court of Canada and, among others, the Justices of the Supreme Court of Canada, the lieutenant governors and the members of the cabinet. Far down the list, the former Prime Minister is included among the first of the members of the Privy Council.

Then I talked the matter over with our good friend the late Senator Golding, who was one of the noblest men whom I have met in Parliament, and we decided to do something about it. So together we sponsored a motion in the Senate to correct this situation to give former Prime Ministers the rank they should have by order of merit.

In the first place, I saw the then Prime Minister, Mr. Diefenbaker, and told him of my idea. I asked him if he had any objection to it, and he very graciously said "No," and suggested that I should proceed with the matter. I did so, and to my great pleasure the motion was supported by the then Leader of the Government in the Senate (Hon. Mr. Aseltine). Senator Golding spoke on the motion, and it was adopted.

Then the trouble started. It was impossible to have an Order in Council passed in accordance with the unanimous wish of the Senate. I spoke of this to the late Senator Brunt, who was a very influential gentleman, and he said that he would see to it. Then, after Senator Brunt died so tragically, I got in touch with Senator McCutcheon, who had replaced him, and who was a member of the cabinet and a Privy Councillor, and asked him to see to it that an Order in Council was passed to amend the Table of Precedence in order that the former Prime Ministers should appear in that table just after the Governor General, the Administrator, the former Governors General, and the Prime Minister.

I wonder if anything has been done about it recently. There was a revision of the Table of Precedence last fall, and no change was made in that regard. Now it would be a nice gesture on the part of the present Government to pass such an Order in Council, one that has been overdue for a long time.

Before congratulating the Government on another appointment, I wish to congratulate the mover (Hon. Mr. Lefrançois) and the seconder (Hon. Mr. Taylor, Westmorland) of the motion for an address in reply to the Speech from the Throne. They did exceptionally well. Senator Lefrançois made a forceful speech in which he indicated the true position of the province of Quebec. He said what the immense majority of the people of that province thinks about the F.L.Q. and separatism; and it is to be noted that immediately after he had spoken with such eloquence in the Senate of Canada about this matter, the proper authorities started to take action and got the help of experienced detectives and policemen from Europe in order to solve the problem, with the result that those who were guilty of criminal offences were apprehended and are now before the Courts, and all the public worry has ended.

The Honourable Senator Taylor (Westmorland) seconded the motion of Senator Lefrançois, and it would be superfluous for

me to praise his speech which was, as usual, excellent. However, on this occasion he explained to you once more the needs of the Maritime Provinces, and he did it very well.

There is yet another of my colleagues whom I wish to praise at this time, and that is the honourable Senator Inman. It took a woman with energy to tell the Maritimers "Wake up", and even before receiving *Hansard* I saw the headline in the *Chronicle-Herald* of June 13: "'Wake up'—Senator tells Maritimers". She was probably quite right, but of course this admonition does not apply to Senator Taylor (Westmorland) who is always awake to the occasion; it does, however, apply to all the somnambulists who exist in all the provinces of Canada. Fortunately there are not too many, but it was a good thing for the senator to speak as she did.

There are two other appointments upon which I desire to congratulate the Government. This session was opened by the Honourable the Chief Justice of Canada, the Honourable Robert Taschereau, who had just received his appointment. It was due him because he is dean of the Supreme Court of Canada. He is a remarkable jurist, and I am sure he will continue to have the respect and esteem of all of those who come in contact with him.

There have been profound changes in the Supreme Court of Canada. At one time I had occasion to complain of the kind of jurisprudence that was emanating from that Court. I excepted the Chief Justice Rinfret, with whom I worked for some time and for whom I had great admiration. The five reactionary justices are gone and new justices have been appointed, and I hope that what was wrong with the jurisprudence of the Supreme Court will be duly changed for the benefit of the people of Canada.

I congratulate the Chief Justice on his appointment, and I also congratulate the Government. I am the prouder because one of my grandmothers and one of his were first cousins.

Having said that, honourable senators, will you permit me to fulfil a promise that I made to some of my colleagues and to some members of the other house about the books that they can get without personal expense, and which could be of help to them in their work. Ottawa is the loneliest and dullest place unless you have something to do. The best way to inform yourself is to go to basic information, and not take for granted that the bright minds who express opinions difficult to understand are really experts. You must have true documentation. You must have the books on which you can form your own opinion, and whether you are a lawyer or not, your own opinion will be the best; you have good enough sense to form your own opinions on matters of great importance to Canada.

First of all, you should have a complete set of the Revised Statutes of Canada of 1952 which comprises six volumes. Since then, as you know, the laws that we have passed are in the statutes published each year. At the present time the Revised Statutes of Canada of 1952, with the supplement, appendixes and index, comprise six volumes, and statutes of the subsequent sessions make thirteen volumes, for a total of nineteen volumes. These you may have by applying to the Queen's Printer, and you are entitled to an English set and a French set. You may keep one set here and send the other to your home. Some parliamentarians exchange their volumes, giving the set in the language they do not speak to a colleague in exchange for his set in the other language.

This is the basis of all legislation. In the first part of the supplement there are the constitutional Acts, from the British North America Act onwards. The volume is complete and has a very good index.

Secondly, I should like to mention the *Canada Gazette*. This is published in two parts; the first part contains notices of bankruptcies, divorces, bank dividends, and corporation dividends. It also contains proclamations, notices of various department, notices of vacant positions and lists of appointments to the civil service, etcetera.

Then there is the eligible list. This is Part I which is published weekly and which you can obtain free of charge from the Queen's Printer. There is also Part II of the *Canada Gazette*. It is also bilingual, and contains statutory orders and regulations and many of the orders in Council that are passed by the Government and which bind the people of Canada. It contains details that one does not find in the statute books.

There is the *Canada Year Book*, which contains 1,231 pages. It is a big, well-bound book. The latest edition available is that of 1962. The next edition, that of 1963-64, is to be published in June, 1964. Therefore, if you want to have that compendium of information about Canada you may get it in French or English by applying to either the Queen's Printer or the Dominion Bureau of Statistics. In French it is called *L'annuaire du Canada*.

There is *Canada, 1963*, a beautifully illustrated book of 315 pages, which is published in both French and English editions. You may get it free by applying to the Queen's Printer, or to the Department of Trade and Commerce.

Then there is the daily bulletin of the Dominion Bureau of Statistics. It is a resumé or a summary of several reports that are published on all sorts of things such as population, trade, tuberculosis, employment and so on. It is a useful publication.

There is also a pink leaflet which comes daily from the Printing Bureau indicating all the publications that are available. Do not be alarmed, honourable senators, when you see the prices mentioned on that list because you have the right to have each one of those publications by ordering them and without having to pay anything for them. There are two bulletins; the daily bulletin is a condensation of reports, and the daily checklist contains a list of the publications available. Honourable senators, you would be astounded at the number of publications that come out of the Printing Bureau. This is not extravagance, because we need the information they contain.

I come now to the Parliamentary Debates on the subject of the Confederation of the British North American Provinces, 1865, with an index, which has been published by the Public Archives. That book is indispensable to all those who desire to make a study of the Constitution, and you may get it from the Printing Bureau. In the first place, it does not contain a discussion on the British North America Act as we might expect. It contains a discussion on the Quebec Resolutions that were passed during the latter part of October, 1864.

It is very curious that we are told Charlottetown was the cradle of Confederation. I have visited the Parliament buildings in Charlottetown, and I have seen the room where Confederation was supposed to have been born. There was a large mahogany table in the middle of the room, and many pictures and framed autographs around the room, but it is not true that much was done there. What happened there was that delegates from the Maritime provinces met together, and before they had time to decide anything the delegates from Upper and Lower Canada went to meet them to ask for a conference. All they did at Charlottetown was to shake hands and decide that they should meet again in Quebec City.

They met in Quebec City and at a time, mark you, honourable colleagues, when they were very much concerned about the Fenian raids. They were afraid of an invasion of Canada by the United States, and what they wanted was to save Canada for the British Crown. They met *in camera* in Quebec City in the latter part of October 1864, and the Quebec Resolutions were drafted in great haste. They were submitted afterwards to the Legislature of United Canada to be adopted.

In his history of Canada, one of the most distinguished members of the Senate, an historian of note, Senator Thomas Chapais, observed that at the Quebec Conference of 1864 nothing of the discussion came out and that it was unfortunate there was no record of what happened there except what we call the Quebec Resolutions. They were adopted, and you will pardon me for being frank in saying I do not believe that Confederation was attained at that time by a pact between the two great races in Canada. It is not true. It was a hurried draft of a constitution made by the Government of the day, and at that time the Prime Minister was an upright Canadian citizen, Sir Étienne Paschal Taché, who was well known and well liked as a family doctor but whose Parliamentary experience and knowledge of the law was not very deep. He had a paper in his hand which he read when he was embarrassed to explain what was the legislative jurisdiction proposed by the Quebec Resolutions.

I wonder if it interests you, honourable senators, but I am telling you my side of the story. They discussed the resolutions, and finally they passed them. I was interested in the matter because my grandfather at that time was a member of the Legislative Assembly of Quebec, and he was opposed to the Quebec Resolutions and voted against them; not only that, but he and several English-speaking and French-speaking members submitted a memorandum to London in an attempt to delay the adoption of the Quebec Resolutions and so give the Maritimes a chance to submit their grievances. They already had grievances at that time.

Hon. Mr. Brooks: And they still have.

Hon. Mr. Pouliot: The Quebec Resolutions were opposed by French and English people. It was never a pact between the two great races, as it was said; it was just the will of the Government of the day, in the first place, of Taché-Macdonald and then of Macdonald-Cartier, to impose that form of government upon Canada.

Honourable senators, it will interest you to know that the true debates of Confederation are not found in the so-called *Debates of Confederation*, although I recommend to you to get them free of charge from the Printing Bureau. They are to be found in *Hansard* of the House of Commons and *Hansard* of the Senate for the years 1880 and 1882, when Sir John A. Macdonald discussed the provisions of the B.N.A. Act. In the first place, in the 1864 debates of Confederation, Sir John did not speak much; he left it to others, and especially to Sir Hector Langevin. He said a few words but not many. The real parliamentary debate

on the B.N.A. Act of 1867 can be found in *Hansard* of the House of Commons and *Hansard* of the Senate for the years 1880 and 1882. Honourable senators will find it on a bill which was sponsored by Hon. Mr. Girourard who was later appointed to the Supreme Court of Canada. The matter was the change of the civil law, under the British North America Act, by the Parliament of Canada, to permit a widower to marry his sister-in-law; then it was changed to permit a sister-in-law to marry her brother-in-law, and to permit an uncle to marry his niece, and to permit a nephew to marry his aunt.

Now it is valid and can be done, not in virtue of provincial legislation but in virtue of federal legislation. The reason is to be found by reading the British North America Act as it is now, and you can find it in the Statutes of Canada. The exclusive jurisdiction over civil rights belongs to the provinces, but there is an exception to that. According to the same Constitution, the Parliament of Canada has exclusive jurisdiction over divorce and marriage and the only exception for the provinces to legislate is with respect to the solemnization of marriage. Apart from that, all legislation that is passed by the provinces—not only the province of Quebec but any province of Canada—about marriage and divorce, is null and void.

Mr. Speaker and honourable senators, may I remind you of a well-known judgment of the Privy Council, which was given by Lord Haldane in 1912, on reference from the Government of Canada to the Supreme Court. The Privy Council upheld the decision of the Supreme Court, which covers hundreds of pages, in one of the three reports of 1912 of the Supreme Court of Canada. This is to the effect that full legislative jurisdiction over marriage and divorce is vested in Ottawa, and it is only by exception that the provinces have the right to legislate on the solemnization of marriage.

Mark, however, that at this time the Civil Code of the province of Quebec had been in force for eleven months. Therefore, when the British North America Act was adopted, when it came into force, the lawmakers of the time knew exactly what the civil law was. My contention is that if you look at the statute book containing the Constitution of Canada, and if you look at the sound interpretation of it by the Privy Council, you come necessarily to the conclusion that the minds of the lawmakers of the provinces were blurred at the time; that is why they encroached upon federal rights, upon the exclusive right of the Parliament of Canada to legislate on those matters.

I could say the same thing about the bankruptcy legislation, which belongs to the Parliament of Canada. Many acts were passed by the provinces and they are invalid; it is unfortunate, because they had no jurisdiction to pass that legislation.

I cannot understand why professors of civil law in the universities have never taken the trouble to go to the source of information in order to find out whether or not the Parliament of Canada or the provinces had jurisdiction in any particular matter. They closed their eyes. That is why, about a year ago, I said that the mortarboards of those professors should be exchanged for asses' caps. Those words are not too strong.

The legislation authorizing the provinces to deal with marriage and divorce is null and void, and the only valid divorces are those which have been granted by an act of Parliament.

Honourable senators, I come now to a serious objection. One may ask: "What about those provinces which had the right to grant divorces before Confederation? Did they not keep the same right after Confederation?" This is a serious objection. If you permit me, I will give you a point of view on that.

Having told you what we find about marriage and divorce in sections 91 and 92 of the British North America Act with the exclusive power of the Parliament of Canada on the one hand, and the exclusive and different powers of the provinces on the other hand, we then come to section 129 dealing with the continuation of the legislation after Confederation. My honourable colleagues, with whom I have had the honour to sit in this chamber for nearly eight years, have done me the honour of following my argument about it, and I appreciate it. What I have said is on record in the Senate *Hansard*.

Mark you, honourable senators, there was a time when a change was made in the Constitution; and there was an elapse of time between the moment of July 1, 1867, when Confederation came into force, and the first day of the following session. There were to be laws in force at that time. We cannot conceive of any country without laws. The laws must have been continued. But if section 129 has any purpose or any meaning, it means that the powers that the provinces had before, in virtue of section 92 of the British North America Act, were continued after Confederation, and that the powers that were given to the Parliament of Canada by section 91 were continued after Confederation until they were respectively changed by the proper legislative body. I mean by that that it would be absurd to think that the provinces would have more rights in virtue of what the Constitution would do in the future. The article was badly drafted, and it proves my contention that the Quebec

Resolutions were passed in haste in Quebec city, and that the British North America Act was passed in haste later in London, when Sir John A. Macdonald was there with other Canadian delegates. But we are facing a very bad situation. Imagine it: the laws concerning marriage were void, and the laws concerning divorce were void, when they conferred federal jurisdiction on the provinces.

To give an instance of what occurs, honourable colleagues, let us take the case of a woman who is separated from her husband. According to the Civil Code of 1866, a separated woman had to ask permission of the judge to alienate property, to sell it, etcetera. Later on an amendment was passed by the provincial legislature to the effect that it was not necessary to ask for that permission. Otherwise, for women who were separated it would have meant that all transactions made for the sale of their properties, to mortgage them or buy them, etcetera, would be null and void. That is a very sad situation, when we think of it, but it is one we have to face. This is why I find, honourable senators, with due deference, that no provincial premier or prime minister can say that any province has become mistress of her own house, for the very good reason that until that legislative problem is solved, no province can legislate validly on certain matters.

(Translation):

Hon. Mr. Méthot: And what is the result with regard to marriage contracts, or the interdiction of settlements between husband and wife?

Hon. Mr. Pouliot: It is the same thing. I could give many instances, but that is the way things go: a car will not run without gas, except downhill. It is quite a problem; indeed so much of a problem that, ever since it was drawn to the attention of the Quebec provincial government, not a single amendment has been enacted in the last five years with regard to marriage. No, not one!

I have had the honour of working for five years with the honourable Chief Justice Rinfret, who sat for 30 years on the Supreme Court of Canada, after his tenure on the Superior Court; also with Notary Émile Delâge, of Quebec city, who had been president of the Chamber of Notaries; and with Notary Boulanger, who has been a president of the Reform Club in Quebec city. We came to the unanimous conclusion that some articles of the Civil Code were void, and our reports to that effect were sent along to the proper authorities. What astounded me was that the attorney general of the province of Quebec stated that he had received none of the reports that we had forwarded to him by C.P.R. express. Mr. Lapalme stated that he had never received any report from the commission that had been set up by the Duplessis Government. This is rather extraordinary: the ostrich had buried its head quite deep in the sand.

And yet I must say, to the credit of Premier Lesage, that he had unfailingly acknowledged receipt of the reports sent to him jointly by the Chief Justice, by Notary Delâge, by Notary Boulanger and by myself. Our reports are there. Why were they not tabled in the Legislature, instead of it being claimed that they had not been received? Why did he not produce them? What has happened? Why are all our reports kept secret?

The same thing happened when the Quebec Bar met in convention on February 15 and 16 at the Skyline hotel, near Montreal. This time it was about a resolution concerning the abolition of the husband's authorization, something that can be countenanced, provided legislation to that effect is enacted by the proper legislative power, i.e., by the federal Parliament, for in a case such as that, the provinces have no jurisdiction whatever, under the Canadian Constitution.

One may well disagree, on occasion, with Premier Lesage, as does even Mr. René Lévesque, his minister of Natural Resources, and there is also a lady member of the Quebec cabinet who gads about, holding forth on married women's rights. I wish she would make it her first concern to see that our reports are produced, so that they may be discussed in the assembly and by members of the bar.

I had sent in a money order to cover my registration fee at the convention. When I arrived at the hotel, I ran into the secretary-treasurer of the Quebec Bar, but in no time at all he had vanished. The people who were in charge of registration arrangements at the convention had no card for me. At length, the secretary showed up again and instructed them to hand me the indispensable card entitling me to attend the meetings and to take part in the discussions.

Now there happened to be on the agenda a resolution to increase the rights of married women, allowing them greater freedom to transact business. That particular item was called one evening at a time when I was unable to be present.

I waited until a general meeting was being held in two halls of the hotel. And when the resolution in question was called, for the purpose of confirming its adoption on the previous day I asked to be heard. The meeting was drawing to a close. Most obligingly, my

colleagues suggested that I take the microphone. And since they wanted to hear what I had to say, I went to the platform which was occupied by the president of the rural bar—a man from my district and a perfect gentleman. I was glad to see him there. Also on the platform was the chairman of the meeting, the Bâtonnier Général, who was like a jumping jack. I have never seen a chairman like him. Very nervous and jittery, he kept bobbing up from his chair, then sitting down again.

I then briefly stated exactly what I have just said about the relationship between constitutional law and civil law. I went no further. That same day, however, on both the French and the English TV networks, I had had an opportunity to express my opinion freely. Not all the reporters understood, but that was of little consequence since people in Quebec and in Ontario had had a chance to find out what it was all about.

And so the resolution carried, on division. I learned later that it had been referred to the bar's committee on legislation. What the decision was is as yet not known.

What on earth are they waiting for to request production of all the reports of the committee for the revision of the Civil Code and of the Code of Civil Procedure of the province of Quebec?

They are serious reports; they were prepared with care and they deserve to be discussed by legislators, by members of the bar and by the Chamber of notaries, particularly when a lady who is now a member of the provincial cabinet and sets herself up as a champion of married women's rights said in her maiden speach in the legislature that the brilliant tin-plate extinguisher from St. James Street, as well as his alter ego and all the self-styled specialists who are drafting the new revision of the Civil Code, "would see that all rights be granted to married women".

Well, that was two years ago, and no report has yet been tabled in the house. If the attorney general has received a report from the new commission, let him produce it, together with ours. The production of all those reports could only establish that Chief Justice Rinfret, notaries Emile Delâge and Benoît Boulanger and myself were right.

And that is not all. There is also the famous commission on the Code of Civil Procedure. The Code of Procedure was badly written and must be redrafted. Well then, what did the judge do who was entrusted with the revision? In the first place, after he had been appointed he went out and spent a whole summer in Germany, to find out if any German procedural provisions could be useful to the province of Quebec. Then a delegation of so-called jurists was dispatched to Hamburg and to various other cities of the Hanseatic League, to look into ways and means of improving the Code of Procedure. There is only one way to go about it, and that is to go back to the original sources and scan the original legislation as the groundwork of pertinent reports. All they did was submit a report, one that contained nothing new. Justice Omer Côté had already delivered a judgment in that regard.

There again I commend the Government for appointing Justice Challies as Associate Chief Justice of the Superior Court. He had been a member of that commission, and must have considered it frightfully boring for he found time to write a big book on expropriations; still there is no report forthcoming from the commission for the revision of the Code of Procedure. They are sleeping on it. Should we not get a report from the commission on the Code of Civil Procedure? But apparently nothing has been done by the extinguishers of St. James Street and of rue Saint-Louis, in Quebec City. After all, one can rightly wonder what use these gentlemen made of their time.

I hope Justice Challies will bring pressure to bear on the provincial government, to have those reports published, if there be any.

Now we are not opposed to married women being granted additional rights, that is to say, the right to transact business as freely as men do, but let such rights be granted by the proper authority, let there be no more of this hoodwinking of the people by promising them the moon and dangling illusory rights before their eyes.

Women who actively engage in politics expose themselves to criticism. Otherwise, if we had to deal with them but gently, and always gave them undue consideration, we would never see the end of it, and they could get away with anything. Let me say, however, that I have much regard for my lady colleagues here in the Senate. One of them has told me that she would never have agreed to be a candidate in some riding because of the trouble and annoyances she would likely have run into, but that she was happy to be sitting in the Senate where she is doing a very fine job.

In addition to the parliamentary debates on Confederation, there is the 1939 O'Connor report dealing with the implementation of the British North America Act of 1867, and the incompatibility between those provisions and their judicial interpretation.

There is also the report by Dr. Maurice Ollivier, Q.C., on the British North America Act and the related statutes from 1867 to 1962, an indispensable work.

All of these are documents that you should have and that you can get at no cost to you from the Queen's Printer—he will be glad to send them to you—so that you may have them handy in your bookcase. You will then be in a position to do interesting work and to find parliamentary life in Ottawa more to your liking.

There are many other reports too. There is, for instance, the five-volume report of the Royal Commission on Government Organization, the Glassco report. A request to the Queen's Printer will get you your copy. It seems to me you should avail yourselves of this tremendous advantage.

For five years, with able and enlightened colleagues, I have laboured in quest of the truth. And while in law there is no such thing as absolute truth, we have carried out extensive research as a result of which we have discovered what can rightfully be described as relative legal truth. And the proper authorities have been apprised of our findings.

We are in an impasse from which we must escape at any cost.

It is not by closing our eyes that a satisfactory result can be attained.

The federal Parliament has the necessary legislative jurisdiction to remedy this abnormal situation. The problem can be solved by means of a bill originating here, in the Senate of Canada.

Honourable colleagues, with your support a bill can be passed right here that will do justice to all married women, and we can presume that the measure would meet with the general approval of the House of Commons.

I have faith in the open-mindedness of the present Leader of the Government, and I am confident that, on a measure such as this, he would allow honourable members to vote as they see fit. What the lady champion of women's rights has not yet managed to achieve, we ourselves can do quietly, without fanfare, and legally.

In a matter of such moment I have steered clear of party politics.

I have thought it advisable to call your attention to an anomaly which is in our power to remove as soon as possible.

Is not the responsibility of professors of civil law greater than that of judges, barristers and notaries? Had they been equal to their task, we would not now be faced with such legal difficulties.

Not very long ago, a noted jurist, Chief Justice McRuer, of the Supreme Court of Ontario, stated at the opening of the courts that lawyers should devote themselves to legal research instead of drifting into pointless and futile discussion.

Having said this, I would have many other remarks to make, but I am glad to support the Speech from the Throne for a very particular reason: because of the fact that recently the present Prime Minister of Canada made what I consider a striking statement, a statement in keeping with his kindly and generous nature. It was entitled:

> Canada-U.S. Role Outlined. P.M. Call for Friendship. Neighbourly Relations Stressed.

I think it makes such sense for Canada, as a nation, to give the world an example of bonne entente that it is the greatest political banner that can be devised. We have, at times, discussed points that are not to our liking, things that have gone wrong, here and there; and yet, provided everything is done in the right spirit, for the progress and advancement of Canada, when everything is done in order to show that we are applying charity and fairness among individuals and among nations—no hesitation is possible: it is the policy that we must follow and to which we must give our undivided support.

(*Text*):

On motion of Hon. Mrs. Irvine, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 20, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Secretary of State, for the year ended March 31, 1963, pursuant to section 8 of the Department of State Act, chapter 77, R.S.C., 1952. (English and French texts).

Statement of receipts and expenditures under Part V of the Canada Shipping Act (Sick Mariners), for the year ended March 31, 1963, pursuant to section 321 of the said act, chapter 29, R.S.C., 1952. (English and French texts).

BRITISH COMMONWEALTH OF NATIONS

MEMBER COUNTRIES—INQUIRY ANSWERED

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. What countries are members of the British Commonwealth of Nations and what are the Commonwealth countries which are not members of the Commonwealth?

2. What has Canada done for each of those countries?

3. What has each of those countries done for Canada since "British Commonwealth of Nations" has been substituted for "British Empire" as the designation of them all?

Hon. W. Ross Macdonald: The answer to the honourable gentleman's inquiry is as follows:

1. The following 16 countries are members of the Commonwealth:

United Kingdom, Canada, Australia, New Zealand, India, Pakistan, Ceylon, Ghana, Malaya, Nigeria, Cyprus, Sierra Leone, Tanganyika, Jamaica, Trinidad and Tobago, Uganda.

The following countries are not members of the Commonwealth but are considered part of the Commonwealth through some form of association with a member:

Western Samoa, Federation of Rhodesia and Nyasaland, Kenya, Singapore, North Borneo, Sarawak and Brunei, Malta, British Guiana, British Honduras, Bahamas, Basutoland, Bechuanaland Protectorate, Bermuda, Fiji, Gambia, Gibraltar, Hong Kong, Mauritius, Papua and New Guinea, Seychelles, South Africa Federation, Swaziland, Tonga, Zanzibar.

In addition to the above-mentioned territories there are various small and scattered islands considered part of the Commonwealth through some form of association with a member.

2. As members of the United Nations, Commonwealth countries have benefited from United Nations multilateral aid programs to which Canada has contributed. As far as Canada's bilateral overseas economic aid programs for developing countries are concerned, these continue to be directed in the main to Commonwealth territories through the Colombo Plan for Co-operative Economic Development in South and Southeast Asia inaugurated in 1951; through the Special Commonwealth Africa Aid Program (SCAAP) inaugurated in 1961; and through the Canada-West Indies Aid Program inaugurated in 1958. Canada's total contribution under the Colombo Plan since its inception exceeds $380 million in capital assistance and technical assistance. The aid to the West Indies is expected to reach some $10 million over the period 1958-63 and Canada has pledged aid to Commonwealth countries in Africa through SCAAP to a total of $10,500,000 for the period 1960-63. In 1962 Canada also extended technical assistance to British Guiana and British Honduras amounting to $120,000.

In 1962 Canada gave two other kinds of aid to Commonwealth countries in addition to the economic aid noted above. One took the form of military assistance by providing training programs for the armed forces of Ghana, Nigeria and Trinidad and Tobago; and the other took the form of educational co-operation under the Commonwealth Education Program inaugurated in 1959. By the end of 1962, 219 students from Commonwealth countries were studying in Canada under this plan. At the end of 1962, 119 Canadian teachers were serving under Canadian Government educational aid programs in the less-developed Commonwealth countries of Southeast Asia, Africa and the Caribbean.

3. The Statute of Westminster in 1931 gave legal recognition to the independent status of the members of the Commonwealth. It would be very difficult to enumerate what each of the other fifteen members of the Commonwealth has done for Canada since 1931, but any listing would include the advantage for Canada of a broader grasp of world movements

which results from constant consultation with the other members; in particular the close contact with Asian and African members counteracts any tendency to insularity and enables Canada to play a more useful and active part in the world peace-keeping organization of the United Nations. Canada also receives trade preferences in the markets of certain other Commonwealth countries. These cover a large proportion of Canada's exports to the countries in question. The value of Canadian trade benefiting by these preferences in 1962 was approximately $580 million. Canada also receives benefits under the Commonwealth Education Program; just as 219 students from other Commonwealth countries won scholarships enabling them to study in Canada in 1962, so did 84 Canadian scholars win Commonwealth Education Program awards enabling them to study in other Commonwealth countries in 1962. There is a continuing benefit accruing to Canada from the large exchange of scientific and technical personnel which takes place among the countries of the Commonwealth.

ADJOURNMENT

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

Motion agreed to.

DIVORCE

NEWSPAPER REPORT—INQUIRY

On the Orders of the Day:

Hon. A. J. Brooks: Honourable senators, before the Orders of the Day are proceeded with I would like to make an inquiry of either the Leader of the Government (Hon. Mr. Macdonald, Brantford) or the Chairman of the Standing Committee on Divorce (Hon. Mr. Roebuck). I note in the press that the Chairman of the Standing Committee on Divorce has had an interview with the Canadian Press. The heading of this report is: "NDP halts divorce procedure—Outrage, Roebuck says".

Before I state my inquiry I should say that we were all greatly pleased at the beginning of this session to learn that our good friend, Senator Roebuck, was again in good health after his slight indisposition.

I have rather hesitated to ask a question regarding the Divorce Committee, but having seen this newspaper report I thought it possible that the chairman would like to give the information to us as well as to the press.

The committee has been very quiet, as we have all noticed. In previous sessions it has been one of our most important and busiest committees. On entering the lower door of the Senate each morning in past years one would see many notices of Divorce Committee meetings. It was, indeed, the busiest committee in the Senate. We also had many reports from the chairman. However, so far in this session we have heard nothing regarding the Divorce Committee.

Honourable senators, I do not intend to read all of this press report. It purports to quote Senator Roebuck, and in part it says this:

> "We are not planning to hear these actions—"

He refers, I think, to the petitions which have been received this session.

> "—or any others until we know that this whole situation is going to be resolved," Sen. Roebuck said.
>
> He described the blockade as subversive, wrong and possibly cruel.

That is pretty strong language, especially the word "subversive". However, I am sure that honourable Senator Roebuck will explain that point.

The press report goes on later to say:

> Meanwhile, indications are growing that the Liberal Government plans action to get the parliamentary divorce mill going again.

Now, I have known for some time that the chairman of the committee has been very much concerned over the divorce situation. He spoke to me about it on a number of occasions during the last session, and said that something should be done and must be done at once to correct and clarify the situation. He also pointed out the great injustice which was being done applicants for divorce.

Despite what the honourable Senator Roebuck said then, I understood from him last year that it was the intention here in the Senate to continue to receive and consider petitions for divorce, and that the committee here would carry on as usual regardless of what the situation might be in the other place.

I might also say that I was encouraged that the situation might be resolved and clarified, according to a report of what was said by one of the honourable members of the House of Commons who has opposed the passage of divorces for so long. He said that he was prepared to assist in expediting the business of Government, but he did not say that that included divorce bills. However, it occurred to me at the time that if he would assist in getting the divorce bills through instead of holding them up, that would be

the greatest favour he could do so far as Government business was concerned.

My question to the honourable chairman of the Divorce Committee is, first, will he bring us up to date, if he can, on the situation as to the divorce committee; and, secondly, will he tell us, if he can, what action the Government proposes taking to clarify this situation?

Hon. Arthur W. Roebuck: In the first place, may I thank the Leader of the Opposition (Hon. Mr. Brooks) for his very kind reference to me, and also for the pleasant way in which he asked the question.

There was a sort of an aside remark that I should give to the house the information that had been conveyed to the newspapers. I have already done so. If the honourable leader opposite will turn to page 58 of Senate *Hansard* of this session, he will see there that I stated practically all the things that I have said in the newspaper. I told the house at that time that the Senate Divorce Committee had met and were unanimous in our resolve not to resume hearing divorce cases until we were assured that our recommendations would be properly considered in the other place and the cases would be carried through to a successful conclusion.

I notice that according to the news item I said that the present blockade is possibly cruel. I admit error in using the word "possibly". There is no question about it: it is utter and extravagant cruelty that is being and has been perpetuated on these litigants for the past two or more years. We have changed our mind a little with the passage of time. Our understanding was that although the cases were being held up in the other place by a blockade by two private members, they would probably be passed at the end of the session. Cases had been held up throughout two previous sessions but had been passed at the end of each session. So that while the delay was by no means pleasant, or justified—because justice delayed is justice denied—at the same time, I was not prepared, and I believe my confreres agreed with me, to change our procedure. We went ahead in the hope that the cases would be passed in due season.

It is true that fully 300 petitions died on the Order Paper two sessions ago; but we were doubtful that they would die on the Order Paper the second time. Indeed, we had good grounds for supposing that they would not, that the good sense of the Commons would prevail and they would pass. Therefore, we continued.

But now, honourable senators there are pending nearly 500 cases—I believe the accurate number is 494—that we have heard and decided in committee in the most formal and serious way, and the petitioners are entitled, according to the law of Canada, to divorce. All of these cases have been held up, some of them for as long as two years, and about half of them for at least one year. That is something about which I am very much concerned, just as the Leader of the Opposition (Hon. Mr. Brooks) said.

I have lived most of my adult life in the courts, and I have come very close, as many of my confreres have, to the administration of justice, both in this province and in the federal jurisdiction. This sort of thing offends me to the very quick, that good, innocent people have come here, paid their money to us and to others and then are treated in this way. I am hoping that effective action will be taken by the Commons to clear up this matter in some way and, of course, I have my opinions as to how it should be done.

So honourable senators, I have no apology for the statements I made and which appeared in the newspapers this morning. It is an outrage and I hope the Commons will take the matter up very soon and dispose of it.

I have no knowledge, of course, as to what will be done. I have discussed the matter with various leading members of the Government but I have no information that I can impart. It may be that the Leader of the Government (Hon. Mr. Macdonald, Brantford) can give us some information along that line but I do not feel free to do so.

Hon. A. J. Brooks: Honourable senators, I wonder if I might ask the Leader of the Government if he could explain or enlarge upon the statement in the press that

> ... indications are growing that the Liberal Government plans action to get the parliamentary divorce mill going again.

Hon. Mr. Roebuck: That is not in quotation marks.

Hon. Mr. Brooks: It is in the press report.

Hon. Mr. Roebuck: But it is not a quotation.

Hon. Mr. Brooks: I do not know how the reporter got it but it is here.

What are the indications and what action is the Government planning to get the divorce mill, as the press calls it, going again.

Hon. Mr. Macdonald (Brantford): I may tell the honourable Leader of the Opposition that I am quite sure the Government has nothing to do with getting any divorce mill going.

Hon. Mr. Brooks: Does the honourable Leader of the Government mean by that

that they are not making any efforts to get the divorce—

Hon. Mr. Macdonald (Brantford): My friend referred to a divorce mill, and I want to inform him that the Liberal Government has nothing to do with any divorce mill.

Hon. Mr. Brooks: Those are not my words; those are the words appearing in the press report, which everybody in the country will read and know what is meant.

Hon. Mr. Macdonald (Brantford): My friend should not have used the word "mill".

Hon. Mr. Roebuck: I repeat, honourable senators, that that remark is not attributed to me in the report of the interview. I think those are the reporter's words.

Hon. Lionel Choquette: As I recall the honourable senator's last statement, he added that he had every reason to believe the present Government was about to do something to remedy the situation. So I would ask the question: What is that proposition?

Hon. Mr. Lambert: The question is as to the use of the word "mill".

Hon. Mr. Brooks: I withdraw the word "mill". I do not think it is a very offensive word, though it carries certain implications. It is not important anyway.

If the Leader of the Government could give us any indication as to whether anything is being done to get divorces through the Senate committee and through the House of Commons, we would be very pleased to have the information.

Hon. Mr. Macdonald (Brantford): Honourable senators, when a decision has been made with regard to divorce procedure, I will be glad to inform this house of it.

Hon. Mr. Brooks: Thank you.

HIS HOLINESS POPE JOHN XXIII

REPORT ON FUNERAL CEREMONIES

Hon. A. K. Hugessen: Honourable senators, before the Orders of the Day are proceeded with I wonder whether my colleagues would think it appropriate if I were to offer them a short report on the funeral ceremonies for Pope John XXIII which took place in Rome last Monday and at which I was one of the delegates from this country.

There were three delegates from Canada: the Minister of Justice, Honourable Mr. Chevrier; our Ambassador to Italy, Mr. Jules Léger, who is the brother of Emile Cardinal Léger, and myself. Both the Minister and the Ambassador are Roman Catholics. Quite apart from any matter of personal feeling I think it was particularly appropriate that one of the delegates should represent Christians of other denominations. Indeed, that was the pattern followed in a number of the delegations from the 74 countries, I think it was, which sent representatives to Rome on this occasion. For instance, the head of the delegation from the United States was Vice-President Lyndon B. Johnson. A member of the British delegation, Sir Peter Scarlett, who is the British envoy to the Vatican, is an Anglican like myself.

I say it was particularly fitting that there should be some non-Roman representatives at the ceremonies for this reason: That great and good man, Pope John XXIII, whom we had come to mourn, had succeeded in the four short years of his pontificate in bringing Christians of the various denominations of the world closer together in thought and feeling than they have been for centuries past. His spirit dominated the proceedings. We non-Romans were made to feel at home. When we were referred to, it was as "nos frères séparés"—our separated brethren. And we did feel at home and at one with our Roman brethren in lamenting the loss of this great Prince of the church.

Mr. Chevrier and I left Montreal by air on the Friday night. On our arrival at Rome airport early Saturday afternoon, we were met by our Ambassador and by a representative of the Vatican, Monsignor Carew, a most charming gentleman and a native of Newfoundland, to whom I spoke as we were leaving the airport and who told me that on two recent occasions when he had travelled by air to or from Newfoundland he had sat beside our colleague Senator Pratt and had had some very interesting conversations with him.

Pope John XXIII's body had been laid to rest a few days before in the crypt under St. Peter's, where all the Popes have been buried since the Middle Ages. On Sunday at noon the Canadian delegation went to the crypt, and we were taken to the tomb of Pope John XXIII, upon which the Minister of Justice laid a wreath on behalf of the Governor General. As some honourable senators may know, General Vanier became a close friend of Pope John XXIII when he, General Vanier, was our representative in Paris some years ago, at which time the late pope was the Papal Nuncio in Paris.

On Sunday evening, at dinner with the Ambassador, we had the privilege of meeting our two Canadian Cardinals—Cardinal McGuigan of Toronto and Cardinal Léger of Montreal—as well as Cardinal Antoniutti who, as many honourable senators will remember, was the Papal Legate in Ottawa for 15 years up to 1952.

The funeral service was held on Monday morning at St. Peter's. It was a day of bril-

liant sunshine and blue sky. Rome, lovely as it always is, was looking its best, with its shrubs and summer flowers blooming in profusion.

The delegates met at a side entrance to the cathedral. As I have said, there were delegations from 74 countries, but there was none from the countries of the communist bloc. Among the principal delegates one might pick out Vice-President Lyndon B. Johnson of the United States, the Earl of Perth who headed the delegation from the United Kingdom, the Prime Ministers of Italy and of Ireland, the Foreign Ministers of France, Germany and the Netherlands, while the Belgian delegation was headed by the Prince de Liege, the King's brother, and M. Spaak, the Foreign Minister of Belgium.

Preceded by Papal Swiss guards in brilliant red uniforms, we entered in procession through the main door of the cathedral where the service began at 10 o'clock.

Honourable senators who are familiar with St. Peter's know what an enormous building it is. Right in the middle of the crossing, where the two great side aisles come in from right and left, is the huge Papal Throne, made of marble, which towers many feet into the air. The service was held in the east part of the cathedral, in the area between the Papal Throne and the altar at the far east end of the church; that is, in an area less than one-quarter of the whole area of the church, but amply sufficient for the many thousands of people who attended the service.

We delegates were seated close to the altar, on the right-hand side, and had an excellent view of the service. I was unable to fathom the order in which we were seated. It was not alphabetical, as it is in the United Nations. All I can say is that we Canadian delegates had on one side of us delegates from the principality of Monaco and, on the other, delegates from the Congo.

Just before the service began eighty Cardinals entered in procession, clad in their violet robes, each with a red-robed priest in attendance on him, and took their places in two long lines, facing one another down the aisle. The celebrant of the mass was Cardinal Tisserant, the Archbishop of Paris, who is the Dean of the College of Cardinals. Cardinal Tisserant, though over 80 years of age, is a tall and most impressive figure, with a rosy complexion, a snow-white beard and a resonant voice; and he celebrated the Mass with unsurpassed dignity and reverence, while the choral part of the service was sung by the famous Sistine Choir.

The whole service, including an address in Latin giving the salient facts of the life and work of Pope John XXIII and extolling his many virtues, lasted about two hours. It was a spectacle which, in those magnificent and historic surroundings, in its outward appeal to the eye and its inward appeal to the deepest of human emotions, will not readily be forgotten by those who took part in it.

After the service was over, the delegations moved out of St. Peter's and up two long flights of stairs to the reception rooms of the Vatican. In one of these, an oblong room, all the attending Cardinals were sitting behind small tables, each Cardinal's name being shown in large print on a sign on the table in front of him. As we walked past, announced as "la délégation du Canada," we bowed to or smiled at the Cardinals whom we recognized, and at the far end of the room we shook hands with Cardinal Tisserant, and with Cardinal Masella the Chamberlain who is in charge of the Vatican pending the election of a new Pope. That was the conclusion of the ceremonies.

In walking through the Vatican and past the door of the Sistine Chapel, we could see the arrangements that were being made for the consistory which started yesterday evening, in which the Cardinals, shut off from the outer world, are now engaged in the election of a new Pope to succeed John XXIII; and upon their choice much will depend.

I can only conclude by expressing my deep sense of honour and privilege at having been chosen as one of our country's representatives on this great and historic occasion.

PRIVATE BILLS

THE EVANGELICAL LUTHERAN SYNOD OF WESTERN CANADA—THIRD READING

Hon. John Hnatyshyn moved the third reading of Bill S-11, respecting The Evangelical Lutheran Synod of Western Canada.

Motion agreed to and bill read third time and passed.

UKRAINIAN NATIONAL FEDERATION OF CANADA—THIRD READING

Hon. Mr. Hnatyshyn moved the third reading of Bill S-12, respecting Ukrainian National Federation of Canada.

Motion agreed to and bill read third time and passed.

THE GOOD NEWS BROADCASTING ASSOCIATION OF CANADA—THIRD READING

Hon. T. A. Crerar, for Hon. Mr. Beaubien (Provencher), moved the third reading of Bill S-15, to incorporate The Good News Broadcasting Association of Canada.

Motion agreed to and bill read third time and passed.

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—THIRD READING

Hon. John M. Macdonald, for Hon. Mr. Willis, moved the third reading of Bill S-18,

to incorporate Baptist Convention of Ontario and Quebec.

Motion agreed to and bill read third time and passed.

CHARTERED TRUST COMPANY—THIRD READING

Hon. John J. Connolly, for Hon. Mr. Leonard, moved the third reading of Bill S-17, respecting Chartered Trust Company.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Olive L. Irvine: Honourable senators, I deem it an honour to take part in the debate on the motion for an address in reply to the Throne Speech. I fully realize that any expression of appreciation on my part may be repetitious. Nevertheless, Mr. Speaker, I welcome you to this august body and wish you health and happiness as you preside over the deliberations of this chamber.

My next duty is a particularly pleasant one. I wish to congratulate Senator Macdonald (Brantford) on his appointment as Leader of the Government in this new Parliament. I am delighted to see the vigour and enthusiasm with which he has taken over his new duties.

I believe I express the view of all honourable senators when I say that the mover and seconder of the motion for an address in reply to the Speech from the Throne acquitted themselves excellently in carrying out the important task entrusted to them.

I should also like to express my appreciation of two other honourable gentlemen who held high office in the last Parliament. I speak of the Honourable George White, whose tenure of office as Speaker of the Senate was short, but who endeared himself to all while in office; and of the present Leader of the Opposition, the Honourable Alfred Brooks, who made such an excellent contribution as Leader of the Government. I am sure he will be just as efficient as Opposition Leader.

I wish to extend a hearty welcome to our new senators. I am confident that with their extensive political knowledge and business background they will excel in their contributions to the debates of this chamber.

It is with a sense of deep pride that I place before all honourable senators this afternoon a review of the economy of my native province, Manitoba, which I have the honour to represent. Today Manitoba is awakening gleefully to the booming repercussions of an economic revolution. It is fast undergoing a fundamental transition from a predominantly agricultural and service economy to an emerging industrial economy.

In the year 1961 a serious problem faced our Premier the Honourable Duff Roblin, and his Minister of Industry and Commerce the Honourable Gurney Evans. They realized the urgent need for a survey of the whole economy of the province. If the trend of the times continued, tens of thousands of new jobs would be required to hold Manitobans coming to maturity in the late 1960's and early 1970's. The labour force should increase to 422,000 by 1975, but at the rate the economy has been growing since 1949 the number of jobs available will total only 347,000. This means that 75,000 new jobs have to be found. The question to be answered was: How?

It was a difficult decision to make because there was no real precedent for them to follow. No province in Canada and no state in the United States, so far as could be ascertained, had ever undertaken an economic survey of the scope and magnitude they planned.

What was required was an organization capable of performing three functions: the first was to carry out an expert analysis of Manitoba's economic potential; the second, to put forward a practical blueprint for future action; and the third, to enlist and retain the support and confidence of leaders in every sphere of provincial life. In short, the organization had to be expert and also representative.

On September 13, 1961, 41 Manitoba citizens were asked to serve in a voluntary capacity as the Committee on Manitoba's Economic Future. They were given a period of 18 months in which to carry out their analysis of Manitoba's economic growth, to recommend programs to create the jobs required in the future and to report back.

That committee represented a broad spectrum of leadership in the province: the primary extractive industries, agriculture, the university campus, labour unions, local government, power, transportation, tourism, the service industries, the retail trade, and more.

The Government made only one direct appointment, but it was a key one. Mr. Rex Grose, one of Manitoba's busiest men, Executive Director of the Manitoba Development Authority, Deputy Minister of the Department of Industry and Commerce and General Manager of the Manitoba Development Fund, was made Vice-Chairman and Research Director. His task was not only to direct the research program, but also to make sure that the structure which established did in fact work and did not bog down.

Soon 38 consultants or consulting firms were hired to undertake the research. Most of the consultants were Canadians. Eight who came from the United States and Britain covered such subjects as overseas markets, or United States midwest markets for Manitoba products, or some other specialized studies for which there was no suitable Canadian counterpart. Additional research was contributed by 17 private firms and federal Government agencies.

Sixteen advisory committees were then set up covering the areas of activity of the consultants, and 194 Manitobans were called to serve on them. Each group was headed by a chairman appointed from the committee, who had the power to add members as he deemed fit.

In time each advisory group consisted of from 12 to 18 members from all walks of life. There were geologists, truckers, bankers, fishermen, potato chip manufacturers, educators, union representatives, foresters, grain elevator men, tourist camp operators and many more. Each advisory group made its own independent report of its whole field of study, and also prepared a memorandum of comment, of agreement and disagreement on the consultants' report.

The result of the committee's work was published one day before the expiration of the eighteen-month deadline. I am sure that you will all agree that this is something new for a government project.

The organization and the approach this committee developed in its work will provide, I am sure, a model which might well be followed not only by other provinces but by our federal Government.

Honourable senators, I would like to say that there now is a copy of the report of the Committee on Manitoba's Economic Future in the Library of Parliament. There are many honourable senators who, if they can find a little time in which to digest even some of the things in this report, will be able to help their own provinces when they go back to them.

Naturally you will want to know the cost of C.O.M.E.F.'s effort. It has been estimated at $750,000 but this is a paper figure rather than a cash outlay. The Manitoba Government put up $200,000 from the public purse, and $125,000 was contributed by industry. A further $175,000 came in the form of grants and unpaid studies by such federal Government departments and agencies as the National Research Council, the Industrial Design Council, Agriculture, Mines and Technical Surveys, the National Productivity Council, and Central Mortgage and Housing Corporation, as well as such organizations as Manitoba Hydro. This is not a high cost for 21,522 man-hours of work designed to change the face of Manitoba and provide 75,000 new jobs by 1975.

Now that we have this committee set up, the responsibility of the Government will be primarily to provide guidance and the creation of the appropriate business climate.

The efforts of all citizens are enlisted to assist in making adjustments needed to provide reasonably full employment for a continually increasing population. There will have to be a continuing advance in technology, new inventions, new processes, new materials and new machinery. Our work force must become ever more specialized and more highly trained, and better management skills must be developed.

Skills and attitudes are the qualitative value of a labour force. In the vast hierarchy of levels of education and skills which can be found in the world today Manitobans are near the top. About 98 per cent of the adult population is literate and the medium level of education is approximately nine years. This is a much higher level than is the case in most nations of the world. However, Manitoba is today in competition with all regions of Canada, with the United States, Great Britain and the nations of Europe. This community of nations has the highest level of skills and education in the world. The comparison reveals that potentially we are capable of being competitive, but our levels of education at present are not adequate.

If our 1975 objective is to be reached it is estimated that at least 50 per cent of our working class must be high school graduates, and 15 per cent university graduates. This will require a long-term program of encouragement and many curricula changes will have to be made in all of our educational institutions from public schools up.

I am happy to say that the late Conservative Government introduced more forward-looking measures to help solve the age-old problems of the Canadian economy than any other government in Canadian history. The present Government took over an inheritance of progress.

The new vocational school system will be of the utmost value. Manitoba took advantage of this generous federal offer, and it is now up to them to make the best possible use of these schools. It has been decided that secondary manufacturing is the key to the future growth of our province and must command prime attention. Naturally, growth of the other sectors of the economy will to a large degree be related to this new development.

With so many farmers leaving the land and young people coming into the labour force, it will be necessary to educate them so that they can take their rightful place in a new field. Courses will have to be set up for management training and better technical

training; for the development of a program in the mining and mineral extraction industry; for managerial and supervisory jobs in the clothing and textile industry, in shop level management; and as well apprenticeship courses in the construction industry and courses for extension work and night school courses where such diverse subjects as forestry and tourist management can be taught. These are only a few of the courses that could be introduced to train the personnel necessary for our expanding economy.

Agriculture, of course, will continue to be one of our prime industries. Last year the farmers in Manitoba and as well in the other western provinces struck the dream combination: a big crop and good prices—a great change from the drought of the year previous. Grain crops alone yielded around 211 million bushels as compared to 76 million bushels harvested in 1961. The potato crop increased nearly four-fold, and fodder and hay crops about doubled. Sugar beet and oil seed harvests, with the exception of sunflower seed, produced very substantial increases. This was due primarily to a reduction in acreage sown to sunflower seed, rather than to a decrease in yield.

This bumper crop meant money in everybody's pocket. To eastern Canada it meant more work and higher wages in industrial plants. It meant new cars, new farm machinery, clothes, furniture and all the things westerners needed.

Another forward step for Manitoba was made possible by the previous Government with the introduction of the Agricultural Rehabilitation and Development Act—known as ARDA.

ARDA has been greeted by farmers and farm organizations as the most practical attack yet on the economic problems of Canada's rural areas. Manitoba was one of the first of the ten provinces to accept the offer. It will benefit not only rural areas but urban dwellers whose need for efficiently produced food and for land for recreational and residential purposes makes their stake in the wise use of the resources of rural areas increasingly important.

With the money received from the federal coffers, Manitoba made a detailed investigation of the province's primary agricultural product industries, beverage manufacturing, its water resources, its commercial fishing industry, and its recreational resources.

A splendid start has been made but will mean nothing unless continued action is taken. Studies have an unfortunate habit of gathering dust on office shelves. Concrete proposals must follow if this new project is to be a success. Let us take a look at what has already been done in attracting plants to rural areas which were originally established to serve the needs of agriculture. Their locations were based upon the transportation capabilities of the times. Only towns that possess raw materials in the area have water supply, labour supply and transportation, and regional markets will have the economic conditions necessary to attract new manufacturing concerns or to provide the basis for growth of existing concerns.

The development of secondary manufacturing may look small in size and number of employees compared to that of the provinces of Ontario and Quebec, where 80 per cent of all the manufacturing in Canada is done. However, in 1960 Manitoba had 51 new firms established, of which 37 were in Winnipeg and 14 in rural areas, valued at $6,976,500, and these provided 708 new jobs.

In 1961, there were 41 new firms of which 38 were in Winnipeg and 13 in rural communities, representing a capital investment in buildings and equipment of $8,240,000 and providing 704 new jobs. These industries were established to produce such divers items as plastic products, foodstuffs, metal products, furniture and other wood products, building materials, clothing, concrete blocks, ceramics, printed matter and steel products.

Today, of the 171 types of industry listed by the Dominion Bureau of Statistics for Canada, Manitoba firms are represented in 123. Mineral production for the year 1962 was approximately 25 per cent over the $99.1 million record established in 1961.

Manitoba entered the 1962 winter employment season with the highest number of people at work in her history, and with the lowest rate of unemployment—1.7 per cent in September, the lowest in three years. Labour income was up 3.8 per cent and personal income was increased to $1,420 million, an estimated increase of 7 per cent. Retail sales, a good barometer of general economic activity, ran at a level above 1961, and $850 million was expected. Tourism reached an all-time high of over $39 million.

Among the major construction projects that got under way in 1962 were:

(1) The beginning of the five-year $63 million Red River Floodway, the largest excavation product in Canada's history.

(2) Final work stages of the $16 million Winnipeg International Air Terminal and runway extension.

(3) Continuation of the construction of the Whiteshell Nuclear Research establishment, which when completed will be comparable in size and cost to the $165 million Chalk River development.

(4) Work on the $140 million Grand Rapids Hydro Electric project, which may be completed this year, and will take its place among the largest power-generating stations in the world.

Other large projects include the building, on a new location, of an $8 million plant by Labatt's Brewery; and the construction and relocation of Burns and Company Limited's packing house operations from their present site to a new $3¼ million operation in the city of St. Boniface, which centre boasts the largest meat packing complex in the British Commonwealth.

The winter works program instituted by the last Government has contributed much to employment on Government support projects. Up to April 15 of this year employment figures stood at 4,603, compared with 3,271 for the same period last year.

The number of man days of work involved for projects approved this year up to the same date was 218,511, or 35 per cent above the figure of April 15 last year. This past winter 81 Manitoba municipalities had a total of 326 projects approved, compared with 64 municipalities with 237 projects at the same time the year before.

In the fall of 1962, 19 Manitoba businessmen, at their own expense, went on a five-week trade mission to 10 European countries. The mission investigated the new trading patterns in Europe, the economic and political trends, management-labour-government relationship, economic planning projects, and the evolution of the European Economic Community, with particular application to Britain and Canada.

They heard far too many sorry tales about the failure of Canadians to take advantage of trading opportunities in Europe. It all added up to quite an indictment of Canadian initiative and drive. It indicated too great a complacency at home, with many businessmen satisfied with their showing in the domestic market and a lack of will to hit the important export market.

As our hard-driving deputy minister of Industry and Commerce said, and I quote:

> We have something to publicize, but we have to persuade the businessmen in the province to get out of the habit of believing that they can expect the government to do everything.

He went on to say:

> The men who are making money today are the recent immigrants—those who arrived in the past ten years. They have the old-fashioned idea that it isn't wrong to work hard.

Are not these the men who in practically every case were apprenticed to a trade and who are fully-fledged tradesmen?

The result of the investigations showed that the processed food industry in Manitoba might pay dividends in Europe. Manitoba firms could do well with peas and beans in Germany and Britain. Norway would be interested in our regular quality goods. Europe is rapidly developing a taste for frozen foods, peas, potatoes, meats, turkeys and chicken, all of which offer growing opportunities.

In regard to rapeseed, of which we are the world's largest producers, the mission felt that Manitoba could be in a good position to supply the crushing industry in E.E.C. if the price were competitive.

Manitoba honey has been doing well in Britain and the prospects are good in E.E.C. for bulk shipments of clover honey. Manitoba yellow mustard, harvested dry, is considered of highest quality, and yellow peas are in demand. Again, competitive price and continuity of supply are important.

To state it bluntly, we are going to have to stop resting our shovels as much as we are. We are going to have to work a great deal harder in many areas of our economy, and demonstrate a much more impressive trading determination.

Provincial advancement is not always clear sailing. Sometimes we have our federal administration to contend with. The proposed move of the Trans-Canada Air Lines Maintenance and Overhaul base from Winnipeg to Dorval, Quebec, as I am sure all honourable senators will realize, is causing us concern at the present time.

Winnipeg remained the control point for the Trans-Canada Air Lines system throughout the Second World War, but off and on since 1949 personnel have been moved to Montreal. However, we were assured by the president of the airlines that there was no reason to presume that the move marked the beginning of a mass transfer of Trans-Canada Air Lines activities from Winnipeg. Nevertheless, the statement made by the president in mid-November respecting the elimination of major aircraft overhaul and maintenance services from the Winnipeg area by 1966 has created much unrest. The Manitoba Government opposes the proposed policy which, if implemented as announced, would mean the destruction of a key segment of the economy of Manitoba, as well as the loss in the Winnipeg area of a substantial number of jobs requiring skilled and experienced workers.

Our government is aware of the importance of air transport in the future development of the regional and national economics. It has long recognized the potential of metropolitan Winnipeg as a major airport centre of Canada, is anxious to see the growth of the airport industry and will endeavour to encourage such growth.

The elimination of the Winnipeg overhaul and maintenance base would have a severe impact upon the economy of the province of Manitoba and metropolitan Winnipeg, and

we therefore urge that most careful and serious consideration be given to this matter as to the true effects of the implementation of the centralization plans before any decision is reached.

In a province with a small population the loss of about 4,300 people is serious, and a significant factor in the Winnipeg operation is the proportion of manufacturing workers in the Trans-Canada Air Lines labour force in the area. Of the nearly 2,000 personnel, 1,000 are engaged in a factory-type operation, equal in terms of employment to 40 average-sized manufacturing firms in Manitoba.

During the election campaign a telegram was sent by the now Prime Minister to the Reverend Fred Douglas, Liberal candidate for Winnipeg South Centre, which stated that his party favoured development of Winnipeg as a strong regional air centre. This was considered a commitment. After the election a Government spokesman denied that the telegram represented a commitment to retain the overhaul base in Winnipeg.

As a result of this latest development, the Manitoba Government wired the federal authorities asking them to meet a Manitoba delegation on June 18. The delegation was composed of representatives from all parties of the legislature, as well as spokesmen from at least 40 organizations in Winnipeg and surrounding municipalities. I have been told that the Prime Minister and the Minister of Transport now fully realize what a move of this kind would mean to the province as a whole and have promised to again review the situation. We trust that the outcome will be to our advantage.

As a result of the wonderful work that the Manitoba Department of Industry and Commerce is doing under the able leadership of the Honourable Gurney Evans, I again wish to point to the shining examples of efficiency, planning and organized effort the department has applied to Manitoba's industrial development campaign. The plan is not only unique in North America but, I believe, has set an example that all provinces would do well to follow.

Recently, the province of Manitoba has been awarded the Professional Trophy Award by the Society of Industrial Realtors of Washington, D.C., for the most effective industrial development program in the United States or any province in Canada. Mr. Evans accepted the award at the National Convention of the Society of Industrial Realtors of Washington, held in New Orleans late in January. This is the first time a Canadian province has ever received the award.

Manitoba was selected for the award by a panel of independent business leaders in the United States. The criteria for the awarding of the Professional Trophy were: scope and balance of the program; progress achieved compared with other years; number and kind of practical and productive program innovations; nature of the program; relations with existing industry in the state or province, as well as concern for newly-imported industry; contribution to the stature of industrial development; the degree of difficulty of local development problems, and the efficiency of the effort of the state, territory or province in relation to budget resources.

We have every reason to be proud of our minister and his entire department for achieving such success.

The question uppermost in my mind is, "Will Manitoba reach its economic goal by 1975?" My guess, supported by considerable practical evidence, and nourished by pride as an admiring native, is that Manitoba will make it.

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

PRIVATE BILL

THE UNION OF SLAVIC CHURCHES OF EVANGELICAL CHRISTIANS AND BAPTISTS OF CANADA—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Miscellaneous Private Bills on Bill S-19, to incorporate the Union of Slavic Churches of Evangelical Christians and Baptists of Canada.

Hon. Mr. Connolly (Halifax North), for Hon. Mr. Bouffard, moved that the report be adopted.

Hon. Mr. Higgins: I notice that the word "Slavic" does not appear before "Baptists" in the bill. Should it not be designated, "An act to incorporate the Union of Slavic Churches of Evangelical Christians and Slavic Baptists of Canada"?

Hon. Mr. Stambaugh: That is explained in the amendment.

Hon. Mr. Connolly (Halifax North): That is correct. The chairman of the committee explained to the house yesterday that although this bill was approved by the Senate Committee last session, the report did not reach the Senate before the dissolution of Parliament. He stated that there were two minor amendments, in each case the insertion of the word "Slavic" before the word "Baptists". The amendments were not designated on the original bill, so the committee was required to report these amendments for consideration by the Senate.

Report adopted.

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

Hon. Mr. Connolly (Halifax North), for Hon. Mr. Willis, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FINANCE CHARGES (DISCLOSURE) BILL

DEBATE ON MOTION FOR SECOND READING—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, for second reading of Bill S-6, intituled: "An act to make Provision for the Disclosure of Information in respect of Finance Charges".

Hon. Allister Grosart: Honourable senators, I rise at this time only to apologize for asking that my contribution to this important debate be allowed to stand until next sitting. I feel that I owe the Senate an apology, because the debate was adjourned in my name and at my request by the honourable senator from Cape Breton (Hon. Mr. Macdonald) on Tuesday last, and I am not yet prepared to proceed.

In the meantime, I believe an apology is due to the Senate and particularly to the sponsor of the bill who, I am sorry, is not in the chamber today. He has introduced this or a similar bill on a number of occasions, and for various reasons its passage through the Senate has been extremely slow. I am sorry to add to the delay. If he were here I would say to him that I believe it is of the utmost importance to the prestige of the Senate that this bill be carried to a definite and clear legislative conclusion, at least by the Senate of Canada, during this present session of Parliament.

May I add this personal word? At breakfast this morning I happened to say to my two daughters of high school age that I would not be speaking on the bill today. They asked me why, and I was foolish enough to admit that it was because I had not done my homework. In no uncertain terms they told me that was no excuse; that I was not practising what I was preaching, and should not be allowed to get away with it. I agreed with them entirely, and I beg the indulgence of the house.

This is an important bill, and while I do not suggest that my contribution will be a great one, I shall do my homework over the week end and be prepared to proceed, the Senate willing, at the sitting on Tuesday evening next.

Thank you.

The Hon. the Speaker: The Order stands.

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

THE SENATE

Tuesday, June 25, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of expenditures and administration in connection with the Family Allowances Act, for the year ended March 31, 1963, pursuant to section 14 of the said act, chapter 109, R.S.C., 1952. (English and French texts).

Report of expenditures and administration in connection with the Old Age Security Act, for the year ended March 31, 1963, pursuant to section 12 of the said act, chapter 200, R.S.C., 1952. (English and French texts).

Copy of a letter, dated June 20, 1963, forwarded by the Prime Minister to all the provincial premiers with respect to the proposed comprehensive Canada-wide pension program. (English and French texts).

CANADA PENSION PLAN

PRIME MINISTER'S LETTER PRINTED AS APPENDIX

Hon. Mr. Macdonald (Brantford): Honourable senators, I notice that when the Prime Minister's letter which I have just tabled was tabled in the other place there was a motion that it be printed as an appendix to *Hansard*. If it is the wish of honourable senators I shall move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks), that it be printed as an appendix to the *Debates of the Senate*.

Hon. A. J. Brooks: Honourable senators, may I ask the honourable Leader of the Government if the replies from the provinces are being tabled as well? Have we any replies to the honourable the Prime Minister from the various provinces?

Hon. Mr. Macdonald (Brantford): I do not think the replies from the provinces have been received as yet.

Hon. Mr. Brooks: I doubt very much that they would all have been received.

The Hon. the Speaker: Honourable senators, with leave of the Senate, it is moved by the honourable Senator Macdonald (Brantford), seconded by the honourable Senator Brooks, that a copy of the letter of June 20, 1963, by the Prime Minister be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent record of this house. Is it your pleasure to adopt the motion?

Hon. Mr. Brooks: Pardon me, Mr. Speaker. Would the Leader of the Government care to reply to my question, that the replies from the provinces be printed if they have been received? I understand all the replies have been received except that of British Columbia.

Hon. Mr. Macdonald (Brantford): The Prime Minister's letter is dated June 20 and this is only June 25. I would be very much surprised if the replies have been received. I know that in "60 days" a great deal was accomplished, but I doubt if in five days we could hope to get replies to this letter.

Hon. Mr. McCutcheon: The provinces are not under the same handicap.

Hon. Mr. Hayden: The voice of authority.

Motion agreed to.

For text of letter, see appendix "A" p. 157.

PRIVATE BILLS

THE CANADA BOARD OF AMERICAN MISSIONS OF THE UNITED LUTHERAN CHURCH IN AMERICA—FIRST READING

Hon. Fred M. Blois presented Bill S-23, respecting The Canada Board of American Missions of the United Lutheran Church in America.

Bill read first time.

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

Motion agreed to.

THE EVANGELICAL LUTHERAN SYNOD OF CANADA—FIRST READING

Hon. Mr. Blois presented Bill S-24, respecting The Evangelical Lutheran Synod of Canada.

Bill read first time.

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

Motion agreed to.

THE BOARD OF TRADE OF METROPOLITAN TORONTO—FIRST READING

Hon. Harry A. Willis presented Bill S-25, respecting The Board of Trade of Metropolitan Toronto.

Bill read first time.

Hon. Mr. Willis moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CO-OPERATIVE FIRE AND CASUALTY COMPANY —FIRST READING

Hon. Donald Cameron presented Bill S-26, respecting Co-operative Fire and Casualty Company.

Bill read first time.

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

Hon. Mr. Cameron: Honourable senators, may I be permitted to move, with leave, that the bill be read the second time tomorrow afternoon?

Hon. Mr. Macdonald (Brantford): Honourable senators, I do not object to giving leave in this instance, but I think it would be bad practice if we automatically allowed bills to be considered on second reading the day following first reading.

Hon. Mr. Reid: It is not usually done.

Hon. Mr. Macdonald (Brantford): I think, in the interests of the Senate, when a request is made for a bill to proceed to the second reading stage earlier than the rule requires, some explanation should be given as to the urgency.

Hon. Mr. Cameron: My reason for making the request is that I have to leave Thursday to go west for ten days. However, if it is inconvenient, the bill can stand for second reading later. I would appreciate if I could proceed tomorrow.

Hon. Mr. Reid: I hope we are not creating a precedent. Bills are rushed through the Senate sometimes much too quickly. Because a senator will be absent for a time is no reason why the rules of the house should be broken.

Motion agreed to.

KINROSS MORTGAGE CORPORATION—FIRST READING

Hon. John J. Connolly presented Bill S-27, to incorporate Kinross Mortgage Corporation.

Bill read first time.

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am very much embarrassed about a request I am about to make. Obviously I have chosen the wrong evening to do it. I have to leave the city on official business on Thursday next and I would very much appreciate it if I could have leave to explain this bill on second reading tomorrow.

I may say that this is a bill to incorporate a mortgage company, and is in the form required under the Loan Companies Act. So in that respect it is pro forma. If second reading were received tomorrow it would enable the bill to get to committee, and of course another week or so would elapse before it is considered there. I quite understand that I am asking for an indulgence, but perhaps in the circumstances honourable senators would consider it favourably.

Hon. Arthur W. Roebuck: Honourable senators, may I make a suggestion? The rule requires that two days' notice must be given on a motion for second reading, but that does not prevent us from hearing these honourable gentlemen who are in a difficult position and wish to explain their bills. I think we should have an assurance from the sponsors of the bills that they will not be passed tomorrow. In the case of this bill and the previous one we could hear the explanation and then observe the rule by adjourning the debate until two days have elapsed. That is my suggestion.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Connolly (Ottawa West): That is perfectly satisfactory, honourable senators. In any event, this being a private bill, it must go to committee.

Hon. Mr. Cameron: Honourable senators, the same arrangement could apply in the case of Bill S-26 respecting Co-operative Fire and Casualty Company, which received first reading a few minutes ago. I would be quite happy to have it handled in that way.

The Hon. the Speaker: It is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Leonard, that this bill be placed on the Orders of the Day for second reading next sitting. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Reid: On division.

Hon. Mr. Macdonald (Brantford): No. Mr. Speaker, with all due respect, I doubt if it can be on division. I think the house has indicated its agreement to allow the bill to be explained tomorrow. It will go on the Order Paper for second reading tomorrow on the understanding that it will be explained but will not get second reading before Thursday. I think all honourable senators agree to that.

Motion agreed to.

THE SENATE

AIR CONDITIONING OF OFFICES

Hon. Jean-François Pouliot: Honourable senators, I wonder if the honourable Leader

of the Government (Hon. Mr. Macdonald, Brantford) has some good news to give us with regard to the air conditioning of the offices of the Senate.

Hon. W. Ross Macdonald: Honourable senators, when the honourable senator from De la Durantaye (Hon. Mr. Pouliot) raised this question in the house a few weeks ago I stated that I would refer his remarks to the Minister of Public Works. This I did, and I have now received a reply from the Department of Public Works, which reads, in part, as follows:

> There is much widespread interest in air conditioning for the Centre Block of the Parliament Buildings. Investigation is now underway and information will be obtained and studied in order that a decision can be made as to the best course of action to be followed regarding air conditioning generally in this building.

Honourable senators, that is encouraging, but I think that we shall not have the building air conditioned this summer. All I can say is I hope that next summer Parliament will take a recess and we will not need to sit here during the hot weather.

TABLE OF PRECEDENCE FOR CANADA

INQUIRY

Hon. Jean-François Pouliot: Honourable senators, as the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) is in such good disposition tonight, may I ask him what the Government has done with regard to a supposed draft of an Order in Council which was not signed in compliance with the unanimous resolution of the Senate regarding the rank of former Prime Ministers in the Table of Precedence? The matter was discussed in this house on February 14, 1961, and a unanimous resolution was passed.

Whether it is accurate or not, my information is that the previous Government wanted to do something about it, but the matter remains unattended to. I wonder if the present Government will see to it that the former Prime Ministers of Canada have the rank they are entitled to, by reason of their former office, in the Table of Precedence.

Hon. Mr. Macdonald (Brantford): Honourable senators, I have no information at hand on that subject, but I shall make inquiries and report to the house in due course.

UNITED NATIONS ORGANIZATION

MEMBER COUNTRIES—INQUIRY ANSWERED

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. What countries have signed the Charter of the United Nations?

2. Since 1945, what has Canada done (a) for each one of them and (b) for the United Nations Organization?

3. During that period, what has each of them done for Canada?

Hon. W. Ross Macdonald: Honourable senators, the answer to the honourable Senator Pouliot's inquiry is as follows:

> The Honourable Senator from De la Durantaye on June 5 asked three questions of a far-reaching nature about Canada and the United Nations. Recalling that the honourable senator has had personal experience of United Nations affairs while serving as an observer at the General Assembly, he will be aware that his questions cannot be answered in detail in the space of a short statement at this time. Accordingly, my remarks are intended to indicate in broad terms the Government's position in relation to the questions asked.
>
> As regards the countries which signed the United Nations Charter, the following are listed as signatory: Argentina, Australia, Belgium, Bolivia, Brazil, Byelorussian S.S.R., Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, India, Iran, Iraq, Lebanon, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Peru, Philippines, Poland, Saudi Arabia, Syria, South Africa, Turkey, Ukrainian S.S.R., U.S.S.R., United Kingdom, United States, Uruguay, Venezuela, Yugoslavia.

As for the other two questions, I believe that the following remarks are relevant.

> At San Francisco, Canada readily accepted the United Nations and the specialized agencies as a world-wide system for facilitating the process of international co-operation. Above all, Canadians looked hopefully to the United Nations to provide the institutions and methods for safe-guarding the peace which had been so dearly won. Canada has been in a strong position to give leadership to the middle and small powers and to exert influence in the direction of constructive results. We have enjoyed opportunities which are open to few other countries in the world and Canada has sought to use them wisely in order to strengthen the United Nations and to give real meaning to its purposes and principles. In doing so, Canada has found

a satisfactory forum for self-expression far beyond any reasonable expectation based on size of population and developed natural resources. At the same time, Canada has been able in the United Nations to establish and strengthen its relations with most states of the world. This is particularly true of the new states of Africa, whose main interest in international affairs is expressed in the United Nations.

Canada's historical background and national experience have qualified it to assist the emerging nations in meeting some of the problems which they face. While we have placed primary emphasis on the United Nations' role in the maintenance of peace and security, Canada fully recognizes the necessary link between stable peace and improved living standards in the less-fortunate parts of the world.

In practical terms, this has meant that Canada has contributed to United Nations programs of economic and social development. Our contribution has taken the form of technical personnel and financial resources and Canadian facilities have been made available for educational and vocational training. Consequently, Canada has sought to ensure that the United Nations and the specialized agencies were provided with adequate financial resources for their operations which, in the Canadian view, should be based on a collective responsibility shared by all member states. To provide leadership and to set an example, Canada has been prompt in paying its regular assessments and in contributing at a high level to voluntary funds such as the ones established for the United Nations Relief and Works Agency in Palestine, the High Commissioner for Refugees in Europe, the International Children's Emergency Fund, the Special Fund, and the Expanded Program of Technical Assistance.

Honourable senators will be aware that, in addition to its varied contribution to the United Nations programs, Canada has become engaged in bilateral programs of direct assistance for the benefit of less-developed countries and perhaps the most notable examples are to be found under the Colombo Plan.

I hope that these remarks will indicate in a general way the replies to the questions raised. If the honourable senator from De la Durantaye would like more detailed information about the various programs and about the size of the financial contribution, this can be provided for him mainly through publications of the Department of External Affairs.

OFFICIAL REPORT

CORRECTION OF TRANSLATION

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, I have to complain about the English translation of my speech of Wednesday last. On that day I spent the evening looking over the copy of my speech and making due corrections with regard to names.

In the first place, when we speak in English and when the reporter is not sure of the spelling of a name, usually he sends us the copy with a pencilled note to draw our attention to the matter, and it is not necessary to read the whole draft of the speech to make the necessary corrections. It is possible to answer simply by saying that the spelling is such and such; for example, the spelling for McRuer is M-c-R-u-e-r instead of M-a-c-K-a-y, and for Delâge, it is D-e-l-â-g-e instead of D-e-s-l-o-g-e-s. It is a very easy correction to make. In the city of Quebec there are many people with the name of Delâge in the telephone directory, and here in Ottawa there are only two. Probably the reporter did not know that the Delâge family existed, although it is a very well-known family in the province of Quebec, and he mixed up the names.

There is something else I wish to mention. When I said in French, "brillant éteignoir de fer blanc"—a brilliant tinplate extinguisher —this is how it was translated, and this I find quite difficult to understand—"the sparkling tin wet-blanket of St. James street". I have never heard that before. It is most remarkable.

Then there was a reference to a delegation of so-called jurists which was sent to Hamburg and then on to "all Asiatic cities". That of course should be "Hanseatic cities". I do not see what a Quebec Bar delegation could do in all the Asiatic cities. Then the word "Bâtonnier" was translated as "president general of the bar", and of course "Bâtonnier" is a word that is not translatable. There is something else about "alter ego" and all that.

When I spoke for the first time in the Senate I spoke in French, and had a considerable amount of trouble about it afterwards. When the speech was concluded I saw the French reporter in my office and he asked me to remake the speech for him. He was feeling nervous, and according to him, I would have to write it again.

On Wednesday night last I had an engagement in the Chateau Laurier to pay tribute to a friend of mine who was the guest of honour. I could not go because I had to stay in my office, in the heat, to correct the proofs

of my speech; I had not finished at eleven o'clock, and by that time I had had quite enough.

This has been a lesson to me. In future I shall very seldom speak French. I shall speak in English. I am very sorry, because I believe that the French have the same rights as the English to speak here; but I had so much trouble seven years ago, and again on Wednesday last, that I shall, with your permission, tear this up and ask the translators, for their punishment, to make a good translation of the corrected French text for the bound issue of *Hansard* at the end of the session. Thank you.

PRIVATE BILLS

THE UNION OF SLAVIC CHURCHES OF EVANGELICAL CHRISTIANS AND BAPTISTS OF CANADA—THIRD READING

Hon. Harry A. Willis moved the third reading of Bill S-19, to incorporate The Union of Slavic Churches of Evangelical Christians and Baptists of Canada.

Motion agreed to and bill read third time and passed.

FIDELITY MORTGAGE AND SAVINGS CORPORATION—SECOND READING

Hon. William H. Taylor moved the second reading of Bill S-22, to incorporate Fidelity Mortgage and Savings Corporation.

He said: Honourable senators, I have accepted the responsibility of explaining this bill, which is to incorporate under federal charter Fidelity Mortgage and Savings Corporation. There are five petitioners. The first four named in clause 1 of the bill are members of an old-established and responsible legal firm of the city of Hamilton. They have practised law for many years and have the confidence of that community. The fifth petitioner named has been a real estate appraiser in the city of Hamilton for many years.

The petitioners have experience in the particular line of business to be engaged in by this corporation because of their association with an organization known as Fidelity Management Limited, which has been in operation since 1958 under a provincial charter. This last-named company deals in mortgages and investments owned by financial institutions and individuals. It also administers a large portfolio of conventional and National Housing Act first mortgages in the area around the western end of Lake Ontario including Oakville, Burlington, Hamilton and extending into the Niagara Peninsula to the Niagara River, and also the counties of Brant and Norfolk.

As I have said, that company has been in existence provincially since 1958. In 1962 it processed about 400 mortgages, and its assets are now approximately $20 million. The mortgage loans it administers are principally on single-family dwellings.

In addition to Fidelity Management Limited, the petitioners have another company called Wenagara Corporation Limited which deals principally in National Housing Act loans. This company was incorporated as a wholly-owned subsidiary of Fidelity Management Limited in July 1961, and in September 1961 it was appointed an approved lender under the National Housing Act. However, it did not commence operations until the spring of 1962. Since that time the company has processed and committed approximately 150 National Housing Act building loans aggregating a principal amount slightly in excess of $2 million.

The petitioners have the ability and experience to manage the proposed company and direct its operations in the fertile field in which it will operate. I may say, honourable senators, that the area of its operations has a population of approximately one million people. I feel that the petitioners are quite justified in asking for a federal charter, and I urge the Senate in its wisdom to give the bill second reading.

The bill provides that the capital stock of the company shall be $1 million, which may be increased to $5 million. The provisional directors may not call a general meeting until $500,000 of the capital stock has been subscribed, and may not commence business until $500,000 of the capital stock has been subscribed and $200,000 paid thereon. The head office of the company is to be in the city of Hamilton, and the company will have the power of conducting business under the provisions of the Loan Companies Act.

If the bill receives second reading tonight I will move that it be referred to the Standing Committee on Banking and Commerce. Mr. K. R. MacGregor, Superintendent of Insurance, has been fully informed of the situation with respect to this proposed company, and no doubt he will appear before the committee to give his views. Other officials also will be present to answer any questions that may be asked and to give any information that honourable senators desire.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Taylor (Norfolk), bill referred to Standing Committee on Banking and Commerce.

THE UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO—SECOND READING

Hon. John Hnatyshyn moved the second reading of Bill S-21, to incorporate the Ukrainian Canadian Foundation of Taras Shevchenko.

He said: Honourable senators, this is the second occasion upon which I have had the pleasure of explaining this bill. During the final days of the last Parliament this bill passed this house and received second reading in the other place and I believe had almost passed the committee stage when Parliament was suddenly dissolved.

As I explained last fall, prior to 1940 there existed among the Ukrainian people of Canada various cultural, religious and other organizations which carried on their particular activities independently of one another. In 1940 leading citizens, representing these various organizations, decided that all activities should be co-ordinated in order that maximum assistance might be given in all fields of the Canadian war effort. At that time the Department of National War Services welcomed this move, and assisted in bringing about the formation of what has become known as the Ukrainian Canadian Committee.

It was this committee that was to a large extent responsible for the very high enlistment of Canadians of Ukrainian descent during the Second World War, an enlistment somewhat higher than that of the national average.

In the initial stages only five major organizations joined to form the committee, which made a substantial contribution to the mobilization of the armed services during the last war. After the termination of the war the committee was charged with the responsibility of rendering assistance in demobilization and rehabilitation, and also in giving assistance and guidance to immigrants in displaced persons' camps throughout Europe and in Canada.

By the time the challenges of war and post-war problems had been met, the name of the Ukrainian Canadian Committee was very well known. Even now it looks after a number of museums and libraries, and does other similar work. In due course, all political, religious, cultural and educational organizations among Canadians of Ukrainian descent, with the exception of the communist group, have become part of this committee This committee probably represents roughly half a million people.

Many members of the various component organizations are convinced of the necessity of united effort and have indicated their willingness to make substantial donations and bequests for such cultural purposes. For that reason, they wish to assure the continuity of proper management of the funds for the propagation of Ukrainian culture in Canada. They would like to become incorporated, and that is the reason for the introduction of this bill.

The idea of becoming incorporated and following this procedure was endorsed by the old Canada Congress of the Canadian Ukrainian Committee in 1959, and was supported by some 40,000 persons who attended the unveiling of the Taras Shevchenko monument in Winnipeg over a year ago.

If this bill receives second reading, I will be pleased to move that it be referred to the Standing Committee on Miscellaneous Private Bills, where honourable senators may ask any questions they wish and they will be answered by people who will appear on behalf of this organization.

Hon. Mr. Gouin: May I ask just one question? Naturally, I will be happy to accede to the request for second reading but I must admit my ignorance. Was Taras Shevchenko a national hero of the Ukraine?

Hon. Mr. Hnatyshyn: He was one of the most noted poets of his race and was well known internationally as a poet.

Hon. Mr. Gouin: Thank you.

Hon. Mr. Burchill: Is the headquarters of the foundation in Winnipeg?

Hon. Mr. Hnatyshyn: Yes, the headquarters is in Winnipeg.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to the Standing Committee on Miscellaneous Private Bills.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, June 18, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-6, to make provision for the disclosure of information in respect of finance charges.

Hon. Allister Grosart: Honourable senators, in a way, I have already had my say on this bill, as an identical bill was introduced by the honourable senator for Toronto-Spadina (Hon. Mr. Croll) at the last session. I spoke on it then and my remarks appear in *Hansard* for November 22 last, at page 299. In the meantime, I have given some further study to this matter.

Honourable senators, I have not changed my views. I fully support the principle of the bill. I still believe that it may be impracticable

in its present form. I have grave doubts as to whether, in its present form, it could come within the powers of the federal Parliament. I realize, as I know the sponsor of the bill (Hon. Mr. Croll) does, that it is only a first step, perhaps a token step, and I feel, as I believe he does, that this is an area which urgently requires legislative regulation.

Although I have these objections to the form of the bill, I say this, honourable senators, that rather than have no conclusive action taken by the Senate at this session—I emphasize the word "conclusive"—I would support the bill in its present form, even if I were convinced that it is impracticable and with the doubts I have about its constitutionality.

Honourable senators, the reason I say this is that to some extent the prestige of this honourable chamber is at stake in this matter. Bills similar to the present bill were introduced in previous sessions. The honourable senator who sponsored the bill, speaking on the second reading at this session, as reported in Senate *Hansard* of June 5, page 86, said:

> Honourable senators, this is the fifth occasion on which I have moved the second reading of a bill similar to Bill S-6.

Honourable senators, it so happens that in the other place this same matter is coming under urgent consideration. By what may or may not be a coincidence, nine resolutions, now printed as bills, have been offered in the other place during this session, all dealing with this general area of interest charges and sales financing charges.

It may be of interest just to enumerate the bills, and I believe it is permissible to do so. They are:

> Bill C-6, an Act to provide for the Control of Consumer Credit.
>
> Bill C-10, an Act to amend the Interest Act.
>
> Bill C-9, an Act to amend the Small Loans Act (Advertising).
>
> Bill C-14, an Act to amend the Small Loans Act.
>
> Bill C-23, an Act to amend the Small Loans Act (Cost of a loan).
>
> Bill C-31, an Act to amend the Interest Act (Finance Charges).
>
> Bill C-55, an Act to amend the Interest Act.
>
> Bill C-62, an Act respecting Relief against Unconscionable Transactions.
>
> Bill C-33, an Act to amend the Bills of Exchange Act (Instalment Purchases).

Most of these bills were introduced in the other place by different sponsors.

Honourable senators, I believe that public demand will bring about legislative action in spite of all the difficulties which we have to admit there are in this field.

I think the prestige of the Senate is at stake. In view of the work already done in the Senate, in view of the perseverance—to use his own word—of the honourable senator from Toronto-Spadina (Hon. Mr. Croll), I believe it is important that this bill be moved along at this session and that we have some conclusive action.

I have said that I think there is public demand for this legislation. Some of the evidence of that demand is to be found in those resolutions which were introduced in the other place. The demand has been heard on all sides. The honourable sponsor of the bill presented much of the evidence here on other occasions. I believe that not only is there public demand, but that we are at the point of acceptability within the industry itself. If I read aright the presentations which the industry is making to various commissions, the industry itself is convinced that this business of the charges or the cost of financing the purchase of consumer goods is a veritable jungle. As happens sometimes in business—and when it does so, it always brings about regulation—it has reached the point when the only principle that governs universally—I do not say it governs everybody in the business—is to get what the traffic will bear. There is an abundance of evidence of that in the submissions to the Royal Commission on Banking and Finance.

The principle of taking or getting what the traffic will bear can become, and in some instances in this field does become, as cruel, as ruthless and as relentless as some of the practices in other traffics, in the drug traffic, and another traffic which I shall not name as I do not wish to exaggerate.

At this point I should like to give honourable senators an example of what has become a common practice in the automobile industry. For documentation of this point, I again refer honourable senators to the submissions to the Royal Commission on Banking and Finance. Today a sales finance company enters into an understanding with an automobile retailer. It says, in effect: "We will discount the contracts you make with your customers, and it will cost you so much." Let us say for the sake of argument —because the charges by reputable companies are reasonable—the finance company says, "Bring your paper to us and we will discount it at 8 per cent; you charge the customer 8 per cent, and, in effect, he will be getting his money from us". It is common practice, indeed almost general practice, in the industry today for the automobile retailer to set his own charges—not 8 per cent. He is allowed by the sales finance company to put in any amount he likes, and that becomes what is known as the "dealer reserve". The honourable sponsor of this bill

mentioned a case some time ago. I can tell him now that was not an isolated case. So, the retailer is now in the position of saying, "All right, I will charge 12 per cent, and I will pocket the difference. This is a lush business, and I want to get in on it". I believe this to be a common practice, and it is only one example of what happens when an industry like this gets out of control.

Honourable senators, we all give lip service to the Good Book. We all say that our lives are governed by it. I think some people in this business have forgotten to look up the word "usury" in a good concordance. I looked it up, and in 13 of the books of the Bible I found 20 references to the word "usury". In the definitions, the word "interest" is sometimes used. As I am not an expert on Biblical exposition, I will not comment on the word. It seems to me that in those days they said something like this: "Now, there is such a thing as usury, but decent people don't do it to their friends." Let me read from Deuteronomy, Chapter 23, verse 20. This is from the Douay version, the Confraternity edition. Although I am not of that faith, I find that for some reason or other the Douay version of the Bible—and the Confraternity edition is a revision of it—does not tone these things down as much as our Protestant translators do. The twentieth verse reads:

> You shall not demand interest from your countrymen on a loan of money or of food or of anything else on which interest is usually demanded. You may demand interest from a foreigner but not from your countryman.

Honourable senators will recall the beautiful Psalm 14:

> Lord, who shall abide in thy tabernacle? Who shall dwell in thy holy hill?

One of the answers is found in verse 5:

> He that putteth not out his money to usury . . . .

Putting out money to usury has been going on for a long time. What is usury? Well, it is difficult to define. I think that whoever wrote the book of Deuteronomy, or whoever wrote Psalm 14, and we do not know, would have had doubts about the legal rate of interest under our Small Loans Act.

Honourable senators, I have given the black side of the picture, but there is a bright side and it is the conduct of reputable companies in this field. I would say that their interest rates are reasonable. I am speaking of the large companies in the field, particularly those financing their own customers.

Here I am going to refer to one company—and I make no apology for doing so, because it has a fine record in this respect—namely, the T. Eaton Company. That company finances the purchases of its own customers. It wants to keep the rates down. Its form of disclosure is a model. When you inquire from that company, a pamphlet is placed in your hand and they say, "Here is what it will cost you to finance your purchase."

I have one of the pamphlets before me. I had a rather interesting experience with it for when I went in to inquire—I just took this firm as a sample—I asked what it would cost to finance about $400 worth of purchases. The sales clerk showed me the pamphlet and said, "Here it is, right here". And it said 5 per cent. I said, "Well, that is better than I can do at the bank." So I went up to the budget office and asked what it would cost. The lady in charge said it was 5 per cent, and showed me the booklet. I looked at it and said, "No, you are wrong. This is the minimum monthly instalment." She said, "If you purchase $400 worth of goods, you must pay 5 per cent." This was a genuine misunderstanding. The company was not at fault. I think the actual rate was about 8 per cent, which in my view was quite reasonable. But here is the point brought out by the sponsor of the bill (Hon. Mr. Croll), the importance of really clear and, if I may use the word, clean disclosure.

Various methods have been suggested. I do not intend to discuss them this evening; rather, I propose to make suggestions as to how this matter can be dealt with in committee.

Sometimes we hear it said that people should not go into debt. In the debate at this session one honourable senator suggested that the people we might be dealing with in this area were the improvident who had to borrow money, people who cannot live without buying things on instalments. The fact of the matter is that the amount of money owed by individuals generally for the purchase of goods is one of the top indicators of the prosperity of the country. The country that has the highest per capita debt in this field is the United States, and Canada comes second. You can practically rate the economic prosperity of nations by the faith of individuals in their own ability to pay later for goods they want to use now. I do not imagine there is much of this kind of problem in Russia. I do not suppose people are very anxious to extend credit to somebody who may have his door knocked on tonight and who will be in Siberia tomorrow. In other words, I think credit is an important part of our economy in a modern democracy, and I am not in any way suggesting that anything should be done to lessen its use.

The honourable Senator Vaillancourt, in his very excellent speech on this bill—and he is one of the best-known experts in this field in Canada—referred to the good old days when you went in and paid cash and got a

discount. I am afraid those good old days have gone. I tried it in the purchase of an automobile. I said to a dealer, who happened to be a friend of mine, "I will pay cash." He replied, "If you do that, you will pay more—we make money on it."

However, I offer a suggestion by way of emphasis rather than in extension of my former remarks. I would like to see this bill go to an appropriate committee of the Senate, so that an opportunity could be given to experts in this field to appear and tell us what they think should be done. I think honourable senators would be surprised to discover that some of them are already on record as being in favour at least of dollar disclosure. In spite of the fact that most of us object on principle to the extension of government regulations, I am confident that the leaders of this industry, if they were required to clear the matter up and had a choice between self-regulation and government regulation, would choose the latter, because they know very well that they are unable to do it themselves. I suggest that leaders in the sales finance business, the consumer loan business—they are much the same—should be called before the committee.

I would like to refer to a brief presented by the Industrial Acceptance Corporation, a highly responsible company, to the Royal Commission on Banking and Finance. They presented excellent submissions. They know the business and its problems, and I am sure they would be prepared to come and discuss them. I think we should also have representatives from banks, from the Canadian Manufacturers' Association and Chambers of Commerce. In this way I believe a consensus of opinion would be reached and that a solution could be found.

First of all, of course, there must be the will to do so. I am asking this evening that there be a declaration of the will of this chamber to do something about this problem, so that we will not a year or so from now find ourselves in the position where the honourable Senator Croll will get up and say, "This is the sixth time that I have moved second reading of this bill." It would be a disgrace to the Senate if that happened, and I think that the members in the other place would take the ball and run with it.

Honourable senators, perhaps this will be the last time that I will be supporting so wholeheartedly a motion from the other side of the house. However, I believe that if we really go to work on this measure in committee we can get from the Senate conclusive legislative action in less than sixty days.

On motion of Hon. Mr. Smith (Kamloops), debate adjourned.

OFFICIAL REPORT

CORRECTION OF TRANSLATION

On the motion to adjourn:

Hon. Edgar Fournier: Honourable senators, I rise on a point of order.

I am a little bit disturbed about the remarks made by Senator Pouliot about the press, and even though I may be out of order I would like to say a few words on this subject. I do not think our press deserves what was said.

The Hon. the Speaker: Pardon me, honourable senator, but I heard Senator Pouliot clearly and I do not think he made any reference to the press. What he said, I think, had to do with the translators, not the press.

Hon. Mr. Fournier (Madawaska-Restigouche): I admit I used the wrong word, Mr. Speaker. I had reference to the reporters of the Senate. I myself am one who has language difficulties and I know that sometimes there are problems in translating my language. However, I do feel they are doing a wonderful job and that it is our duty to help them.

The first remark made by Senator Pouliot concerned the fact that he had another engagement. Speaking for myself, I think it is a very poor excuse, because it would take a miracle man to translate what my honourable friend says at times. He tore a sheet out of the *Hansard* right in front of all the senators, which I think is not in line with the dignity of the house. Then he said in future he would have to speak in English.

This remark worries me very much because I sincerely believe that the reporters are doing a wonderful job and they have, at times, their problems. I am wondering what the reaction will be across Canada when people read that one French senator said that in the future he will speak English because the translation is so bad. I think it will have very serious repercussions across Canada.

The last remark which I do not approve of is when he said something about punishment, referring to another translation they will have to make in English. Honourable senators, I do not believe that we in this house should punish anybody; on the other hand, I think we should assist and help if we can, especially when it comes to this difficult work of translation.

Honourable senators, I am certainly one of those who cannot agree with the comments and remarks made by my good friend Senator Pouliot against the French reporters of this house.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(See p. 148)

CANADA PENSION PLAN

LETTER FROM PRIME MINISTER TO PROVINCIAL PREMIERS

CANADA

PRIME MINISTER—PREMIER MINISTRE

June 20, 1963

The Government has placed before Parliament a resolution on contributory old age pensions as the first step in implementing a comprehensive Canada-wide pension program. A copy of this resolution is enclosed for your information. As soon as the Bill has been presented to Parliament, copies will be forwarded to you so that you may be acquainted fully with the details of the Canada Pension Plan which the Government hopes will receive the approval of Parliament.

The new plan is designed to overcome shortcomings in existing federal pension provisions. Benefits from this plan, related to previous earnings, combined with the existing flat-rate pension, will enable Canadians to retire in reasonable security. Pensioners will be afforded the option of obtaining an adjusted pension from age 65.

The advantages of a comprehensive federal plan of this kind include, of course, the fact that it alone can assure full portability of pensions and can enable earnings-related pensions to be paid on a full scale after a relatively short transition period.

However, implementation of the Canada Pension Plan will not in itself be sufficient to meet a number of other closely related problems. The provision of benefits for widows below pension age with dependent children, for orphans and for disabled persons are matters of mutual concern for federal and provincial governments. Since the inclusion of these benefits in a federal program would raise jurisdictional questions, they are not a part of the proposed Canada Pension Plan.

While many provincial governments indicated to my predecessor their willingness to have the jurisdictional question clarified, in my opinion this is an area which requires full consultation and discussion between federal and provincial governments, in order that a satisfactory approach can be worked out. Provincial governments will want to know in some detail what the federal government has in mind with regard to such ancillary benefits. The whole question of joint federal-provincial programs in the field of old age assistance and disability allowances is also involved. The time required to explore these various possibilities, however, need not delay immediate steps for the improvement of benefits for our older citizens.

While the benefits under the proposed, new Federal plan will be relatively generous, there will continue to be an important place for private pension arrangements. These pension arrangements now afford many industrial workers a considerable measure of protection. However, the growth of such plans has brought to the fore a number of special problems. The absence of vesting of employer contributions interferes with labour mobility. The lack of assurance that contributions are set aside for future retirement, when an employee leaves a firm, tends to weaken the effect of such schemes in making adequate provision for retirement benefits. The solvency of private pension plans also continues to be a concern.

Questions such as these have led several of the provincial governments to give consideration to supervision of private pension plans in order to ensure that certain basic standards are met.

Ontario now has legislation designed to achieve these objectives for private pension plans within its jurisdiction. The federal government's interest in this field relates to federal employees, to employees of companies coming within federal jurisdiction, and to reciprocal arrangements which may be necessary for any interprovincial and federal-provincial aspects of this question. The Canada Pension Plan which Parliament will soon be considering will complement any efforts of this nature to ensure portability and solvency of private pension plans.

It is apparent that these matters are of special concern to our respective governments and I would like to suggest that they be the subject of federal-provincial discussions as soon as possible. I would appreciate your letting me know, at your earliest convenience, whether such discussion is acceptable. In the light of this information, I hope shortly to suggest the earliest possible date which seems to be generally convenient for a meeting of Ministers.

The development of more equitable programmes of social welfare measures both now and in the future is a matter of mutual interest. We hope that the discussions proposed will be a constructive means of achieving common objectives.

Yours sincerely,

Original signed by

L. B. Pearson

THE SENATE

Wednesday, June 26, 1963

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

Prayers.

HIS HOLINESS POPE PAUL VI

FELICITATIONS ON ELECTION

Hon. W. Ross Macdonald: Mr. Speaker, before we proceed with the business of the day, may I say a few words?

Honourable senators, on Thursday last, 80 cardinals of the Roman Catholic Church, representing some 25 countries, elected in succession to John XXIII a new Pope in the person of Giovanni Battista Montini, Archbishop of Milan, who assumed the name Paul VI.

All Christians—indeed, members of every faith throughout the world—joined in extending best wishes to him and in expressing the hope that all mankind would be blessed by his wise and sympathetic administration.

The coronation of His Holiness will take place on Sunday next, June 30, in the Piazza of St. Peter's. We are indeed honoured and proud that our Parliament will be represented on that historic occasion by one of our own distinguished and well-beloved colleagues, the Honourable John J. Connolly. I am sure we all want to add the good wishes of this house to those which the Pontiff has already received.

Hon. A. J. Brooks: Honourable senators, I join with the honourable Leader of the Government (Hon. Mr. Macdonald) in the good wishes he has expressed in connection with the election of His Holiness Pope Paul VI.

I also wish to express my appreciation of the fact that we are to be represented at the coronation of His Holiness by our good friend, Senator John J. Connolly. I know that we shall be well represented by him and that he will bring honour and distinction to the Parliament of Canada.

We were well represented a week ago on the sad occasion of the funeral ceremonies of the late Pope John who was loved by all people of all religions throughout the world. I know we shall be equally well represented on this pleasant occasion, the coronation of His Holiness Pope Paul VI. We are very proud indeed that Senator Connolly will represent us at this time.

(Translation):

Hon. Jean Marie Dessureault: Honourable senators, I would like to associate myself with the sentiments so ably expressed by the Leader of the Government and the Leader of the Opposition regarding His Holiness Pope Paul VI. As a representative of the city of Quebec, which is recognized as the centre of the Roman Catholic faith in Canada, I am sure I will be allowed to add my humble tribute to our new Pope, His Holiness Paul VI.

I have a tender recollection of His Holiness Pope John XXIII whom I had the pleasure of meeting in an audience last year, and whose untimely death was a great loss to mankind, but I thank Divine Providence for giving us as his successor a man so eminently qualified, His Holiness Pope Paul VI.

His Holiness Pope Paul VI, we are sure, will continue the task undertaken by his predecessor, especially as far as peace and Christian unity are concerned.

His election was met with happiness and enthusiasm throughout the world and it opens prospects of an era of friendly and successful relations.

In my capacity as Knight of the Holy Sepulcher of Jerusalem, I would like to express to our new Pope, with the utmost respect, my most sincere wish that his dearest desires become a reality during his reign which, I hope, will be long, fruitful and replete with blessings for the greatest good of humanity.

I wish my honourable colleague, Senator Connolly (Ottawa West) Godspeed; he will represent the Senate and Canada with dignity at the coronation of Pope Paul VI.

Hon. Cyrille Vaillancourt: Honourable senators, I should like to add a few words, not to repeat what was said, but merely to point out that very few honourable senators in this house had the opportunity to meet the new Pope, His Holiness Paul VI.

In 1950 I was in Rome. Monsignor Montini was at that time secretary of His Holiness Pope Pius XII and I had then the privilege to meet, together with Monsignor Montini, His Holiness the Pope and discuss with him for a few minutes the social problems with which the whole world is faced.

So, I would ask my colleague Senator Connolly (Ottawa West)—I am afraid Monsignor Montini, the present Pope, will not remember me—if he would remind His Holiness that I have in my files a letter from him which I treasure as a precious token of remembrance.

I wish our colleague a happy and fruitful journey.

(Text):

Hon. John J. Connolly: Honourable senators, I would be less than grateful if I did not acknowledge the kind sentiments that

have been expressed by the Leader of the Government (Hon. Mr. Macdonald, Brantford), the Leader of the Opposition (Hon. Mr. Brooks), and the two other senators who have spoken here this afternoon.

I am deeply cognizant of the great honour that has been done me by the Government of Canada in asking me to represent the parliamentarians of Canada at this very significant event in Rome on Sunday. I shall certainly do all I can to represent all of you worthily.

I do say that our colleague Senator Hugessen has made it rather difficult for me to contemplate the prospect of my return, because of the most impressive report which he made on the mission that he accomplished just a week ago. It was, in fact, one of the most impressive speeches that I have ever heard in the Senate. One honourable senator described it as equal to one of Macaulay's essays, which I think is true. So, while I do look forward to this mission with pleasure, I am also concerned as to what I shall have to say when I return.

HON. R. B. HORNER

BIRTHDAY FELICITATIONS

Hon. A. J. Brooks: Honourable senators, before the business of the house is proceeded with, there is another matter I wish to mention.

My attention is called to the fact that this is an important day in the life of one of our most distinguished colleagues, the honourable senator from Blaine Lake (Hon. Mr. Horner). This is his 79th birthday.

I would not undertake to catalogue the many distinguished activities he has pursued in the Senate and outside. They are well known. One of his greatest accomplishments was his marrying some years ago a fine young lady and raising, as I know, one of the most distinguished families in Canada.

I want to wish him many more years with his family, with his grandchildren and, I hope, some, if not many, great-grandchildren.

Hon. W. Ross Macdonald: Honourable senators, I would like to join with the Leader of the Opposition (Hon. Mr. Brooks) in extending felicitations to our great friend who sits on the Opposition side of the house. We are always glad to see him in his place, and we hope that he will be there for many years to come.

In consulting the *Canadian Parliamentary Guide*, I find an interesting feature is that Senator Horner was born in the province of Quebec of an Irish father; but there is a redeeming feature in that his mother was Scottish. So, being born in Quebec, with Scottish and Irish blood tingling in his veins, we can all understand why he is such a full-blooded and red-blooded Canadian.

I am pleased to join with the Leader of the Opposition in his reference to Mrs. Horner. I should also note that distinction has come to the honourable senator from the fact that he has in the other house—and I do not know whether this is without precedent—two sons and a nephew. It is my wish that all good things will be his in the future.

Hon. R. B. Horner: Honourable senators, you are most kind. I find that seventy-nine is what I call an awkward age. I have had a fair time and a fair chance in life, and I cannot complain on that score. On the other hand, I am not old enough to boast of my great length of years, so that is why I call it an awkward age. However, thank you all very much for your kindness.

OFFICIAL REPORT

CORRECTION OF TRANSLATION

Hon. Jean-François Pouliot: Honourable senators, I rise with mixed feelings. I have just a word to say in answer to my young friend, the honourable "lecturer" from Madawaska-Restigouche (Hon. Mr. Fournier). He surprised me very much. He is a nice fellow, but I never thought that he was a rigorist. He complained that I had said that I had another engagement on Wednesday night.

The Senate does not sit on Wednesday nights. Even the Divorce Committee, which sits practically every day of the week, as a rule, does not sit on Wednesday nights. He thought that because I am a member of the Senate I am bound to stay all the time in my office. However, I do not wish to conceal that it was a function to pay tribute to a friend of mine. Therefore I do not consider it was my duty to stay over here to please him. Shall I not have certain leeway as a member of the Senate, and who should tell me what my duties are except you, Mr. Speaker?

The honourable senator also said that it would take a miracle man to translate what I have to say at times. It is unfortunate if he does not understand what I say; others can. I stated it was a wrong report and a wrong translation of what I said because it becomes part of the record, and *Hansard* is my defence when there is any discussion about the debates.

With regard to punishment, I did not suggest that the reporters or the translators ought to write in longhand seven psalms of penance. I just suggested enough time, till the end of the session, to make a good report and a correct translation of what was said.

The report is in fact already made and corrected, and all that remains to be done is a satisfactory translation.

I hate to have to do this, but I shall have to speak in Latin to the honourable gentleman. I wish to cite for him an incident involving the great painter Appeles who lived in the fourth century before Christ. A shoemaker saw a painting of his and had something unpleasant to say about the sandals portrayed, and Appeles said *"Sutor, ne supra crepidam"*, which means "Shoemaker, not higher than the sole".

That is all I have to say now.

PRIVATE BILLS

ALLSTATE LIFE INSURANCE COMPANY OF CANADA—FIRST READING

Hon. John M. Macdonald, for Hon. Mr. Thorvaldson, presented Bill S-28, to incorporate Allstate Life Insurance Company of Canada.

Bill read first time.

Hon. Mr. Macdonald (Cape Breton) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA—FIRST READING

Hon. John M. Macdonald, for Hon. Mr. Thorvaldson, presented Bill S-29, respecting The Sovereign Life Assurance Company of Canada.

Bill read first time.

Hon. Mr. Macdonald (Cape Breton) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Report on the Old Age Security Fund and of temporary loans made to the fund during the year ended March 31, 1963, pursuant to section 11(4) of the Old Age Security Act, chapter 200, R.S.C., 1952. (English and French texts).

PRIVATE BILL

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

The Standing Committee on Banking and Commerce to whom was referred the Bill S-20, intituled: "An Act respecting General Mortgage Service Corporation of Canada", have in obedience to the order of reference of Tuesday, June 18, 1963, examined the said bill and now report the same with the following amendment:—

Page 1, lines 13 and 14:—Strike out "Compagnie Générale Mortgage Service du Canada" and substitute therefor "Société Générale d'Hypothèque du Canada".

A similar bill in this matter was approved by this committee during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.

Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Hayden: With leave of the Senate I move that this report be taken into consideration now.

Report adopted.

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

Hon. Mr. Macdonald (Cape Breton), for Hon. Mr. Thorvaldson, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice of inquiry of Hon. Mr. Pouliot of March 28, 1962:

Referring (a) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from anyone to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the Statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c. 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927: and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Jean-François Pouliot: Honourable senators, this inquiry was made for the first time on March 28 of last year. On April 10, I said:

> The expected answer to the inquiry is: 1. Nobody; 2. Answered by No. 1; 3. Nobody; 4. Answered by No. 3. That is the answer I expect, but I would like it from an official source, for then I will be in a position to elaborate on the matter to the satisfaction of honourable senators.

Honourable senators, the 1962 session ended on April 18 of last year without any answer having been given, the Minister of Justice having been running away from his seat in the other house to preside over political conventions. This was apparently why the question was not answered.

However, I was not discouraged, and at the beginning of the last session I put the same question on the Order Paper again. On October 31, my genial friend the Honourable Lionel Choquette, who was acting Leader of the Government of the day gave me the same answer as that which I had expected on April 10.

Now, what I want to know is, what has happened since October 31 of last year when my honourable friend answered the question as aforesaid.

I now ask the same question as to information from November 1, 1962 until the present. I want to know:

> If representations have been made by anyone to the Government of Canada, either for the transfer of the federal jurisdiction over marriage and divorce to the provinces, or,
>
> If anyone has asked the Government of Canada for a federal amendment to the civil laws on marriage, and if so, who in either case?

PRIVATE BILLS

THE BOARD OF TRADE OF METROPOLITAN TORONTO—SECOND READING—ORDER STANDS

On the Order:

> Second reading of Bill S-25 intituled: "An Act respecting The Board of Trade of Metropolitan Toronto". (Honourable Senator Willis).

Hon. Harry A. Willis: Honourable senators, may I ask that this order stand for consideration on Wednesday next, July 3. When I moved yesterday that the bill be placed on the Orders of the Day for second reading today I did not know that in doing so I was transgressing the rules of the house. Therefore, I would ask to have it dealt with on Wednesday next.

Order stands.

CO-OPERATIVE FIRE AND CASUALTY COMPANY—MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Donald Cameron moved the second reading of Bill S-26, respecting Co-operative Fire and Casualty Company.

He said: Honourable senators, in discussing this bill today I am aware of the agreement reached yesterday, and I say at once that I would be reluctant to break the rules of this house by asking that it be read a second time today. The arrangement suggested by the honourable Senator Roebuck, that the bill might be discussed today and voted on on Thursday, is quite satisfactory. I would ask my colleague honourable Senator Stambaugh to handle it for me if I am not here. I will have to leave by air shortly after 4 p.m. tomorrow and the house may not get to the bill by that time. I would like to have it disposed of, if possible, and therefore I would appreciate your courtesy.

Honourable senators will recall that this bill was given first reading on December 12 last and given second reading on December 18, 1962 just before the Christmas recess. Like so many other bills, it was not put through its final stages before Parliament dissolved on February 6.

Briefly, and historically, it may be said that the Co-operative Fire and Casualty Company was established by special Act of Parliament in the session of 1951. Since that time the company has continued in a pattern of sound growth and development until today it represents an important element in the insurance field in Canada. Present prospects are that the company will continue to grow, and the proposed change set forth in this bill will strengthen the capital structure of the company by converting it from a mutual to a joint stock company.

The present contributors to the current fund of the company, all being members of the co-operative movement in Canada, will be given the opportunity to convert their contributions of approximately $1,100,000 into shares of the capital stock of the company. The resulting shareholders will have exclusive voting rights after the expiry date of existing insurance policies, but surpluses may continue to be paid to the policyholders as before.

One of the main changes to be brought about by the bill will be that control of the company will be in the hands of the shareholders rather than in the hands of the policyholders as at present. However, it should be emphasized that as both policyholders and stockholders are all members of the co-operative movement in Canada there is really not much change in control. The change will simply consolidate control where it already exists, in the hands of the co-operative movement in Canada.

Section 4 (1) refers to the schedule of the bill and converts the presently contributed capital stock in the amount of $919,700 instead of the totally contributed capital of $1,100,000. The reason for the difference between presently contributed capital and converted capital is that there are some original contributors who, because of their present charters or by-laws, are unable to invest in share capital in this way. There are other contributors, mostly small ones, who would rather have their capital paid back as soon as the company is able to do so instead of having the money converted to capital stock. The amount involved in this respect is only $180,300. If at a later time a contributor wishes to convert his contribution to share capital, he may do so under section 4 (2).

Then, under section 4(4), the company can, when able, repay any cash contributions which may have been advanced and not previously converted to capital stock. The directors may pay interest on such contributed cash at the rate of 6 per cent.

Under section 3 the capital stock of the converted company is to be $2 million, and this may be increased to $5 million, divided into shares of $100 each.

If the company should require additional capital in the future it may obtain it in the same way as it obtained the original contributions, namely, from the co-operative organizations themselves.

Under section 8 of the bill, distribution of surpluses will continue to be made to policyholders as it was in the past. This section is exactly the same as the one dealing with this matter in the earlier act. While it is not specifically mentioned in the act, it is proposed that the by-laws will limit dividends to shareholders to a maximum of 6 per cent, in the same way as return to contributors of capital was specified in the old act at 6 per cent. The net result will be that the return of surpluses earned by the company, if any, will continue to be made to policyholders, after nominal return on capital has been made to the shareholders.

Honourable senators, I think those are the main points in the bill. If the bill receives second reading, I shall propose that it be referred to the Standing Committee on Banking and Commerce.

The Hon. the Speaker: Honourable senators, it has been moved by the honourable Senator Cameron, seconded by the honourable Senator Woodrow, that this bill be now read the second time. Is it your pleasure to adopt the motion?

Hon. Mr. Hugessen: Honourable senators, in view of the arrangement made in the discussion on this bill last evening, I am quite willing to move the adjournment of the debate for next sitting.

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

KINROSS MORTGAGE CORPORATION—SECOND READING—DEBATE ADJOURNED

Hon. John J. Connolly moved the second reading of Bill S-27, to incorporate Kinross Mortgage Corporation.

He said: Honourable senators, I do appreciate the indulgence of the Senate in allowing me to explain this bill on second reading today. At the conclusion of my remarks the debate will be adjourned to permit anyone who may wish to speak on it tomorrow to do so.

Kinross Mortgage Corporation will be incorporated as a parliamentary company, or a company incorporated by act of Parliament, but pursuant to the provisions of the

Loan Companies Act, which is chapter 170 of the Revised Statutes of Canada.

The bill is a very simple one, because its format is set out in Schedule A to the Loan Companies Act. The incorporators are all Canadians, well-known in the business community of the city of Toronto. The capital stock of the company will be $10 million, and it may be increased to $20 million, subject to the provisions of the Loan Companies Act.

The bill also requires that before a first general meeting of the company is held, $500,000 must be subscribed; and the company will not be permitted to carry on business until $1 million of the capital stock has been subscribed and $500,000 paid thereon.

May I say for the benefit of honourable senators that companies incorporated in this fashion are subject to the supervision of the Superintendent of Insurance, who will of course be present in committee when the bill is given detailed study there.

Perhaps it would be helpful if I said that in 1962 the Senate passed—indeed, I believe Parliament passed—a bill to incorporate a similar company called Greymac Mortgage Corporation, and there was a debate at that time on a measure which was similar to this one.

I am also authorized to say that the applicants do not propose to take over any existing business or company; this is a new venture. They have no plans at the present time to accept deposits, which is a power they could exercise under the provisions of the Loan Companies Act.

The head office of the company will be in Toronto, and in the beginning it will do most of its business there but it does plan to expand to other parts of Canada. It is not contemplated at present that any public offering of stock will be made. Generally, I think it can be said that the proposed undertaking of the company will be to lend money on the security of real estate and leaseholds.

As I said at the outset, the bill will be referred to the Standing Committee on Banking and Commerce. If there are questions that I can answer today, I will be happy to do so. In any event, the debate will be adjourned this afternoon.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, June 20, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Muriel McQ. Fergusson: Honourable senators, when on Thursday last I moved the adjournment of the debate in the name of the honourable Senator Kinley, I expected that he would be here today. Unfortunately, he is not able to be present, and I understand that the honourable Senator Belisle is prepared to speak. I would ask, therefore, that he be heard today, and that I may reserve the right to adjourn the debate on behalf of the honourable Senator Kinley at the conclusion of the honourable Senator Belisle's speech.

(Translation):

Hon. Rheal Belisle: Mr. Speaker, I would like to offer you my personal congratulations on your recent appointment to the Senate and also to the Chair of this august assembly.

Honourable senators, even though I have known His Honour the Speaker for only a short time it did not take me very long to realize that the numerous years he spent in the House of Commons have been an excellent preparation for his noble task here.

May I also offer my congratulations to the mover and the seconder of the address in reply to the Speech from the Throne. Both made a noteworthy contribution.

Honourable senators, it is with great emotion and some trepidation that I address this august assembly for the first time since I was appointed to the Senate. In spite of my fruitful experience in the Ontario legislature, I must admit that I feel overwhelmed by the task expected of me. My heart is filled with apprehension at the thought of the great men of today and of yesterday who have added or will add to the prestige of this house.

It was a great honour conferred upon me by the then Prime Minister, the Right Honourable John Diefenbaker, and I owe him an enormous debt of gratitude that I will never be able to repay. It goes without saying that I am honoured and happy; honoured to find myself in such esteemed company and happy to have been chosen to represent northern Ontario. My predecessor, the late honourable Senator Raoul Hurtubise, was one of those Canadians who, by their active faith and their unceasing devotion, contributed the most to the cultural development of northern Ontario. Chairman of the Sudbury School Board for 18 years, member for Nipissing and Sudbury in the House of Commons, Senator Hurtubise added to his illustrious career by many years of service in this august chamber. That is why the Historical Society of New

Ontario published this distinguished senator's biography in one of its historic documents.

I humbly accept the signal honour conferred upon me as the successor of such a respected and venerable senator. Honourable senators, I simply ask you to be kind enough to accept me among you as a man who will try to be his worthy successor and who is determined to acquire over the years a few of the sterling qualities which endeared him to all those who knew him.

When I was sworn in I had the pleasure of being accompanied by the leader of my party, Senator Brooks, P.C., and the assistant leader, my good friend Senator Lionel Choquette who, like myself, is a representative in the Senate of the French-speaking people of Ontario. I know that I can always rely on their support and their kind advice.

(Text):

Honourable senators, may I be permitted to say a few words of gratitude about our great leader the Right Honourable John Diefenbaker. He thought it important that the nickel belt of the world, with all its ethnic groups which populate that area, should be represented in this distinguished assembly. As can be seen, throughout his administration the Right Honourable John Diefenbaker enriched the Government by fostering bilingualism.

Mr. Diefenbaker is no summer soldier or sunshine patriot who shirks from service to his country. Here is a man with the courage to stand up and be counted on the contentious issues of the day, a man who has a genius, and this I stress, for espousing with driving force and clarity the aims, the ideals and the record of the Canadian nation.

I know no more persuasive advocate at the bar of public thought than our great and good friend; I know no more dynamic exponent of our system of free enterprise. He is reputed as a man of principle who has brought prestige to Canada throughout the world. Was he not the pride of the Canadian people when he championed the cause of liberty of the oppressed nations at the United Nations Assembly?

I am convinced that it will not be too long before the Right Honourable Mr. Diefenbaker is chosen again as our Prime Minister. I certainly would like to see him Prime Minister for our centennial celebration.

As member of the Legislative Assembly of Ontario for the great riding of Nickel Belt I have had the privilege of officially opening one hundred schools and sponsoring four universities. I would like today to speak on the financial status of our universities in asking the Government for much-needed assistance, as I am convinced that only through government help can the universities meet the present challenge of our cultural relations in Canada.

(Translation):

Honourable senators, may I warmly commend the Laurentian University of Sudbury, one of the two bilingual universities in Ontario, and its three federated denominational universities. To all those who have worked for the materialization of this gigantic project, devoting to it much time and effort, I want to tender my most sincere thanks on behalf of northern Ontario. They include, among others, His Excellency Bishop Alexandre Carter, Catholic bishop of Sault Ste. Marie diocese and chancellor of the University of Sudbury; Reverend Lucien Matte, president of the University of Sudbury, and Reverend Father Emile Bouvier, first president; Dr. Harold Bennett, president of Laurentian University; the Right Reverend Dr. Earl S. Lautenslager of the United Church, president of Huntington University; the Right Reverend L. Wright, Anglican archbishop of Sault Ste. Marie diocese, and chancellor of Thorneloe University. The co-operation of these men was so significant that, without them, Laurentian University would not be what it is today, that is to say, a living example of unity in diversity.

Here is the historic background of the institution. Since 1900, the people and the clergy of northern Ontario wanted a classical college. Because of the many geographical, religious and economic advantages, Sudbury was chosen. In 1913, the Jesuits founded Sacred Heart College. On April 3, 1957, it was authorized by legislation to change the name of Sacred Heart College to that of University of Sudbury.

May I sincerely congratulate the Company of Jesus for having, in the past fifty years, given us such devoted educators who made the development of religious vocations possible throughout northern Ontario, more particularly with regard to the secular clergy, and our prominent professional laity. May I also commend Dr. Earl S. Lautenslager of the United Church who, with his wide and open mind, largely contributed and helped lay the foundations of unity. I am proud to note that his high qualities have been recognized by his own church who appointed him principal of Emmanuel College in Toronto. I tender the same wishes to the Anglican Church and to the Right Reverend L. Wright, who is so much appreciated.

Thanks to the co-operation between representatives of the Roman Catholic, United and Anglican Churches, the Government passed on March 28, 1960, the bills concerning three university institutions in New Ontario.

Laurentian University is a bilingual and non-sectarian institution. Three universities representing three various religious groups are federated: the University of Sudbury (Catholic) Huntington University (United Church of Canada) and Thorneloe University (Anglican). This last institution is still at the organization stage.

The academic structure is quite similar to that of the University of Toronto. The faculties of arts and science give courses leading to a general B.A. with honours; there are courses in commerce and engineering, and university nursing schools. The professional faculties of law, medicine, engineering and others will be established later on.

I had the privilege of attending on May 27 last the third annual commencement of Laurentian University, when it conferred honorary doctors' degrees upon Honourable John Robarts, premier of Ontario, and Reverend Dr. Earl Lautenslager, president of Huntington University, thus repeating the gesture made in 1961 when His Excellency Governor General Georges-P. Vanier was so honoured, and in 1962 when Honourable Leslie M. Frost and Reverend Father Emile Bouvier also received honorary degrees.

(Text):

It was with great interest that I took note of a brief of the Canadian Universities Foundation, presented by President Claude T. Bissell of the University of Toronto and a Foundation delegation to Prime Minister Pearson, asking for more than $300 million in interim assistance in the next three years to help swelling enrolment. Interim aid is needed to help the universities over the period until a comprehensive survey of financing of higher education is completed about 1965.

What is the position of the Canadian Government regarding financial aid to universities?

I was pleased to read in the 1962 Throne Speech that legislation was proposed on university grants which was to include authorization of payment of the higher grants announced early in 1962 to provide alternative arrangements where supplementary provincial grants are made in lieu of federal grants. Unfortunately, there was no mention of any help or any assistance for our universities in the 1963 Throne Speech. What has happened to the Liberal promise made during the last election campaign that some 10,000 bursaries of $1,000 each would be made available to Canadian students?

Today we are witnessing throughout the world what has been referred to as the governmentalization of higher education. What this means, in its simplest form, is that the universities are just too important to be left to flourish in noble and indigent ease. However, universities cannot fit easily into any existing government method of institutional control. In this new age of governmentalization, I think it is important for universities to formulate their own Bill of Rights—the freedoms that they think are basic to their own welfare, the violation of which would threaten their very existence. The three basic freedoms, in my opinion, would be: freedom to determine who shall be taught; freedom to determine what shall be taught; and freedom to determine who shall teach. These are not absolute freedoms, yet a university must never abdicate its right to make the final decisions in any of these areas, for abdication in one means abdication in all.

I understand that under the British North America Act education is the exclusive field of the provinces. But is it not time that a sincere probing be made into this very important but obsolete legislation? If bilingualism is to survive and be established from Bonavista to Vancouver the federal Government, in co-operation with the provinces, should be allowed to find a new formula that would give protection to all minorities and, at the same time, give the federal Government an open door for them to assist education at the university level. Such assistance should be given to all institutions of higher learning that have been recognized provincially, regardless of their denomination or language, for history has shown that it is those very confessional universities which have best championed the bilingual cause, of which we hear so much today from the leaders of all political parties.

Education is a better safeguard of liberty than a standing army. If we retrench the wages of the schoolmaster, and especially if we neglect to provide more generous assistance to our universities, we will have to make way for more recruiting sergeants. As Daniel Webster said:

> Knowledge does not comprise all which is contained in the large term of education. The feelings are to be disciplined; the passions are to be restrained; true and worthy motives are to be inspired; a profound religious feeling is to be instilled, and pure morality inculcated under all circumstances. All this is comprised in education.

I now come to my point. We have in Canada universities which can provide our youth with such an education. But in order to survive, these universities must benefit from much-needed governmental help which would assure their financing.

Generally speaking it can be said that many universities owe their existence to churches, to later on unite into a federation and continue to provide wisdom as well as knowledge through moral training coupled with economic and technical instruction.

It has been said lately that unfairness has arisen due to the professed adherence of certain universities to certain churches. But has it not been proven that religion is a part of man? In 1945 the world powers dedicated to freedom assembled in San Francisco to chart the future United Nations, leaving out altogether God and all religious adherence in order to please materialistic and communist countries. What then are the future prospects of this great assembly?

"Educate men without religion, and you make them but clever devils," said Wellington.

Having witnessed the spending of some $10 million in the Sudbury district on the building of technical and vocational schools, I would like to pay tribute to the work of the Honourable Michael Starr and the Diefenbaker Government. This has proven to be a great boon not only to the Sudbury area but to Canada as a whole. We all know that small communities are in no position to build their own technical schools, and this generous assistance given by the Government of that time permitted them to give their children the same advantages of attaining technical and vocational training as those in large centres. Honourable senators, I would like to emphasize that this was the finest piece of legislation enacted by any government to give the people greater opportunities to achieve a better life.

And now, honourable senators, in view of what has been done and immensely appreciated by the people, I would like to ask what is the intention of the present Government in this field? The people are expecting, and have every right to expect, continued contributions to expand this necessary program of technical and vocational training which should be made available also to other communities throughout our country. However, I consider that the property owners should not be additionally burdened with the high maintenance cost of operating these schools. Surely the federal Government should feel its responsibility with the provinces in this request and should give aid to improve the technical and vocational training at least as a partial solution to the unemployment problem.

French culture in Canada has proven itself to be dynamic and has made a large contribution to the general culture of Canada. This fact must be recognized in a revised constitution. Consideration should also be given to the cultural contributions of all ethnic groups which have helped to build up this great nation of ours.

Canada now needs a group of men and women with the courage, the vision and the leadership to give this country a cultural identity which will include the basic recognition of the two partners of Confederation and provide for the inclusion of the cultural contributions of other ethnic groups.

We must be sensitive to change what is bad; we must be determined to hold fast to what is good, so that our great country can live through not only its centennial but many more such celebrations, and also gain prestige throughout the world as a great democratic nation.

On motion of Hon. Mrs. Fergusson, for Hon. Mr. Kinley, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 27, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report on the Vocational Rehabilitation of Disabled Persons Act for the year ended March 31, 1963, pursuant to section 12 of the said act, chapter 26, Statutes of Canada, 1960-61. (English text).

Copy of the publication titled: "Canada and the United Nations, 1961". (English and French texts).

BOUCHERVILLE ISLANDS BRIDGE AND TUNNEL BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-16, to authorize the construction and maintenance of a bridge and tunnel across the St. Lawrence River at the Boucherville Islands, in the province of Quebec:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen reported that the committee had considered Bill S-16, to authorize the construction and maintenance of a bridge and tunnel across the St. Lawrence River at the Boucherville Islands, in the Province of Quebec, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Paul H. Bouffard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. Mr. Macdonald (Brantford): Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, July 2, 1963, at 8 o'clock in the evening.

Motion agreed to.

JOINT COMMITTEE ON RESTAURANT

OMISSION OF NOTICE OF MEETING TO MEMBER

On the Orders of the Day:

Hon. Thomas Reid: Before the Orders of the Day are proceeded with, I have a personal matter I should like to place before the Leader of the Government and all honourable senators.

Since being appointed to the Senate I have had the privilege and honour of serving on the Joint Committee on the Restaurant. After examining the new cafeteria which has been installed in the West Block, I was looking forward to a meeting of that committee and I wondered why none had been held. I knew nothing at all of any committee meeting until the other day when I received notification that a meeting had been held. I understand that all members of the committee but myself had notice of that meeting.

I believe the responsibility for this omission rests with the Speaker of the House of Commons. Further, I understand that a copy of the report of that committee has been sent to all its members except myself. Therefore, I am appealing to His Honour the Speaker and am asking him if he would be good enough to take my name off the list of members serving on the Restaurant Committee.

Hon. W. Ross Macdonald: Honourable senators, I believe it would be most unfortunate were we to lose the services of Senator Reid on the Restaurant Committee. He has been a member of that committee for many years, and I find that the food and service have improved over the years. I think this improvement is due, in some measure, to the interest which he and the other senators who serve on this committee have displayed in the work of the committee.

I am sure all honourable senators would like Senator Reid to remain a member of the committee. We regret this oversight in the matter of notice of the meeting. I am glad that he absolves the Speaker of this House of any responsibility in this regard. I am certain that such an omission will never occur again. I am sure I speak on behalf of all honourable senators in asking Senator Reid to reconsider his decision to retire from the committee.

Hon. Senators: Hear, hear.

The Hon. the Speaker: Perhaps as co-chairman of the Restaurant Committee I should apologize to the honourable senator because he did not receive notice of its meeting. We had one meeting, as far as I recall, and there was at that time a subcommittee appointed to examine some of the questions raised at the first meeting. I join the Leader of the Government (Hon. Mr. Macdonald, Brantford) in saying that that committee cannot afford to lose such an able member as the honourable Senator Reid, and I hope he will reconsider his request.

PRIVATE BILLS

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—THIRD READING

Hon. John M. Macdonald, for Hon. Mr. Thorvaldson, moved the third reading of Bill S-20, respecting General Mortgage Service Corporation of Canada.

Motion agreed to and bill read third time and passed.

CO-OPERATIVE FIRE AND CASUALTY COMPANY —MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Cameron for the second reading of Bill S-26, respecting Co-operative Fire and Casualty Company.

Hon. A. K. Hugessen: Honourable senators, I have no comment to make on this bill. The reason I moved the adjournment yesterday afternoon was that the motion for second reading had been made by Senator Cameron and I wished to implement the understanding arrived at in this house that it would not receive second reading yesterday, only one day after its first reading.

Hon. Allister Grosart: Honourable senators, may I make some comments on this bill at this time? I had expected Senator Cameron would be in the chamber, but I believe he had to leave early to catch a plane. However, I told him I would bring forward some of the points that I discussed with him, and I believe he is prepared to have them discussed when the bill goes to committee. I speak at this time because I am not a member of the committee to which I believe this bill will be referred, and I understand that not all these points were brought up in committee before.

The purpose of the bill, as I understand it, is to convert a mutual insurance company into a joint stock company, that is, a company in which the ownership and control will pass from the policy owners to certain shareholders. As I read the bill, the new owners will not be the old owners, and the Parliament of Canada is being asked to take the ownership from one group of policy owners and give it to another group of shareholders.

I am not objecting to that in principle, if the policy owners agree. I do think, however, it is important that in committee we make very certain that the policy owners of this company are well aware of what the Parliament of Canada is being asked to do.

An interesting fact is that this mutual company, which obviously was set up as a mutual company because it operates in the general field of the co-operative movement, has found it desirable or necessary to change its structure from one in which ownership rests with the policy owners or the customers, which I understand is the basic principle of the co-operative movement, to one in which 18 other entities—admittedly, still in the co-operative movement, but as entities which are not customers or policyholders—will have the ownership. I think it should be made very clear whether this is the intention of the wording of the bill.

It is also interesting to know that in this great co-operative movement the other type of structure, the joint stock company or the shareholder company which has served other forms of private enterprise so well, seems to be a desirable form for this particular company. Perhaps there is a lesson in that, but I will not enlarge on it at this particular time.

I wonder also if this change will affect the tax advantages presently enjoyed by this company as a mutual co-operative company. Will it, in its new structure under its new ownership, still retain the tax advantages that it now has as a co-operative?

It is rather interesting to note that according to the schedule to this bill, the new owners will be 18 central co-operatives, as we may call them. By that I mean they are not small, local co-operatives. These are fairly large bodies. Six of them are in Alberta, one in British Columbia, six in Manitoba, two in Saskatchewan, one in Nova Scotia and two in New Brunswick. By geographical distribution this is not, apparently, a small matter.

I do not know whether this particular type of change has been petitioned for before by the co-operative movement, but I certainly think that the reasons for it are worth study and that the petitioners should be asked by the committee to give their reasons and assurance to the committee that the present policyholders from whom we are asked to take ownership are fully aware of that fact, and that they join in the petition which, presumably, comes from the management of the company.

It is quite clear from the bill that this does involve this transfer of ownership. The explanatory note says:

> The purpose of this act is to convert the company from a mutual to a joint stock company. The present contributors to the guarantee fund of the company, being members of the co-operative movement across Canada, will be given the opportunity to convert their contributions into shares of the capital stock of the company.

As I understand it, at the present time they are guarantors to the extent of something close to a million dollars. The explanatory note says that they will be given the opportunity to convert their contributions into shares of the capital stock of the company. It then goes on to say:

> The resulting shareholders will have exclusive voting rights after the expiry date of existing policies,—

In other words, the present policy owners, after their policies expire, will cease to be shareholders. The explanatory note then says:

> —but surpluses may continue to be paid to policyholders as before.

It does not say that surpluses will be paid.

From my reading of the bill I would conclude that if there are surpluses their disposition would be under the control of these new owners. It is fair to say that provision is made for the present policyholders to continue their voting rights as long as their policies are not expired, but the explanatory note does not make it clear whether their voting rights will in aggregate amount to control. I do not think that that is contemplated. I think these 18 central co-operatives will become the new owners. I am not sure of that, but that is my reading of the bill.

Subsection (2) of section 2 of the bill in part reads:

> The converted company shall be composed of the contributors listed in the schedule to this act, together with such other persons as may become shareholders—

And then it makes provision for the present policyholders to continue to have a vote while their policies are in force.

If the bill passes there will then be these 18 new owners, and the surpluses will be, within the law, under their control. What would be the position if, instead of all the policy owners deciding, these new owners decided to use these funds for such a purpose as making a contribution to a political party? What would be the position or the rights of the policy owners?

At the present time, if such a move were contemplated, certainly the policy owners would have to be consulted. If these 18 groups, with specific interests, some of them political interests, and in some cases political bias, should decide to use some funds for this purpose, what would be the position then?

I think these questions should be asked, and I am sorry that the sponsor of the bill, honourable Senator Cameron, is not in the chamber. However, I did indicate to him that I would raise some of these questions and I am quite prepared to leave it at that, with the hope that they will be examined when the bill goes to committee.

Hon. Arthur W. Roebuck: Honourable senators, I think honourable Senator Grosart has raised an important point in connection with this bill. I have not studied the measure in detail, but I would be very much concerned if a bill of this kind were passed without due inquiry by the Standing Committee on Banking and Commerce, or some other committee, so that the rights of all parties would be duly protected.

As honourable Senator Grosart says, it is not enough to ask some questions, which may be answered by somebody. In my opinion that is not sufficient. I would not be prepared to vote for a bill which took rights away from one set of parties and gave them to another without the consent in writing of the individuals whose rights are being transferred or obliterated.

I would think—and I speak as a lawyer in this regard—that the Banking and Commerce Committee must see to it that consent is given in writing by everyone who has rights which are to be taken away by this bill. It is not a question of majority decision; each individual has rights, which we have no justification for taking from him without his consent.

Honourable senators, perhaps it would be wise to let this matter stand until honourable Senator Cameron returns. There is no hurry about passing it. I would like to hear what he, as the sponsor of this bill, has to say before we consider it further. If no one else wishes to speak on it, I will move the adjournment of the debate.

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

KINROSS MORTGAGE CORPORATION—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Honourable Senator Connolly (Ottawa West) for the second reading of Bill S-27, to incorporate Kinross Mortgage Corporation.

Hon. T. D'Arcy Leonard: Honourable senators, my position with respect to this bill is the same as that of the honourable Senator Hugessen with respect to the bill with which we have just been dealing.

I adjourned the debate in order that we might carry out the suggestion of the honourable Senator Roebuck to allow the honourable Senator Connolly (Ottawa West) to explain the bill yesterday and then the debate be adjourned until today, in compliance with the rule requiring the regular two days' notice before a bill receives second reading.

Honourable senators, if no one wishes to speak on the bill, I would suggest that the motion by the honourable Senator Connolly (Ottawa West) for second reading be put, and if it is carried I propose on his behalf to move that the bill be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—ORDER STANDS

On the Order:

> Resuming the adjourned debate on the motion of the Honourable Senator Lefrançois, seconded by the Honourable Senator Taylor (Westmorland), for an Address to His Excellency the Governor General in reply to the Speech from the Throne delivered by His Excellency the Administrator at the opening of the Session.—(Honourable Senator Fergusson for Honourable Senator Kinley).

Hon. Muriel McQ. Fergusson (for Hon. Mr. Kinley): Stand.

Hon. John G. Higgins: Honourable senators, I claim privilege to speak to this item on the Order Paper. I would ask whoever has authority for the conduct of the debate on the address in reply to the Speech from the Throne to explain why there have been so many adjournments of the debate. Day after day, when the order is called nothing results except the word "Stand". The first speech was delivered on May 22 and there have been only seven speeches since.

I understand that a number of senators wish to speak, but it seems that the end of the session will come before they will have the opportunity to do so. If Senator Kinley cannot be here on Tuesday, some other speaker should be allowed to proceed and Senator Kinley could speak later.

Hon. John M. Macdonald: Honourable senators, may I say that the order of speakers is usually arranged by agreement between the Whips on each side of the house.

Hon. Malcolm Hollett: Honourable senators, if it is a fact that the Whips arrange the order of the speeches on the address in reply to the Speech from the Throne, may I point out that I have known speeches to be delayed for three or four sittings. If the Whips can do that, I think we ought to look into the matter. I heartily agree with what the honourable Senator Higgins has just said; I think the manner in which the address in reply is being handled at this time is ridiculous. It is time the matter was disposed of.

Hon. W. Ross Macdonald: Honourable senators, I am sure that if any senator wants to speak on the Speech from the Throne there is no one here who would prevent him, and I am sure the Whips would be the last to do so. The Whips have been endeavouring to arrange the business of the house. It is not always easy to get senators to speak at the time which appears to be available. If on Tuesday, after the honourable Senator Kinley has spoken, another senator wishes to rise and speak on the address in reply, surely no one would deny him that right. It is up to the senators themselves.

PRIVATE BILLS

THE CANADA BOARD OF AMERICAN MISSIONS OF THE UNITED LUTHERAN CHURCH IN AMERICA—SECOND READING

Hon. Fred M. Blois moved the second reading of Bill S-23, respecting The Canada Board of American Missions of the United Lutheran Church in America.

He said: Honourable senators, there is little explanation needed in connection with Bill S-23. If you have read the bill and the explanatory notes accompanying it, you will see that a change of name in Canada is made necessary by similar changes in the United States.

If this bill receives second reading, and honourable senators are agreeable, I shall then move that it be referred to an appropriate committee. There is nothing further I can say at the present time that would be of any assistance to the understanding of the bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Blois, bill referred to the Standing Committee on Miscellaneous Private Bills.

THE EVANGELICAL LUTHERAN SYNOD OF CANADA—SECOND READING

Hon. Fred M. Blois moved the second reading of Bill S-24, respecting The Evangelical Lutheran Synod of Canada.

He said: Honourable senators, this bill is somewhat similar to Bill S-11 which received second reading in this house on March 13, 1962. Bill S-24 is an act respecting The Evangelical Lutheran Synod of Canada, by which it is proposed to change the name to the Eastern Canada Synod of the Lutheran Church in America. It was felt that for the more efficient management of the affairs of the synod it should be divided into three sections, namely, the western section, taking in the western sections under the jurisdiction of this church; the central section, which takes in the central section up to the 88th parallel in Ontario; and the present section, to be known as the eastern section, would have jurisdiction over the section of Ontario east of the 88th parallel, and the provinces of Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland. The purpose of the bill is simply to give territorial jurisdiction. The church feels that in this way it can better handle the affairs of its synod.

If honourable senators agree to the passing of this bill on second reading, I shall move that it be referred to the appropriate committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Blois, bill referred to the Standing Committee on Miscellaneous Private Bills.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, June 25, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-6, to make provision for the disclosure of information in respect of finance charges.

Hon. Sydney J. Smith: Honourable senators, as several previous speakers have suggested, Bill S-6 is no stranger here. It is the fifth of a series of bills that have been introduced into this house under the identical name. The fact has been called to our attention by previous speakers that two of the bills, the one before us today and the one presented to this house at the last session of Parliament, are exactly the same. However, it is noteworthy that the last two bills are decidedly different from the first three. The changes in the first four bills were made to meet objections voiced by many honourable senators, including myself. So I feel that those of us who have spoken and voted against earlier versions of the bill have been vindicated in our criticism and can claim some credit for a more acceptable bill than was first presented.

In recent days I have reviewed the records of the house debates on Bill S-25 in 1960, Bill S-4 in 1961, and Bills S-2 and S-3 in 1962. I want to repeat what I said in this house during the debate on the last bill, that I give full marks to the honourable senator from Toronto Spadina (Hon. Mr. Croll) for having retreated from many of his original objectives and in recognizing somewhat the objections and criticisms that were directed to the bill in previous debates.

He has now given the bill not only a sober second look but also a third and fourth review, each producing improvement. His latest compromise was one I was pleased about; that was his willingness to defer the coming into force of this bill until the Supreme Court of Canada has given a ruling on its constitutionality, which is a point that has been very controversial throughout the debates on previous versions of the bill.

Honourable senators, it is my considered opinion that there remains one major flaw that should be corrected: I refer to the manner in which finance charges should be expressed. I do not object, nor did I ever object, to a frank and truthful disclosure of finance charges in the conduct of consumer credit business.

I am all in favour of the finance charge being spelled out in the contract, and I would not object to it being expressed in a percentage rate based on simple interest per annum, provided there is a proven formula for arriving at that percentage rate in a manner which is simple, quick and accurate.

This, honourable senators, is the key to the major difficulties that have been encountered in connection with proposed legislation of this kind, not only in this Parliament but elsewhere, and no one has yet met the challenge to produce a workable formula for arriving at the desired percentage rate based on simple interest per annum.

There is no regular pattern for time payment contracts. There are irregular amounts of instalments and there are irregular periods between the due dates of instalments. These things are arranged to fit into the particular circumstances under which the purchaser gets his income, and create a problem that is most difficult to deal with.

I am not going to bore the house at this time with details of skip payments, balloon payments and seasonal plans that are used in consumer credit transactions to fit into the irregular income of seasonal workers such as

farmers, fishermen, teachers and other seasonal workers. These details can be dealt with if this bill is referred to a committee. It is my submission, honourable senators, that on the grounds of this particular feature which I have drawn to your attention, the bill deserves a detailed study of the possibility of adopting a formula for arriving at this percentage rate. If that is proven possible in such a study, then I suggest that it should be written into the bill.

As the bill now reads, the responsibility for making regulations governing the means of arriving at the percentage rate, as well as the required degree of accuracy, is escaped completely in the bill, and it is passed on to the Governor in Council to provide the regulations that would meet this need.

I feel that after studying the bill throughout the various debates as we have, if it is submitted to committee and given a careful study there, and if we cannot then produce a formula for meeting this need, I do not think there is much hope of the Governor in Council providing such a formula by way of regulations. So, I feel that the bill as it now stands would not produce a good law; it would produce a poor law which would be difficult of implementation and administration, and such a law is worse than no law at all.

I am not going to speak at any length, but having dwelt on this particular phase which is familiar to those who have carried on a business in connection with consumer credit, I feel that there remain two possible sources for solution of this percentage rate problem. One is a comprehensive study such as I have suggested by a committee of this house to which this bill may be referred, and the other possible source of solution is through the study presently being made by the Royal Commission on Banking and Finance. I know from newspaper reports that a lot of evidence has been submitted to that commission bearing on this problem involving consumer finance.

Honourable senators, I am prepared to support this bill to have it put before an appropriate committee of the Senate where persons can be heard who claim that there is a simple, quick and accurate formula for arriving at that percentage rate of a finance charge on the basis of simple interest per annum. If they fail to prove or produce a workable formula, then I would much prefer to have this matter stand over until a report is received from the Royal Commission on Banking and Finance, which is now sitting, than have it become another one of those laws which would fail in its purpose.

In conclusion may I say that I concur with my honourable friend (Hon. Mr. Croll) who sponsored these several bills when he says that the growth of consumer credit is fantastic. This does not necessarily mean that because it has become a tremendous factor in the overall economy that it is an unholy, a wicked, or a destructive thing, and is to be dealt with as such. Whether or not we use consumer credit, we must realize that it is an essential factor in the present-day economy and we cannot afford to tamper with it in a careless manner. Consumer credit provides many jobs and much income, and it is beneficial for a lot of people who cannot afford to pay cash on the barrelhead for those things which provide better living, particularly for younger families. Consumer credit provides for the individual what bonded indebtedness provides for the community. We enjoy such things as public buildings and roads and all kinds of public services on the basis of financing by means of bonded indebtedness, which means making the utility or the convenience pay for itself as it is being used.

It is most unfortunate too that the words "consumer credit" have become bad words in the minds of so many people. I think it is largely because of those people who by their own personal circumstances have not become familiar with what consumer credit has provided for many people who are not in a position to get along without credit and to meet their needs and desires on a cash basis.

I believe we should bear in mind it is an accepted fact that the development of the consumer credit system was largely responsible for the economic recovery in the United Kingdom. Furthermore, we have read the reports of many businessmen who have visited Russia in the recent past, and their expressed opinion is that the expansion of consumer credit methods can lead people behind the Iron Curtain into a better way of life which, in turn, would bring them closer to understanding our economic philosophy.

So, honourable senators, let us strive to give this bill careful study, if it is referred to committee. Let us bring before that committee appropriate individuals to give us a fair and equitable picture of all sides of this problem, with the objective of arriving at a solution that could be written into the bill. Then we would be assured that the bill could stand on its own feet and be effective. If we cannot arrive at such a solution, I submit that careful consideration should be given to postponing further action until we receive a report from the Royal Commission on Banking and Finance.

Hon. Muriel McQ. Fergusson: Honourable senators, on three previous occasions I have spoken at some length in this chamber on bills

similar in form to Bill S-6, all of which have been introduced by the honourable Senator Croll.

I have no wish to prolong this debate, and if I did so I would be only repeating the arguments I have previously made; but I would like to say that I continue to support the principles of this bill, and I will certainly vote for it. I trust it will receive second reading, and when it does I will follow its progress with close interest.

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

BUSINESS OF THE SENATE

Hon. A. J. Brooks: Honourable senators, before we adjourn I would like to say just a word along the lines of Senator Higgin's remarks a few moments ago, with which I agree entirely.

I cannot see why so many items on the Order Paper are allowed to stand day after day when we have the time available to deal with them. I know there are quite a number of senators who wish to speak on the motion for an address in reply to the Speech from the Throne.

I also feel that in a short time we will surely have more business from the other place. Thus, there is the possibility that some honourable senators who wish to speak on the Throne Speech debate will not have the opportunity to do so. If any honourable senator wishes to speak on the Throne Speech, I feel he should be given that opportunity.

With reference to the three orders we have just allowed to stand, the first has to do with the amendment to the Bankruptcy Act. Honourable senators will recall that this topic was debated extensively last year. It was again explained on second reading on May 28 this year, which is nearly a month ago, and it seems to me that it could and should have been dealt with before now.

Bill S-4, intituled an act to repeal The Newfoundland Savings Bank Act, 1939, was given first reading on May 21. There is no controversy over this bill, and I do know there are some honourable senators, particularly those from Newfoundland, who are anxious to say a few words on second reading of this bill. I see no reason why it should not have been proceeded with earlier.

The same observations might be made with respect to Bill S-5, intituled an act to approve an Agreement between the Government of Canada and the Government of the Province of Ontario respecting Public Harbours.

With regard to the "60 days" business, there is not much of that to come, but I hope that the days to follow will provide us with extensive business from the other place. In that case it is possible that honourable senators who wish to speak on the Throne Speech debate and on other bills may not have the opportunity to do so.

I was pleased to hear the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) tell us a few moments ago that there was no objection to the Whips making arrangements for members to speak on the Throne Speech debate when the one in whose name it had been adjourned was not present to speak. He said there was no reason why it should be allowed to stand, and that other arrangements could be made. Now, with regard to these three bills I have already mentioned, I would ask the Leader if it is not possible to clear up the Order Paper so that we will be prepared for more work.

Hon. Mr. Smith (Queens-Shelburne): You want to go home.

Hon. Mr. Brooks: Who doesn't?

Hon. Mr. Smith (Queens-Shelburne): The honourable Leader of the Opposition wants to clear up the Order Paper, and I say to him that I share that desire.

Hon. Mr. Brooks: I am not speaking for myself at all. I will be glad to stay here until all the business is dealt with. It is not a question of wanting to go home, but of getting the business done in an orderly manner.

Hon. W. Ross Macdonald: I believe that the business of the house has been conducted in an orderly manner. If it has not been, then that is the responsibility of all honourable senators. One honourable senator passed a remark about wanting to go home. None of us would want to go home as long as there is business before the Senate.

I might point out to honourable senators that there are five private bills on the Order Paper today, and of course we have to be here to consider them. I might also add that the work of the Senate has been arranged so that there will be some private bills, some public bills and some public business before us at all times. Does any honourable senator know a better way of arranging the business of the Senate?

Hon. Mr. Brooks: Could the honourable Leader of the Government tell us why these three bills I have mentioned have not been dealt with? We have had ample time to deal with them, and this would not have interfered with the private bills which we must deal with.

Hon. Mr. Macdonald (Brantford): We have tried to arrange the business of the Senate so that there would be some public and some private bills before us at all time. I do not see how else the work of the Senate can be

effectively accomplished. If any honourable senator has any suggestion to make as to how it can better be conducted, I would be glad to hear from him, either in the chamber or in my office, or he could speak to the Leader of the Opposition or the Whips. We have always co-operated in the past, and I have no doubt that we shall continue to do so.

Hon. Mr. Brooks: Hear, hear.

Hon. Mr. Macdonald (Brantford): Honourable senators, with regard to the motion for an address in reply to the Speech from the Throne, I can see no harm in that debate continuing. Yesterday we heard an excellent contribution made by one of the new members. A week ago we heard a fine speech by the honourable Senator Pouliot. There are other excellent speakers to follow. One senator spoke to me last night about making a speech this afternoon, and I told him I thought Senator Kinley would be speaking today and that it might be better to postpone his speech until next week when there would be a better attendance. This morning I learned that Senator Kinley would not be here and I suggested to the other senator that he might speak today. However, he considered it was too short a notice.

The Leader of the Government is not preventing anybody from speaking, and I do not think the Leader of the Opposition is suggesting that is the case. I welcome speeches; I am always glad to hear them. If any honourable senator wishes to speak, but does not wish to commence when another senator has finished, he has only to see the Whips and I am sure they will endeavour to arrange a suitable time for him. The Whips do not have an easy task, and I would not like anybody to think that their work is routine and without difficult complications. It is not. I personally appreciate and am grateful for the fine work they are doing.

The Senate adjourned until Tuesday, July 2, at 8 p.m.

THE SENATE

Tuesday, July 2, 1963

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

Prayers.

THE LATE SENATOR HIGGINS

TRIBUTES

Hon. W. Ross Macdonald: Honourable senators, it is with deep regret that I rise to record the passing of one of our colleagues the Honourable John Gilbert Higgins, Q.C.

Senator Higgins was a member of this house for less than five years. In that all too brief period he served this chamber, his province and his country with distinction. That he did so was not surprising for, prior to being summoned to the Senate, his career was marked by loyal and faithful service to the Crown, more particularly to his native province.

Senator Higgins was born in 1891. He was educated in Newfoundland and in England, and was called to the Bar of England and that of his own native province of Newfoundland in 1913. He served overseas with distinction during the First World War and at its close he returned to Newfoundland where he created for himself an outstanding legal career.

I know I speak for all honourable senators when I say that today our thoughts and our sincere sympathy are with his many friends here and in Newfoundland, and more especially with Mrs. Higgins and their family.

Hon. A. J. Brooks: Honourable senators, the Leader of the Government (Hon. Mr. Macdonald, Brantford) has said that our meeting tonight is saddened because of the death of our esteemed colleague Senator Higgins.

I must say that I find it most difficult to rise and speak on the passing of a colleague who was active in our midst just a short time ago. As a matter of fact, only on Saturday Senator Higgins came to my office to discuss with me certain business which we anticipated would be coming before the Senate, and he explained to me the interest he had in that particular business and the part he wished to take in the debate.

I did not know the late Senator Higgins particularly well, having met him only after I was appointed to the Senate; but I knew of his family, one which had a long tradition of activity in public life in what was formerly the old British colony of Newfoundland. His ancestors played an honourable and distinguished role in the history of Newfoundland, and the Higgins name, as we know, is greatly honoured in the Atlantic provinces and throughout Canada.

As to the late Senator Higgins himself, the Leader of the Government has told of his remarkable career. He was a Rhodes Scholar; and, as we all know, in his time and now in order to become a Rhodes Scholar one must be an all-round man. As a young man, Senator Higgins showed qualities of leadership when he was the captain of the Canadian hockey team at Oxford University.

The late senator took part in the First World War, serving overseas from 1916 to 1919, and on his return practised his profession as a lawyer, and a very distinguished one, in Newfoundland. As a politician he was a leader of one of the great parties in Canada; and as a senator, he took a leading part in the debates and the work of this Senate. He was at one time president of the Canadian Legion in his own province, and at the time of his death he was an honorary president of that organization. Apart from the great liking which Senator Higgins had for his fellowmen, probably his two greatest loves were, first, for his native province of Newfoundland and, second, for the land of his ancestors, Ireland. Honourable senators will recall the wonderful St. Patrick's Day address he gave in this chamber in 1962.

I wish to join with the Leader of the Government (Hon. Mr. Macdonald, Brantford) in expressing to the late senator's family our most sincere sympathy.

Hon. Calvert C. Pratt: Honourable senators, I wish to join with the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) and the honourable Leader of the Opposition (Hon. Mr. Brooks) in their tributes to our late friend and colleague, Senator Higgins. His sudden passing was a great shock to us all.

My association with the late senator was more than a relationship in the Senate; we had a very close personal friendship as well. I was probably the last member of the Senate to be with him before he returned to his hotel where he passed away.

There have been many opportunities for members of this chamber, and for the public generally, to recognize the late senator's fondness for Newfoundland, the province of his birth. He had a very sincere and natural loyalty to Newfoundland, which he loved to express not only here but on numerous public occasions in widely-spread areas.

In my travels abroad at various times I have met many persons such as members of the Canadian Bar Association, the Canadian Authors Association and of many other outstanding organizations, who wished to be remembered to Senator Higgins and who spoke very kindly of his association with them.

When listening to the speeches of the late senator in this chamber, I was always impressed with his genuine eagerness to bring out some of the outstanding features of Newfoundland's history, particularly its cultural relations of the past, all of which reflected a warm attachment to his own province.

I am sure we all have strong feelings of sympathy for Mrs. Higgins and the members of the family. I express my own sympathy with great feeling because of my personal association with Senator Higgins and the members of his family.

Hon. Lionel Choquette: Honourable senators, the Senate has lost a valued and devoted member, and we on this side of the house in particular have lost a loyal colleague.

I was perhaps closer to Senator Higgins than many other honourable senators. After his appointment to the Senate on January 15, 1959 he became my deskmate in the third row immediately opposite the desk I am now occupying. This led to a continuing friendship which was all too short. He was an interesting conversationalist and a man of great erudition. He was an admirer of the classics and could quote at length from the writings of the renowned authors and thinkers of the past.

Senator Higgins was also a collector of objects of art, and was a patron of the arts. The many paintings in his office are testimony of his interest; and I am told, although I have never visited Newfoundland, that his home is literally full of historic and artistic objects. He was also a well-known philatelist, and his interest ranged as far as the collection of historic maps and charts. I understand, moreover, that he provided the Public Archives with many items that were missing from its collection.

In addition, Senator Higgins was a distinguished member of the Canadian Bar Association, and his speeches are well remembered for their wit and wisdom.

Above all he was a kind and generous friend to all who knew him well, and his many acts of generosity will be long remembered by the Senate. I know that I personally will miss his companionship, and I take this opportunity of conveying to his wife and family my sincere condolences on their loss which is shared by the Senate and the country.

Hon. A. B. Baird: Honourable senators, I should like to add a word by way of tribute to the late Senator Higgins. I am sure that his memory will ever remain in the hearts of those who had the privilege of knowing him. He had the kindness of heart and the sincerity of purpose which distinguished him and set him apart as a fine Christian gentleman.

In Jack Higgins' death Canada has lost a worthy son. He will be missed by us all. I tender my profound and heartfelt sympathy to his widow, two sons and daughter who survive him. I join them and his many friends in mourning his passing.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered—That a Message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Baldwin, Brown, Cadieux, Casselman (Mrs.), Chatterton, Choquette, Côté (Longueuil), Crossman, Enns, Fairweather, Fisher, Honey, Horner (Jasper-Edson), Laniel, Macquarrie, Martineau, Mullally, Ouellet, Pennell, Rondeau, and Wahn a committee to assist His Honour the Speaker in the direction of the Library of Parliament so far as the interests of the House of Commons are concerned, and to act on behalf of this house as members of a Joint Committee of both houses on the Library.

Ordered, that the message do lie on the Table.

(Translation):

PRINTING OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> That a message be sent to the Senate acquainting Their Honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of Parliament and that the following members: Messrs. Boutin, Cardiff, Choquette, Clancy, Cooper, Cowan, Drouin, Ethier, Kennedy, Lamb, Latulippe, Laverdiere, Loiselle, Macaluso, Moreau, Ormiston, Pascoe, Pilon, Prittie, Richard, Rochon, Scott and Simpson will act as members

on the part of this house on the said Joint Committee on the Printing of Parliament.

Ordered, that the message do lie on the Table.

(Text):

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Copies of correspondence with the Premier of the province of Quebec concerning An Act respecting the Observance of the Centennial of Confederation in Canada, exchanged during the period October 4, 1961 to June 18, 1963, inclusive. (English and French texts).

Report of Defence Construction (1951) Limited, including its accounts and financial statements certified by the Auditor General, for the year ended March 31, 1963, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Director of Investigation and Research, Combines Investigation Act, for the year ended March 31, 1963, pursuant to section 44 of the said act, chapter 314, R.S.C., 1952. (English and French texts).

Report of operations under the Civil Service Insurance Act, for the year ended March 31, 1963, pursuant to section 21(2) of the said act, chapter 49, R.S.C., 1952. (English and French texts).

BOUCHERVILLE ISLANDS BRIDGE AND TUNNEL

THIRD READING

Hon. Paul H. Bouffard moved the third reading of Bill S-16, to authorize the construction and maintenance of a bridge and tunnel across the St. Lawrence River at the Boucherville Islands, in the province of Quebec.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

ALLSTATE LIFE INSURANCE COMPANY OF CANADA—SECOND READING

Hon. John M. Macdonald, for Hon. Mr. Thorvaldson, moved the second reading of Bill S-28, to incorporate Allstate Life Insurance Company of Canada.

He said: Honourable senators, Bill S-12, to incorporate Allstate Life Insurance Company of Canada, was introduced in this house on November 6, 1962. It received second reading and was referred to the Standing Committee on Banking and Commerce. A detailed explanation of that bill appears in the printed proceedings of the committee of November 14, 1962. Subsequently, the bill was passed by this house, but was not passed in the House of Commons.

The present Bill S-28 is similar to Bill S-12 of last session.

As honourable senators know, "Allstate" is the name of insurance companies in the United States owned by Sears-Roebuck & Company. Some years ago, when Sears-Roebuck & Company and Simpson's Limited formed Simpsons-Sears Limited, there was an undertaking that Simpsons-Sears Limited was to obtain an interest in the insurance business in Canada of the Allstate companies of the United States, and in 1960 the Allstate Insurance Company of Canada was incorporated by Parliament. That company was authorized to sell pretty well all types of insurance except life insurance.

The present bill will incorporate a life insurance company. It is the intention, if the bill is passed, that this company will take over the life insurance business in Canada of the Allstate Life Insurance Company of the United States, as well, of course, as seeking new business.

It should be noted it is proposed that three-quarters of the stock in this new company shall be owned by the Allstate Insurance Company of the United States and one-quarter by Simpsons-Sears Limited, which would actually mean a Canadian participation of one-eighth in the ownership. This is not a large participation, yet it does give Simpson's Limited a fixed and definite interest in the life insurance operations in Canada of the Sears-Roebuck organization, where none now exists. It should also be noted that the Allstate Life Insurance Company has been doing business in Canada since 1961.

I do not know that there is anything more I can usefully say at the present time. If the bill receives second reading it is my intention to move that it be referred to the Standing Committee on Banking and Commerce where it can be examined in detail.

Hon. Mr. Croll: Honourable senators, I thought I heard the honourable senator who explained the bill say something about ownership of stock, but I see nothing in the bill about that. Have I the wrong bill before me?

Hon. Mr. Macdonald (Cape Breton): It is Bill S-28.

Hon. Mr. Croll: Yes, I have S-28.

Hon. Mr. Macdonald (Cape Breton): Section 3 of the bill refers to the capital stock of the company, etc.

Hon. Mr. Croll: Yes, but I thought you talked about Canadian participation.

Hon. Mr. Macdonald (Cape Breton): That is not in the bill. It is proposed, if this bill becomes law, that 75 per cent of the capital stock will be subscribed for by Allstate Insurance Company of the United States, and 25 per cent by Simpsons-Sears Limited, of Canada. Simpsons-Sears, of Canada, is equally owned by Simpson's Limited, of Canada, and by the Sears-Roebuck people in the United States, the net result being that the Canadian participation will be 12.5 per cent.

Hon. Mr. Croll: I am now completely confused.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Cape Breton), bill referred to the Standing Committee on Banking and Commerce.

THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA—SECOND READING

Hon. Lionel Choquette, for Hon. Mr. Thorvaldson, moved the second reading of Bill S-29, respecting the Sovereign Life Assurance Company of Canada.

He said: Honourable senators, on behalf of Senator Thorvaldson, who is unavoidably absent—I should say, who was unavoidably absent, for he has just this moment entered the chamber—I propose second reading of this bill.

The Sovereign Life Assurance Company of Canada was incorporated in 1902 by the Parliament of Canada. The head office is in the city of Winnipeg. Throughout the years a large proportion of its business has been transacted in the province of Quebec. The sole purpose of this bill is to add a French version to the English name.

There are only two sections to the bill. It provides that the company may use in the transaction of its business the English name The Sovereign Life Assurance Company of Canada or, in French, La Souveraine, Compagnie d'Assurance-Vie du Canada, or both such names, as and when it so elects.

Unlike some of the bills that were introduced providing for a French version of the company's name, I, as a bilingualist, may say that this name sounds very French-like.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Wednesday, June 26, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. John J. Kinley: Honourable senators, before speaking to the motion now before the house, may I take a moment to pay tribute to the memory of the late Senator John Higgins who passed away last night.

Senator Higgins was here but a short time, but he brought with him a personality that we enjoyed and which made a deep impression upon the Senate. He loved the things that are beautiful and artistic. He liked to speak of nature, and he was very fond of literature, of which he was a most competent student.

I knew Senator Higgins because I come from Nova Scotia, and he came from the adjacent province of Newfoundland. No place in Canada has a stronger relation with the people of Newfoundland and their industry than does Lunenberg, the county I had the honour to represent in the Commons and which I have the honour to represent here in the Senate.

I think Senator Higgins would have been very interested in what I am going to say tonight, as I intend to deal with a feature of our marine industry. He was a man of simple living and high thinking, a virtue that everybody should emulate. We have lost a man who was valuable to the Senate; we have lost a man who was charming, capable and different.

To the widow and family of the late senator, with the others who spoke, I extend my sympathies. I feel sad because of his passing at this time, because we were very fond of him and would have liked to have seen him with us for a long time.

Honourable senators, I now wish to pay my respects to the leaders of this house, the Honourable the Speaker, the honourable Leader of the Government and the honourable Leader of the Opposition. I wish to associate myself with the many well-deserved compliments that have been paid to them, and to say to them that I am very well pleased to know that they all came from the House of Commons. I think that service in that house is very beneficial experience to a senator. I know of no other way that one can get the experience which makes one useful in public service. They are a trio who will work harmoniously to assist and advise, which is our function in government.

They have a fine record of service and of achievement, and we think the dignity of the Senate and its work is safe in their hands. I congratulate them.

Honourable senators, I would now like to say a word of congratulation to the mover and the seconder of the address. Senator Lefrançois, the mover, is an industrialist. I like that because there are not too many of them in the house. He has a good record as an industrialist both in Canada and in other areas. What he said in his speech was practical and what I would expect to come from an industrialist.

My friend Senator Taylor (Westmorland), who comes from New Brunswick, also made a fine speech. He had a rather rugged experience in the New Brunswick legislature. He was a member of the Government, and was afterwards elected leader of the provincial Liberal party. He carried out his duties effectively and laid the foundations for his party's eventual victory. He is a strong voice for the Maritimes, and we appreciate his efforts. I am glad to know that he made such a splendid speech when he seconded the motion for the address.

I would also like to express my greetings to those who have been appointed to the Senate recently. Among them are Senator Walker, Senator Phillips, Senator Belisle, Senator Yuzyk, Senator Gelinas and Senator MacTavish. That is a fine array. When the wheel of political fortunes turned and the administration was in the hands of our Conservative friends for some years they appointed some splendid men to the Senate, men who have become distinguished senators. Such appointments make the Senate spicier and we enjoy a better standard of debate. The Senate is better balanced now than formerly, and I believe it is in a position to make itself strong. We only need to advertise ourselves a little more and we will be very popular.

Honourable senators, my purpose tonight is to concentrate on one aspect of the Speech from the Throne wherein it says:

> My ministers intend to secure the establishment of a twelve-mile limit for the use of the Canadian fisheries, taking proper account of treaty and historic rights.

On June 4, 1963, the Prime Minister announced in the House of Commons that the Canadian Government had decided to establish a 12-mile exclusive fisheries zone along the whole of Canada's coastline as of mid-May 1964, and to implement the straight baseline system at the same time as the basis from which Canada's territorial sea and exclusive fisheries zone would be measured.

I congratulate the Prime Minister on his decision to do this. Today we hear a lot about the time of decision. I believe our Conservative friends are trying to make a theme song out of the so-called "days of decision". I am reminded of that illustrious evangelist, Billy Graham, who talks of "the hour of decision," and attempts to impress people to do what is right. I suppose that when our Liberal leader on the platform talked about the value of decision he was trying to correct certain things that he thought should be corrected. Some people are now trying to make something out of nothing when they talk too much about "days of decision."

I congratulate the Prime Minister regarding this decision to establish a 12-mile limit. There has been a favourable response to this in newspapers not only throughout Canada but also in the United States. May I refer to an article in the New York *Times,* and reprinted in the Halifax *Chronicle-Herald,* which had this to say about the 12-mile limit:

> In an age in which the nations of this world reach for the stars and seek to formulate laws for outer space, they are still, ironically enough, at odds over an ancient law much closer to them: the law of the freedom of the seas, involving the extent of their territorial waters.
>
> The latter issue has been raised anew by Canada's decision to extend its exclusive coastal fishing area to a 12-mile limit and also by Ecuador's recent seizure of American fishing boats off its coast.
>
> The same issue has caused many hot disputes before this, including a miniature war between Britain and Iceland.
>
> The old three-mile "cannon shot" limit no longer meets the requirements of national defence, nor, in the case of countries largely dependent on fishing, the requirements of the national economy.
>
> More than 40 nations have already extended both their territorial and their reserved fishing waters.
>
> Some Latin American countries even claim a 200-mile limit for the latter. The United States still clings to the anachronistic three-mile limit.
>
> However, the United States did join Canada at the abortive Geneva conference on the law of the sea in 1960 in a proposal to extend sovereign territorial waters to a six-mile limit and exclusive national fishing rights to another adjacent six-mile zone, making 12 in all. There is thus no dispute between the two countries over principle.
>
> A complication may arise because Canada proposes to measure its 12-mile

fishing zone on a straight baseline principle from one outer headland to another instead of following coastal contours.

This method would reserve for exclusive Canadian use enormous water off both the Atlantic and the Pacific coasts in which the United States, France and other nations have treaty or traditional fishing rights.

But as Prime Minister Pearson promises to take such rights into account, it should not be too difficult to find an accommodation.

The reason for such measures, reiterated by Mr. Pearson, is the growing depletion of coastal fishing resources by industrialized fishing fleets, in which Russia and Japan are pre-eminent.

But Mr. Pearson also mentioned "other problems", presumably referring to the constant presence of Russian spy trawlers off the American coasts.

The United States might well take advantage of the impending negotiations with Canada to follow the Canadian example.

I have before me a presentation by the Government of Newfoundland to the Government of Canada dated February 1963, entitled "National Fisheries Development", in which the Government of Newfoundland says the following:

> The great majority of fishermen in Newfoundland are dependent on the small-boat inshore fishery. Their livelihood is seriously jeopardized by the encroachment of foreign fishing vessels on their established fishing grounds, especially during the very short season when these inshore fishermen must make their catch. The encroachments not only reduce the fish resources available to Newfoundland fishermen, but they also cause serious damage to gear and equipment.
>
> We ask that immediate steps be taken to conserve, protect and develop these coastal fish resources by action to establish the twelve-mile limit for Canada's national waters.

Some years ago I was asked by our then Leader, the honourable Senator Robertson, to sponsor a bill in this house in connection with the North Atlantic fisheries. In sponsoring that bill I placed before this house an extract from an address delivered by Dr. W. M. Chapman, Chairman of the International Convention for the Northwest Atlantic Fisheries, when he announced the policy of the United States with regard to high seas fisheries before the State Chamber of Commerce at San Francisco on March 29, 1948. It is claimed that that fishery convention had nothing to do with territorial rights. That is true to a degree, but they were dealing with conservation, and conservation is definitely connected with territorial rights. Dr. Chapman said, in part:

> Canada and the United States by mutual sacrifice, expense, and strict regulation of our fishermen, have built up our Pacific halibut banks so that they are among the richest fishing grounds in the world. If there is nothing under accepted international law that would prevent a third nation from sending a mothership expedition to skim the cream off of these halibut banks, what is the use of building up fisheries resources in this manner?
>
> There is no sense whatever in sacrificing your present pleasure to build up savings in a bank if other people can come in and help themselves to your money whenever they want.
>
> To meet this new need President Truman issued a proclamation in September, 1945, to the effect that the United States set up conservation zones to protect its coastal fisheries without regard to the limitations of territorial waters. Where only its own nationals are involved the United States would undertake exclusive jurisdiction (as it might do at any rate under present international law). Where the nationals of other countries were involved with ours those nations might participate in the jurisdiction over the fishery. The United States would recognize similar action by other countries in fisheries off their own coasts.
>
> Note carefully that there was no mention in this proclamation of extension of sovereignty beyond territorial waters, nor of exclusion of fishermen of any nationality from any fishery.

The question, I think, arises: why do we want the 12-mile limit? In my view we want the 12-mile limit for conservation purposes, because conservation is needed today as never before. The fishing industry is operated with machinery of all kinds, and our fishing grounds are so good that the fleets of all nations who want fish come over here and take part in fishing on the high seas, and our breeding grounds supply the fish they desire. We wish to protect and conserve the fish for future generations. We want also to protect our inshore fishermen.

We have along the coast of Newfoundland and the Atlantic coast deep-sea fishermen who are equipped to go out to catch their fish, but we must also keep in mind the inshore fisherman. He needs protection. The

coastline of this country is the longest in the world, being greater in distance than from London to Vancouver, and the inshore fishermen who live in our coastal regions are apt to be forgotten. The opportunity of fishing under the protection of a 12-mile limit will be of considerable benefit to them.

Nova Scotia, Prince Edward Island, Newfoundland and New Brunswick are all smaller than the other provinces in Canada and do not enjoy the same land resources. Those things in which we have excelled in years gone by have been connected with the sea. We have the heritage of the sea; we need that heritage and we must conserve it as much as possible for the benefit of those who live on our shores.

Another matter to be considered is that of orderly fishing. We want orderly fishing because the inshore fisherman must use nets, traps and trawls, and sometimes these are destroyed or torn away when deep sea fishing boats come too near to the coast. We like to think of everybody having a fair chance.

Then too, we think there is an element of defence in the 12-mile limit. Many nations are now adopting this limit and this is an opportune moment for us to do so. Already we have tried to do something about it because we have on our statute books an act which prohibits larger trawlers coming inside the 12-mile limit. This in itself causes dissension because the Americans are permitted to come inside the 3-mile limit. While we think we should still maintain the 12-mile limit to protect the inshore fishermen, we hope that this legislation will be needed for only a short time. Then when we go to these conventions we can say, "We are not asking you to do anything that we do not do for ourselves; we are doing that now and we think it is in your interest to join us", and here we have every reason to believe that the Americans will do so.

There is another comment I would like to make about the Fisheries Act, which restricts the trawlers to the 12-mile limit. I think it is a bit overloaded with ministerial discretions. The act, which appears in the Revised Statutes of 1952, was amended in 1960 and in 1961. While the statute forbids trawlers from coming within the 3-mile limit, section 55 was amended in 1960-61 by adding subsection (3a), which says:

> (3a) The Minister may also, by order, exempt any class of dragger or trawler defined by the regulations from the operation of subsection (3) in respect of any area that is not less than three miles from the nearest shore on the Atlantic seacoast of Canada.

Well, ministerial discretion is necessary sometimes, but I think it should be gingerly given, and should not be used to the extent that it can destroy the effect of bills passed by Parliament. I feel that when we make agreements with other countries these ministerial discretions will have to be omitted. This ministerial discretion which is the most effective is an amendment to the Statutes of 1960-61, and is not contained in the act in the Revised Statutes of 1952.

In considering this matter I think we have to go back to the convention of 1818, if we are going to protect our traditional and historic rights and treaties with the United States and our country. The convention of 1818 provides that American fishermen have the right in common with British subjects to take, dry and cure fish on parts of the coasts of Newfoundland and Canada, and that they would have these rights forever.

That was a long time ago; it was in the days of sailing ships, when the Americans had a fine fishing fleet and they had to come down to Newfoundland to fish. They had to have this right in order to get bait for their fishing, which bait had to be caught along the coast or bought from Newfoundlanders. In addition, the journey home by sail was a long and difficult one, and they wanted the right to cure and dry fish on this treaty coast where people did not reside.

That treaty was to last forever. It provides for the right to cure and take fish off the coast to Newfoundland and parts of Canada, but any advantage in that respect has long since vanished. The Americans are no longer interested in salt fishing as such. The draggers have everything they need except the ability to carry out repairs and service when in distress. But the right to take fish is another matter. They had the right to take fish right up to the edge of the coast in these waters, and that is something a lot of people are trying to do at the present time. This treaty would eliminate that privilege.

This led to dissension, and finally a convention was held to decide certain matters with regard to these fisheries. After several preliminary discussions there was a meeting at The Hague where certain questions were put forward for consideration.

The first question was, "To what extent are the following contentions or reasons justified?"

> It is contended on the part of Great Britain that the exercise of the liberty to take fish referred to in the said article, which the inhabitants of the United States have forever in common with the subjects of His Britannic Majesty, is subject, without the consent of the United States, to reasonable regulation by Great

Britain, Canada or Newfoundland in the form of municipal laws, ordinances, or rules, as, for example, to regulations in respect of (1) the hours, days or seasons when fish may be taken on the treaty coasts.

On the inshore fisheries hours and days constitute a rather important matter. The lobster fishermen have a day when the fishing starts, and it is very wrong for a man to jump the gun. It was an important thing that the British could stipulate what hour and what day.

I remember when our fishermen did not like to fish on Sundays. My grandfather was a fishing skipper off the coast of Labrador, and my grandmother used to say that there was no profit in Sunday work. That is what the fishermen meant when they said they did not want to fish on Sundays.

Another provision was as to the method, means and implements to be used in the taking of fish or in the carrying on of fishing operations on such coasts, and any other matters of a similar character relating to fishing; such regulations being reasonable, as for instance, appropriate or necessary for the protection and preservation of such fisheries and the exercise of the rights of British subjects therein, and of the liberty which by the said Article (1) the inhabitants of the United States have therein common with British subjects.

Well, the Hague arbitration decided the British had the right to do that. There is a solution to the problem of the beam trawler. All you have to do is to say: "You have made the regulation that you cannot fish on the treaty coast areas". Of course, that does not extend beyond the three-mile limit. If we wish to extend to a 12-mile limit then we will have to make further provisions.

This matter was brought up again under the Washington Treaty by which the same privileges were given to the Americans on the coast of Nova Scotia, New Brunswick and Quebec as were given to us to go down the American coast as far as the 39th parallel of north latitude which intersects the coast just below Atlantic City.

I do not know for sure, but I am advised by people who know that after a while the Americans did not like this treaty. However, the Washington Treaty did contain many things. Honourable senators will remember the Alabama Claims, and the disputes with respect to boundary rights, and that sort of thing. Fishing was considered to be important enough to be taken under consideration in that treaty, which was to continue for 10 years, and two years' notice had to be given to annul it.

It seems it was abrogated, but I am not sure how. We do know, however, that the only thing we have to deal with today is the Convention of 1818 which gives Americans the right forever of taking, curing and drying fish on the treaty coast of Newfoundland and parts of Canada. As I said, the Hague tribunal afterwards decided that this must operate under the control of the British who were a party to the convention.

The Americans at that time claimed they had a sovereign right, and the convention said there was no sovereign right, that there was only a liberty to fish. That is accepted by both countries today.

In the Washington Treaty the Canadians and British complained that the privileges rendered to the Americans did not compare with the privileges received from them because our coast was more valuable with respect to fishing than was the coast of the United States. I do not know just how fertile were the fisheries there, but the Americans followed our fisheries. At that time Canada received $3 million and Newfoundland received $1 million to balance the situation. That is the basis of what is known as the fishing bounties in the Maritime provinces. The interest on this money is used for the payment of the fishing bounty which is, I think, about $8 a year to each man, and $1 per ton for a vessel up to 80 tons. That bounty has been paid for many years. It is not specifically stated in our act. Our act says that we appropriate so much for the improvement of the fisheries and the fishermen, but this bounty came from that source.

We are told that a 12-mile limit is fine and that everybody is agreed to it but that it might imperil our American market. Well, one of our greatest competitors in the American market for fish is Iceland, and they imposed a 12-mile limit. I do not think they have got into too much trouble.

I recall that at the time of the reciprocity election in Canada years ago one of the arguments was that if we had reciprocity it would imperil this fishing bounty which has been paid for many years.

The Americans are our next-door neighbours and we are their best customer. When everything is taken into consideration I think it will be agreed that a long time would elapse before the Americans would imperil our fishing market in the United States. We want to combine with them and preserve the fisheries. That is a splendid thing to do. We are working along those lines and it looks as though we are going to be successful.

Honourable senators, France also has some interest in this. Away back in 1710 there were similar arrangements with France as Britain and Canada had with the Americans, but

there were no regulations. However, the French have quite an interest in this matter. The islands of St. Pierre and Miquelon are just at the entrance of Fortune Bay in Newfoundland. They are right in the middle of a good fishing area, and they are the rendezvous for the Spanish, French and other trawlers that come from Europe. The Portuguese fishing fleet also goes there. The Portuguese fleet is mostly a hook-and-line fleet today. They buy bait in Cape Breton and Newfoundland, and are one of the last of the hook-and-line fishing fleets.

The Portuguese are very far advanced with respect to fisheries. They have a fisheries school, and they instruct men by service on the ships and by giving them tuition in school. The men alternate with respect to their functions and the skippers are picked from the best students. They see to it that merit is rewarded, and they operate very successfully.

The Portuguese are great fishermen. I was aboard a Portuguese ship just before it sailed for our fisheries some years ago. It was a wonderful ship, and was named the *Alan Villiers* after the Australian author who wrote a book about the Portuguese fishermen.

The Portuguese carry on a type of fishing that has not yet been completely extinguished. We cannot get the men to go hook-and-line fishing any more. It is safer fishing in the bigger vessels and I think our men do better. It is a progressive movement. The Americans are in the forefront of it. It is because they carry it on to such an extent and, in fact, interfere sometimes with the inshore fishermen and with the conservation of the fisheries of our coast, that we want to keep them all beyond the 12 miles.

I do not think we have anything to fear from the Americans by way of retaliation, or anything of that kind, because we want to do this thing. I think they will agree with us. It is a splendid movement and is in the interest of the whole of Canada. The three-mile limit was derived from the idea that it was the range of the shore guns, but that distance would not provide much defence today. The sea is international but we want the home front well preserved, and the carrying out of the Prime Minister's announced intention will help to preserve it.

There is much talk today about the Russians. They come over here and fish the high seas and I do not think we can do much about it. We do not like to see them interfering with our men, but I think they do some oceanographic work along our coasts. I suppose their appearance causes us some concern, but they are very efficient. They have their mother ships which have everything aboard that one can think of. They fish for herring off the George's Bank which is approximately halfway between Yarmouth and Cape Cod. They know all about it, and we must preserve what we can so that our offshore fishermen and our deep-sea fishermen are protected.

We are all for the deep-sea fishermen but we have to look after our poorer brothers, the inshore fishermen. When this bill goes through, it will be something that we have long desired.

Hon. Mr. Pratt: May I ask honourable Senator Kinley a question? He made reference to the treaty of 1816—

Hon. Mr. Kinley: 1818.

Hon. Mr. Pratt: The treaty between America and England.

Hon. Mr. Kinley: Do you mean the Treaty of Washington?

Hon. Mr. Pratt: With regard to certain shore fishery rights off the Newfoundland coast, I can say that very much like many of those old treaties—

Hon. Mr. Kinley: Is the honourable sentor asking a question?

Hon. Mr. Pratt: Yes. Does the honourable senator know that that treaty had been abolished, or rather the effect of it had been abolished?

Hon. Mr. Kinley: I do not know that the treaty has been abolished. This is not a treaty; it is a convention.

Hon. Mr. Pratt: Whether it is called a treaty or a convention, the arrangement had been definitely abandoned because some years ago pressure from the fishing industry of Boston and Gloucester brought about a complete revision of it. They applied their tariff to the products from that area, which previously went in duty free. Therefore, it is very much like many of those old treaties—in actual practice they have been abolished, and as to this one that is particularly true.

Hon. Mr. Kinley: I think it was abolished because it was outmoded. It was no good to the Americans. I am told by responsible people in the department that we are back to the convention of 1818. The right to catch fish is the important thing. I am told they still have that right, although I realize they have gone out of the business. They do not want it any more. They have trawlers. They do not want to go in on that rocky shore on the west coast of Newfoundland.

Hon. Mr. Pratt: I happen to know of negotiations of that kind, having followed them

through with the Newfoundland Government, and I know definitely that it was simply wiped out quite some years ago by pressure within the United States alone.

Hon. Mr. Kinley: Does the honourable senator mean the use of it?

Hon. Mr. Pratt: Legally it was wiped out.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 3, 1963

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

Prayers.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Report of the Fisheries Prices Support Board, for the year ended March 31, 1963, pursuant to section 7 of the Fisheries Prices Support Act, chapter 120, R.S.C., 1952. (English Text).

He said: The French text of this document will be tabled later.

PRIVATE BILLS

FIDELITY MORTGAGE AND SAVINGS CORPORATION—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-22, to incorporate Fidelity Mortgage and Savings Corporation, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Taylor (Norfolk) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

KINROSS MORTGAGE CORPORATION—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-27, to incorporate Kinross Mortgage Corporation, and had directed that the bill be reported without amendment.

Report adopted.

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

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

Motion agreed to.

THE UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the following report:

The Standing Committee on Miscellaneous Private Bills to whom was referred the Bill S-21, intituled: "An Act to incorporate The Ukrainian Canadian Foundation of Taras Shevchenko", have in obedience to the order of reference of June 25, 1963, examined the said bill and now report the same without any amendment.

A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.

Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Bouffard: With leave of the Senate, I move that this report be adopted now.

Report adopted.

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

Hon. Mr. Bouffard, for Hon. Mr. Hnatyshyn, moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

THE EVANGELICAL LUTHERAN SYNOD OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-24, respecting The Evangelical Lutheran Synod of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Blois moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE CANADA BOARD OF AMERICAN MISSIONS OF THE UNITED LUTHERAN CHURCH IN AMERICA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered

Bill S-23, respecting The Canada Board of American Missions of The United Lutheran Church in America, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Blois moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

SPEECH FROM THE THRONE

AMENDMENT TO OFFICIAL REPORT

Hon. John J. Kinley: Honourable senators, before the Orders of the Day are proceeded with, may I refer to my speech of yesterday in this house? I read from an article originating in the New York *Times*, with regard to the 12-mile limit. The paragraph from that article to which I now wish to refer is as follows:

> However, the United States did join Canada at the abortive Geneva conference on the law of the sea in 1960 in a proposal to extend sovereign territorial waters to a six-mile limit and exclusive national fishing rights to another adjacent six-mile zone, making 12 in all. There is thus no dispute between the two countries over principle.

Honourable senators, it is only fair that I should add what I had in my notes, that is, that on this occasion at Geneva, when considering the laws of the sea, the Canadian representative, the Honourable Howard Green, was nearly successful, the proposal having been defeated by only one vote.

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

(Translation):

Hon. Calixte F. Savoie: May I, at the outset, associate myself with honourable senators who preceded me in this debate, in expressing my warmest congratulations to the mover and seconder of the address in reply to the Speech from the Throne, honourable Senator Lefrançois and honourable Senator Taylor (Westmorland). Both of them discharged this responsibility very neatly, and with great ability and competence. In their impressive and clear speeches, they referred to most interesting and timely matters. Both of them deserve our praise and our appreciation.

I wish to pay particular tribute to His Honour the Speaker of this house, in the first place for having been recently appointed to the Upper Chamber of Canada, a distinction he richly deserved, and in the second place, for the outstanding honour which has been conferred upon him when he was made Speaker of this illustrious house. Those two important appointments are a tribute to him, and a most eloquent proof of his high personal qualities.

While thus, in my turn, welcoming warmly and fraternally the new senators who have taken their place among us, I am reminded of the cordial and friendly welcome that was extended to me when I came to Senate in January 1956. I shall always remember the courtesy and sincere fraternity I experienced, and I am expressing my heartfelt wishes to the new senators, hoping that they will find in this house all the joy and satisfaction which I found here myself. I trust that thanks to their knowledge and their experience they will make a valuable contribution to this house which abounds in wisdom and efficiency.

I extend my greetings and congratulations to the honourable Senator Macdonald (Brantford) on his appointment as member of the Cabinet and as Leader of the Government in the Senate. I subscribe, with regard to him, to the well deserved words of praise spoken by previous speakers. Having seen him for several years perform his duties, first as Leader of the Government and then as Leader of the Opposition, I have no doubt that he will fulfill the higher functions which have been assigned to him with zeal, devotion, geniality and competence.

I would be remiss if I did not add a special word about the Leader of the Opposition, honourable Senator Brooks, for whom I have had the greatest regard ever since I met him, several months after the end of the First World War, in 1919. After my discharge from military service, I was appointed to the personnel of the Sussex High School in New Brunswick. On his return from overseas, at the beginning of 1919, Senator Brooks had already several years of teaching experience; he became a school inspector in the counties of Kings and Queens in the riding of Royal which he represented at the House of Commons from 1935 to 1960. This is to say that from 1919 to 1922, I worked under him. When I was appointed as principal of the Sussex High School, a young schoolmistress, Miss Edith Lipsett of Centreville, New Brunswick, took over my

class. Charming, kind, very distinguished and lovely as well as being very competent, she quickly captivated the young and popular school teacher, Mr. Brooks. As principal of the school, I had therefore the task of keeping an eye on the schoolmistress, Miss Lipsett, and her fervent suitor, Mr. Brooks. Two years later she became the distinguished wife of the present Leader of the Opposition, honourable Senator A. J. Brooks. I have of these two long-standing friends very pleasant memories. At that time, we were far from thinking that some day, we would become colleagues in the Upper Chamber of Canada.

Therefore I wish my honourable friend, the Leader of the Opposition, the best in his new office and I also offer him my most sincere congratulations and the expression of my unbounded admiration.

(Text):

The matter I intend to discuss on this occasion is of reality and of the greatest importance. I intended to use my mother tongue, French, for these remarks, which would have been only natural. Furthermore, as you are well aware, I could more easily discharge my duty if I used my own language. However, because the importance of the issue concerns both partners in the Canadian federation, the French and the English elements, I felt it advisable, after thinking it over carefully, to use the English language. This will enable me to reach more directly and in a friendlier manner, all my colleagues in this house. It would be more difficult to do so by way of simultaneous translation. I know that my Acadian colleagues and my colleagues from Quebec and the other provinces will not be displeased because of that. In any case, as they are all bilingual there is no problem.

A father had ten sons. He and his wife had spared no effort to satisfy all the needs of such a large family. The father was a man of some means, and when he became old he accepted gracefully the burden of his years, because it always gave him pleasure to talk about his children. People were beginning to prepare for the golden wedding anniversary of that venerable couple, and the celebrations were to be the just reward of a deserving life.

However, the family approached that great day with some apprehension. One of the sons was to cast a dark cloud over the festivities. He was not like the others; he was coloured, a throwback to the fourth generation. The birth of this small coloured boy astonished his family, and friends and neighbours were hard put to hide their wonder and their scorn. The different colour of his complexion made the job of educating this small boy very difficult for his parents. Different from others, deprived of his rights, too often scoffed at by his own brothers, the young coloured boy, broken-hearted, vainly sought happiness in his family, where he must endure the worst injustice. His presence was embarrassing. He was as a ghost that awakened the family conscience and a reminder of the misery that has been the common lot of negroes which the passing years have failed to obliterate.

The young Negro I have just portrayed is not a fictional character. On the contrary, the story is authentic—for five million French-speaking people in Canada. At a time when Canadians are preparing to celebrate with great pomp and splendour the centennial of Confederation, certain factions in the province of Quebec, the voice of which proclaims throughout Canada the failure of Confederation, constitute a most serious threat to Canadian unity.

The question of biculturalism and bilingualism has become the great problem of the hour. The various political parties, so as not to underestimate its importance, made it one of the main points of the last election campaign. However, this should not be seen as a new problem purely due to political interest. The question of biculturalism is as old as Canada, as old as Confederation. Far from lessening its importance, the fact that it is old has made it more acute and one of the most difficult problems of our day.

The problem of biculturalism should have been settled in 1867. It was not. As a matter of fact, the British North America Act does not recognize the bicultural character of Canada, and in that respect it is out of date. Why does biculturalism, which is not a new problem, suddenly appear to be emphasized? A brief summary of Canadian history will give us the answer, or at least an explanation.

The years following the conquest were difficult for French-Canadians. They were hard, particularly for the Acadians. I shall refer again to them a little later in my speech. Uncertain of his fate, the French-Canadian kept his own counsel. He felt inferior. Defeat made him suspicious of the conqueror. He looked to the clergy for both material and spiritual guidance. The Acadians did the same. For a long time a return to the land was advocated, but after many years it became obvious that the economic future of Quebec did not lie entirely in agriculture.

During the last century a social phenomenon effected a change in the way of life of French-Canadians. The sudden upsurge of industrial progress brought about urbanization; people left the rural areas and settled in towns and cities. The new city dweller was forced to alter his quiet way of life which was centred

around the church steeple. His needs were different. Life in the city changed his social habits. In this new and specialized world, he became aware of his intellectual deficiency. He wanted to become educated.

The clergy set up institutions to meet the spiritual and intellectual yearning of French-Canadians: schools, colleges, convents and universities. Those centres of culture played a major part in the intellectual advancement of the people. Here, traditions were maintained; the French language was carefully preserved, and the purpose of education was to promote French culture.

French culture in Canada reached a record high in Quebec during the last few years. French Canada has often been reproached for having trained only priests, doctors and lawyers. While it is true that in French Canada the educational system guided the young people towards a professional career, it did not neglect the part that the humanities must play in the making of a man.

The spectacular rise of concern for culture in recent years, with the encouragement of the provincial government, has produced in Quebec true artists who have now achieved international fame. The large number of musicians, composers, painters, sculptors, poets and writers is living proof of an intense activity in the field of art and culture. It may be that Quebec has provided Canada with fewer engineers, financiers, scientists and economists than Ontario, but let us not be in too great a hurry to cast a stone at her for having taken the trouble to promote art as a living thing.

History shows beyond doubt how important the arts have been throughout the ages. What remains of the ancient Greek and Roman civilizations, besides the immortal masterpieces of painters, sculptors, poets and writers? And, indeed, history does prove that artists have always been forerunners of things to come. Have they not always been first with new ideas? Above the man of business, whose sole purpose is to collect dollars and cents, soars the philosopher, the thinker, whose thought, far from being commonplace, is commensurate with history and civilization.

In Quebec thousands of young people who have graduated from great universities are finding their place in society and proving themselves competent in all fields of human activity. Those young university graduates, whose ideals have matured by contact with science and letters, are now casting a harsh and critical look at that society of which they are about to become a part. Too often, alas, the young man's enthusiasm will wane upon discovering the astonishing uses to which democratic principles are put. Canada, a democratic country about which he heard so many wonderful things in grade school, in high school and at university, becomes to him a foreign country when he is refused a certain job because he is not bilingual, while his English-speaking fellow-citizen, who does not know French, fills the same position.

The student's sensitive soul is disturbed at the sight of certain tribes in underdeveloped countries being grossly exploited by democratic countries which undertake to give equal rights to all. And yet in Canada, which is his own country, is he on equal terms with his neighbour who has odds in his favour? His love for his own culture and his affection for the fine French-Canadian traditions are the only things that prevent him from wishing to belong to another race.

Democracy does not allow discrimination and owes it to itself to give everyone an equal opportunity. Now Canada is a democratic country. So I will not go through the syllogism, for its conclusions would be false; that is to say, that the premises are false, more specifically the minor one. In fact, I must say that if Canada is a democratic country it should give each of its citizens a fair chance. Any serious-minded and sincere Canadian will recognize the existing conflict between democracy as a theory and democracy as a fact. The French-Canadians have been subject since Confederation to the disastrous effects of such a contradictory duality. What is to be done? Must French Canada lodge complaints with Ottawa? Alas, 96 years of history and of Confederation have already given the answer.

It must find another way. As a matter of fact, changes that have taken place in the province of Quebec in recent years obviously bear witness to the fact that the Confederation pact does not give satisfaction to everyone, and especially not to French Canada. Social Credit's sudden upsurge in Quebec is a sign of discontent. Old patterns are no longer accepted. It is by promising a brighter future that the two traditional parties have shared the leadership of the country with the support of the province of Quebec, but nothing has changed. After 96 years of requests, talks and promises action is wanted. When citizens start voting for a party solely because they want a change of government or because they have nothing to lose, then the least one can say is that Canada's political future is doubtful.

The separatists are clamouring for the independence of the province of Quebec because they feel that this is the only solution to the problem. Their argument is very simple: Quebec has everything it needs to become an independent state. Now, Confederation does not guarantee the fulfilment of

French-Canadian culture, it does not give French Canadians the same rights as their English-speaking fellow citizens, and it holds no promise of a better future for the province of Quebec. Therefore, separatists want Quebec to be independent, and claim it will be.

The separatist doctrine and the activities of the F.L.Q. give a strong impression that Quebec will not be satisfied with minor concessions, as it was in the past. Faced with a crisis which will soon reach a climax, the federal Government has announced that a royal commission on biculturalism and bilingualism will be appointed. What is a royal commission? First of all, may I say that such an inquiry would not in itself solve anything. Too often in the past people have felt that the mere appointment of a royal commission would, by some unknown magic, solve a problem immediately. So a commission would be set up and people would forget about the problem. Is it just a political manoeuvre to appease those who threaten to make a scandal? Or is it to be a new democratic process by which politicians wash their hands of the demands of the people, of which they are fully aware?

A royal commission can be most helpful if the report it submits is followed up by legislation which can remedy the situation. I need not tell you how important the work of this commission is going to be and how carefully its members will have to be chosen. The commission must be capable of tackling a most important problem, one which must not be underrated, for it is every bit as important to Canada as is the question of the Canadian Constitution itself. Once the commission's work is done, its report must not be pigeonholed and forgotten.

My personal experience with royal commissions has made me rather suspicious of them. May I quote a single case? For years the committee entitled "Langue et Education de la Société Nationale l'Assomption", an Acadian association, strove to have Regulation 32 adopted by the Board of Education. That regulation called for more French instruction in the elementary and intermediate grades of Acadian schools, at a time when all subjects were taught exclusively in English. Finally, in 1930, the board made up its mind and decided to adopt the regulation. There was an immediate and terrific uproar among some of our English-speaking fellow citizens, and in the end Regulation 32 was rescinded.

The Acadians were up in arms against such a setback from the board. The Premier in office at the time, in order to pour some oil upon troubled waters on the eve of an election campaign, promised to set up a commission of inquiry on public education in New Brunswick.

In May 1931 the Government did create such a commission. It had 21 members, most of whom were educators of some note in the province. I had the honour of being among them, and it took us nearly a year to complete our assignment. The whole educational system was most closely examined, particularly the curriculum in the Acadian schools. All the recommendations embodied in the report were unanimously accepted by the commission, together with the famous Regulation 32. The report was tabled in the house at the beginning of the 1932 session. What was done about the report? Nothing, absolutely nothing; and dust continues to gather on the report which for years has been comfortably lying in a remote corner of our parliamentary archives. Am I not justified in being suspicious?

What will be the terms of reference of the commission? Biculturalism; that is, two cultures. The constitutional conflict which will arise as soon as the central Government interferes with education—an unavoidable consequence of an inquiry on biculturalism—has prompted federal authorities to have the commission approved by the provinces. However, the approval of the provinces does not bind them to accept the recommendations of the commission. In short, this means that the work of the commission might prove useless, at least as far as education is concerned. While the problem was originally restricted to bilingualism, the Gordon affair and subsequent statements by Messrs. Pearson, Diefenbaker and Douglas have given more scope to the matter. Such an investigation will necessarily deal with education.

A federal commission which has to do its investigating in the provinces—while they are free to approve or reject the commission and free to accept or reject its recommendations—is unlikely to succeed. It is useless to tackle the question if it is known in advance that it is insoluble or that the solution would be impractical.

Should we not at the beginning make sure that the commission does not undertake a task which would become, on the constitutional level, an interference in the field of education—a field that comes under the exclusive jurisdiction of the provinces, according to section 93 of the British North America Act—which on the purely political level, might deteriorate relations between the central government and the provinces? If it is agreed to any extent that the federal Government cannot assume the right to make an inquiry, and then to legislate unilaterally in the field of education, it follows that an understanding must be reached beforehand between the federal Government and the provinces.

A royal commission on biculturalism must not concern itself only with the question of bilingualism in official documents. The Glassco Commission, which has closely examined that question, has already submitted its report. The proposed commission will study bilingualism in all its aspects, but the problem, in all its aspects, sets the commission's aim far beyond bilingualism.

The commission intends to study the present state of the two main cultures in Canada, that is, French and English. To that end, the commission will conduct an inquiry in all parts of Canada so that its report may be based on clear and verifiable facts. As the proposed inquiry will concern two cultures, each entitled by our Canadian institutions to similar protection, the composition of the commission will have to respect that fundamental privilege; otherwise, equality of the two cultures is denied in principle. But once the principle of equality is admitted, the composition of the commission must be based on equal representation of the French-speaking and the English-speaking communities. Such was the statement made by Hon. Paul Gérin-Lajoie, Minister of Youth in Quebec. Mr. André Laurendeau, of *Le Devoir*, in the issue of last May 10, added:

> A commission made up of representatives of each province might put us in the situation in which we find ourselves at federal-provincial conferences: one or two facing eight or nine.

There is no question about the legitimacy of the claim that French Canadians should have the same rights as their English-speaking fellow-citizens. I wonder why that feeling towards Quebec, which has resulted in the Government establishing a royal commission, should not apply to other French-speaking minorities throughout Canada.

Canadians, in common with Premier Jean Lesage, now agree that Quebec is not a province like the others: it is now the "state of Quebec"—l'État du Québec. Likewise, New Brunswick differs from the other provinces in that 40 per cent of its population is French-speaking. Is Quebec entitled to a "new deal"? If it is, I feel that the claims of the Acadians in that respect are even more justified.

Faced with the demands of Quebec, the most important spokesman for people of French origin in America, the federal Government, must not ignore the weaker voice of French minorities outside Quebec.

From a national point of view, Quebec represents a certain political power in Ottawa and, to some extent, a certain threat, having as it does 75 seats in the House of Commons. In this respect one only has to recall the 1962 federal election. But the French-speaking people of New Brunswick, the Acadians, are not in the same position. Nevertheless, they should have the same legal rights as their brothers in Quebec.

The measures that will be taken following the commission's report, to guarantee the rights of French minorities, will be motivated by purely political considerations, in so far as they do not apply equally to all French minorities.

French Canada extends beyond the boundaries of Quebec. However, the Confederation Act does not recognize any French entity outside the province of Quebec. That is why the constitutionality of all claims made by French minorities scattered throughout the country is being questioned. In a speech made recently at the University of Western Ontario, Premier Jean Lesage admitted that the demands of French Canadians are the same in Quebec or elsewhere. He stated, among other things, that Quebec is not asking any rights beyond those that should be accorded the other provinces. "We are asking", he said, "that Quebec be free to maintain its position as the mother country of all Canadians who speak our language and share our culture."

If Quebec has serious reasons to claim greater participation in the administration of its own affairs, the Acadians are all the more justified in their complaints. Under the Confederation Act, Quebec has been more favoured with regard to language, culture and economy than any other French-speaking community in Canada, even though it did not get the full share to which it was entitled as of right.

But, if there ever was a people who had to suffer for two centuries, it is indeed the Acadians. I do not intend to review their history today, for you are all familiar with it. It is full of anguish, frustrations, deceptions, contradictions and sorrow. More than that, it is a succession of heroic deeds, indomitable courage, patience and hope. The Acadian people, the oldest French group in America, went through the most distressing exile, saw with deep sorrow their families broken up, their farms confiscated, their future ruined, and their national survival seriously threatened and compromised, but their spirit remained undaunted. They had the will to live their own life and to preserve, no matter what the cost, the heritage of a great and glorious past.

Having inherited a rich and lofty culture, a tongue fertile in thought and subtle in expression, the Acadian, during his long exile had no thought other than that of returning to his native land, of again treading that soil on which he had shed his own sweat and blood and of resuming the peaceful life that

had been his since the day De Monts and Champlain at Port Royal erected the cross of Christ and hoisted the flag of freedom. In order to perform so huge a task, the Acadian needed to have deeply anchored in his agonized soul a profound love for the little homeland he had founded and which he had lost. He yearned to go back to it; he wanted to see it again, to rebuild it, to live there and die there. This was truly a magnificent ideal, one that required on his part the practice of all the virtues that a people must possess when it refuses to die, when it wants to survive and reshape its whole life. Facts strikingly show that the Acadian people did possess the virtues of courage, steadfastness, abnegation, faith and hope to rebuild by dint of great sacrifices their mutilated homeland.

Honourable senators, with your permission I wish to take some more time to talk to you about Acadian culture.

French has no official status in New Brunswick. Indeed there is no provision in section 133 of the British North America Act, giving our Acadians in that province the right to speak French before the courts or in the legislative assembly, not to mention the situation as to our school system. If we look at the school situation in Quebec, we see that the state of Quebec is teaching us democracy.

The English minority in Quebec represents only 13 per cent of the people, yet the school rights of the minority are acknowledged by the existence of the Protestant committee of the Department of Education. There is no such thing to protect the rights of the French minority in New Brunswick.

French, having no legal status in New Brunswick, exists only as a matter of tolerance. I hate the word "tolerance". It is undemocratic. According to the dictionary, it means "to suffer with indulgence what is against our feelings, our views, or, a favour granted to some people at certain times." Is that really what the Fathers of Confederation had in mind in 1867? No doubt the word "tolerance" would have amazed Macdonald and Cartier.

While the necessity of compromise between two partners in a common undertaking has to be admitted, the partnership becomes a mockery when one of the partners only tolerates the other, and breaks the rules of fair play when one does not share with the other all the benefits derived from the undertaking. Such a situation certainly does no credit to a country which purports to be democratic and bicultural.

I recalled for you a moment ago the rough years which have seen the survival of the Acadian people, although apparently doomed to die two centuries ago when they suffered deeply. They have recovered but they are not completely cured. Hostilities between the two races have now ceased. It really seems that the hatchet has been buried forever. The English have forgotten the event of 1755 and are asking the Acadians to do likewise. But because the Acadians have suffered so much, they have become cautious; with fear of suffering new injuries, they give in, and in order not to run the risk of losing what they have gained in such a hard way they suffer in silence. Some have attempted to break that silence and by pointing to the regression they have jeopardized the status quo; they have often been condemned for having disturbed the friendly understanding.

That new designation means for the Acadian people nothing less than their submission. It has often been like cold water thrown over active members of a nationalistic movement. That was the irrefutable argument, the true formula. On many occasions it was used to make the few brave and sincere compatriots resist the temptation of speaking out their justified claims for their rights.

The education system never favoured the French culture in Acadian regions. During almost 40 years I was closely linked with the great cause of the education of young Acadians. Indeed, the system has changed since 50 years ago, when the young Acadian had to learn English even before knowing the primer of his own mother tongue at school. All subjects, with the exception of French grammar and literature, were taught in English with English school books. French is taught to the Acadians as a secondary language, as a foreign language. It took us 50 years to achieve the following results: From the first to the sixth grade all subjects are taught in French, which is quite an improvement, but from the seventh grade to the end of high school two subjects only, history and geography, are taught in French. All other subjects are taught in English. At the end of their high school education Acadians have to write all their matriculation examinations in English. Then, the only normal school is English, and it is located in an English-speaking community. The means at our disposal scarcely allow our cultural survival. Changes will be required if we want this culture to flourish. We need institutions in which a French spirit prevails, and where the importance attached to the teaching of the French language denotes an interest in an authentic culture.

We have in our area two kinds of institutions: the English institution, and the bilingual—that is to say the anglicizing—institution. In the English institutions, emphasis is placed on the English language and culture, which is quite understandable, and

the French language is taught as a foreign tongue, as are Spanish and German.

Hon. Mr. Reid: What about the Scottish race and the part they played in the development of this country?

Hon. Mr. Savoie: When a student leaves the English institutions he is fluent in English—

Hon. Mr. Dupuis: He is allowed to play the bagpipes.

Hon. Mr. Reid: British Columbia was discovered and peopled by the Scots, and the Scots are proud of it.

Hon. Mr. Savoie: When a student leaves the English institutions he is fluent in English and imbued with an English culture, but cannot speak foreign tongues. The theoretical teaching of foreign languages has given the students no more than a smattering of a different language and culture. This situation is highly deplorable. The Honourable Vincent Massey, former Governor General of Canada and a truly great Canadian, speaking recently at the convocation exercises at Ottawa's Carleton University, said to the graduates:

> If you have not learned the other language, that is, the French language, you have not taken full possession of your Canadian heritage and you are not in a position to take full advantage of it, as you should.

In the bilingual institutions both languages are in current use and practice, French being the vehicle of the humanities and English that of the scientific disciplines. The major position occupied by English in our bilingual institutions, and the preponderance of English in the business and industrial world, lead to a result of which we are fully aware. The language of the Acadians is poor; its vocabulary is limited and it teems with anglicisms. The Acadian culture is in the process of disappearing.

Honourable senators, some alleged authorities in the matter have referred to New Brunswick as an example for the rest of Canada of a province where people of different races live together in perfect harmony, everyone enjoying full recognition of their rights. The so-called harmony exists, but at great cost to the Acadians. That goodwill is submissiveness on the part of the Acadian minority, whose rights have been trampled on so often.

The Acadian people are conscious of their intellectual and cultural want. They are conscious also of their economic weakness. I am not prepared to believe certain statements made recently to the effect that the question of biculturalism and bilingualism does not pose in the Atlantic area the same problem as in the province of Quebec. These statements compel me to set the record straight. The problem is as real in the Atlantic provinces as anywhere else. I have already informed you of the goodwill that exists in our region. It is true that both groups are eager for the full economic development of their area. It is true also that the average income per capita is lower than that of the other provinces and of Canada as a whole. But the general concern in the face of the economic problem does not meet the concept of "bifinancialism", which someone mentioned recently, because the average income per capita of Acadians is still lower than that of the English-speaking people of the Atlantic area. That also stems from the fact that the Acadian people did not have the same opportunity to develop their culture.

In closing, I am sure that I express the feelings of all my people in saying that the Acadian people want full recognition of their rights, but within Confederation. Our people have suffered; they have learned to wait without rushing matters. Ours are a peaceful people; that is perhaps why their partners have learned to respect them. The Acadians do not wish to break up the "partnership" because they too have learned to esteem their partners and to co-operate with them. However, the Acadians would like their partners to be made aware of the issue; they want them to try understanding it.

At a time when so many Canadians are considering the issue of biculturalism the Acadian people are seeing the dawn of a new era in the history of Confederation. The proposed study initiated by the federal Government is in itself the announcement of a closer co-operation between the two races in their trying to reach a common ideal. The importance of the matter to be studied fully justifies the part which the central Government will play in this investigation, and lifts the problem beyond all provincial boundaries.

This investigation will rouse a new national awareness in Canada after 96 years of Confederation. We will have to read our Constitution again, to study it and find its democratic and complete interpretation. In order to meet all exigencies of society, to satisfy all minority needs, to answer their justifiable requests, the Constitution may even have to be amended. What a magnificent task it will be to give all Canadians equal opportunities, whatever their ethnic background.

Canada, as a country, will set for others an example of true goodwill between peoples of different race and culture, an example of close co-operation between two partners who want their undertaking to succeed. Such is the ideal of every Canadian of goodwill,

whether his culture and language be English, or whether he be a French Canadian from the province of Quebec or an Acadian from the Atlantic provinces.

Hon. Calvert C. Pratt: Honourable senators, I should like to refer to some matters arising out of the Speech from the Throne, but first I would offer my sincere congratulations to His Honour the Speaker on his high appointment. It is obvious that his appointment has received the unanimous approval and the full co-operation of this chamber.

This debate on the motion for an address in reply to the Speech from the Throne gives us a chance to dwell on public matters that are of the greatest interest to us. I shall at this time refer to a limited number of items of particular application to the province of Newfoundland. As a Newfoundlander I am particularly interested in that part of the Throne Speech which reads:

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

No other province of Canada has such a large percentage of its population identified with the fishing industry as has Newfoundland.

I was greatly impressed by the fact that the proposed consideration of fishery development is to be on a national basis, and it is gratifying to know that the presentation of the need for such a program has come from the Government of the province of Newfoundland. However, I want to say at the beginning of my remarks that by no means must the urgent problems of the fishing industry in any area be allowed to wait over during the long period that will be necessarily involved in a countrywide survey of difficulties and the general adoption of a national policy. Where difficulties are obvious, and where the livelihood of people is involved, action should not be delayed until the whole national problem is analysed and met by legislation.

Now that the Government's intention is announced, speed in instituting and putting into effect a forthright policy with respect to fishery development wherever possible is essential in order to avoid a vacuum being created by industry waiting on government, and government waiting on industry. Off the coast of Newfoundland there is one of the finest areas of the world for ocean fishing, but the development of that area has been at a minimum compared with food production and processing generally throughout the world.

World production of fish on a live-weight basis now stands at 40 million metric tons, and that has to be compared with 20 million metric tons just before World War II. That is an annual increase of 5 per cent to 7 per cent. Newfoundland, being in one of the most prolific fishing areas in the world, had a decreased production in the last ten years of 35,000 tons, or about 11 per cent of its total production. That is a ten-year decrease of 11 per cent, against a world-wide increase of 5 per cent to 7 per cent per year.

The industry in our province has not kept pace with production and processing methods needed to meet competition. Our big competitors come around our coast with a large measure of government participation in fishery development. That participation has been by means of subsidies, vessel ownership assistance and is in many ways based on development programs.

Honourable senators, here is a remarkable fact in this connection. The total tonnage of foreign boats fishing in the northwest Atlantic waters, mostly adjacent to the Canadian fishing grounds, has increased substantially over the Canadian tonnage. For a comparison of tonnage one must of course eliminate the small boats and there is an elimination in this case of local boats under 50 tons. Having made that elimination, we find that Portugal sent ships into these waters totalling two and a half times the tonnage of the Canadian ships; Germany sent nearly double the tonnage; the Russians had in our waters nearly five times more tonnage than the Canadians.

A recent official report states that between 175 and 200 Russian fishing vessels are in the northwest Atlantic waters. This represents about a 30 per cent increase over the Soviet vessels in that area last year. These ships are operating of course in a very wide area off the south and east coast of Newfoundland.

A listing which I saw four years ago reported over 600 vessels fishing in those waters from twelve European countries. That number has increased considerably since then.

Honourable senators, those facts certainly illustrate the need for a forthright policy for development of our fisheries, in ships, processing and marketing. Without an active policy we cannot take advantage of the natural geographical privileges which belong to Canada on the east coast and particularly in the waters adjacent to Newfoundland.

Hon. Mr. Burchill: May I ask the honourable senator a question? All those vessels that he speaks of, are they operating within the 12-mile limit?

Hon. Mr. Pratt: No. This has no relationship to the 12-mile limit. All these vessels are operating in those waters generally.

Hon. Mr. Burchill: Would any of them be within the 12-mile limit?

Hon. Mr. Pratt: Yes. I will make some reference to that later. This is all general tonnage in the areas I am referring to.

Honourable senators, a short while ago, at the invitation of the Newfoundland Board of Trade, a very eminent fisheries authority, Dr. D. B. Finn, came to Newfoundland to deliver an address. Dr. Finn was at one time deputy minister of Fisheries in Canada, and now he is Director of the Fisheries Division of the Food and Agricultural Organization of the United Nations, with his headquarters in Rome.

I feel it would be useful to make reference to some of the points he brought out in his address, based on his world-wide experience. He showed that there was much greater advancement in the technological and engineering schools relating to the products of the land as compared to the products of the sea.

He spoke of the tremendous advancement which has been made recently in meeting fishery problems in foreign countries. While he did not depreciate the value of research that is going on in Canada, he stated that the application of research in production and processing in our country is years behind what is going on in overseas countries. Having listened to him expound on that subject, one could well see why it is that foreign producers are coming thousands of miles by ship to fish profitably in the prolific fishing areas right at our door.

While referring to the increasing need for food for a rapidly expanding world population, he said, "The sea is the last unexplored food frontier." In comparison with many other countries, the fish-producing units that we are using are most uneconomic. Dr. Finn referred particularly to the east coast of Canada, and stated that the changes that have to be made in the fishing industry, to use the prevailing natural resources, are of such magnitude that the outlay for production is much beyond the capabilities of the established industry.

I do not want to give the impression that the backward condition of our fishing industry, as compared to modern industry generally, is a reflection on the enterprise of those engaged in it. In the establishment of fish plants for frozen fillets, and other marketable grades in various products, we have had a greater ploughing back of earnings than is usual in any industry that I know of. During the past decade there have been investments running into very many millions of dollars by industry, using in some instances its entire profit over a very considerable period to extend and modernize plants. At the same time the Government has made loans in many cases to assist in the same way. What is lacking, however, is an overall program that is entirely beyond the scope of industry and provincial Government, but is certainly within the reach of a joint co-operation with the federal Government. It is worth while using an expression used by Dr. Finn, who said that "Newfoundland is situated within spitting distance of one of the richest fisheries of the world."

I want to emphasize this position, that no large sum of money used for well-planned development of this industry is an expense. If it is used properly and economically, it is an investment rather than an expense. It can be a very valuable productive asset to Canada. One of the principal reasons is that the major part of the production will go in exports to countries outside of Canada, which increase the inward flow of money. One may ask: If prospects are so good, why does not private capital come in and take it over? The answer is that the fundamental difficulties are in the required modernization of production by ships and equipment. That involves many thousands of fishermen who have to be trained and adapted to new methods. With adequate production in prospect, I feel that capital at home and from abroad would be available for the huge undertaking of processing and marketing. With the assurance of established production, then what is actually a manufacturing job will undoubtedly come into being.

Another item to which I would like to refer is the establishment of the 12-mile limit for the exclusion of foreign fishing boats.

Honourable Senator Kinley has spoken in great detail on this issue and has brought out many of the fundamental features involved. It is indeed a very useful speech for the record. This matter was previously reviewed and thoroughly examined by the honourable Senator Reid, who in his usual forthright manner dealt chiefly with the problems that exist on the west coast of Canada. My reference will be brief and of particular application to east-coast waters.

Since this matter was brought out in the Speech from the Throne, the Prime Minister has made reference in the other house to a Government decision to have this limit established as of mid-May 1964. I think a definite policy by Canada in this respect is becoming more urgent every year. In no place is it more important to have this applied than in the area off the east coast of Newfoundland. While the great fishing area is on the Grand Banks of Newfoundland out in international waters, the outstanding source of supply for our Newfoundland fishermen is the seasonal inflow of fish towards the shore.

The coastline of Newfoundland is, as you know, almost unique in its numerous inlets

and harbours, as well as adjacent islands; so it is most important that the limits set give adequate protection to the Newfoundland fishermen in those waters. Without that protection there cannot be a profitable industrialization of the fishing industry to support its many thousands of fishermen.

With countries all over the world now protecting their fishing industries by applying various coastal limits to meet their needs, Canada is far behind in that respect. Recently, I read an account of some penalties imposed by way of fines and confiscations of fish products in other lands. Canada is amongst the few countries left that are not, in this respect, meeting the needs of modern times.

Penalties for infringing on offshore areas set by countries for their own fishing industries are now of world-wide application. The 12-mile limit, as we know, is becoming very general. I have read of fines imposed on vessels and cargoes in various parts of three continents amounting to the equivalent of from $5,000 to $15,000 per vessel. I mention this to illustrate that the strong enforcement of such protective measures is becoming of a general nature and that we in Canada cannot afford to ignore that trend.

In reviewing our fishery problems, it has to be borne in mind very strongly that there is now a far greater menace to the use of inshore waters than was caused by the previously established methods of fishing. The technical changes in the production industry adopted by competing countries are even beyond the imagination of the average citizen. Electric lights can be lowered into the sea to attract fish to the catching equipment. A method now in practice is the attraction of fish to a hose funnel and the fish are pumped up through the hose for processing on the ship.

Hon. Mr. Choquette: Is that cricket?

Hon. Mr. Pratt: Well, it is poor cricket, but that method is used. A single funnel can bring in fish at the rate of a ton an hour. I give that only as an illustration of changes existing and impending. I obtained that information from an official record, which I read some time ago. How general such methods are among foreign ships, I do not know.

Giving our ocean fisheries adequate water space off the shore for economical operations is of first rate importance. There are, of course, many other factors that must be dealt with to create and maintain a successful fishing industry. I repeat that no time must be lost in instituting local improvements that are obviously necessary to meet the highly technical and competitive changes that have come about.

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Another matter I wish to refer to is the additional assistance mentioned in the Speech from the Throne for the completion of the Trans-Canada Highway. When the official opening of the highway was celebrated last year, Newfoundland, unfortunately, could not reasonably participate in the function, because only a small part of the highway was completed. In the report of March 31, 1962 the total approved length in the province is given as 540 miles, and at that time the paved portion was only 182 miles. In the same report, the total length of the Trans-Canada Highway was 4,859 miles, of which 4,060 miles, or 83.6 per cent of the total, had been completed. The Newfoundland portion completed at that time was recorded as 33.6 per cent. In other words, by way of comparison, after eliminating the Newfoundland mileage, only 10 per cent of the total mileage across Canada was unfinished, while about 65 per cent in Newfoundland had to be completed. Since that report was made figures have changed, but the relative comparison is not too different.

Honourable Senator Phillips, of Prince Edward Island, in his initial speech of June 3, mentioned that the Premier of his province had suggested that where 50 per cent of the cost of such roads had been paid by the province, their Government should receive a refund of 40 per cent of the portion the province had paid for. If that principle were adopted, then 40 per cent of all completion costs would have to be refunded to each province. However, appealing that principle would be to the provinces, it should have no relation to assistance now forecast for the unfinished portion. The honourable senator was referring to a province with a total of only 71 miles, and with conditions of cost and requirements having little relation to many of the other provinces. As a matter of fact, all provinces have a marked difference in their mileage cost of highway construction. The nature of the terrain in Newfoundland makes road building very expensive. Numerous rivers have to be crossed. Bridge and overpasses run the cost up very high. Surely those conditions should be met by special appropriation.

Referring further to the Newfoundland highway situation, there are special circumstances that naturally should be considered. My province has a population of almost 500,000, living in about 1,200 towns and settlements located around 6,000 miles of coastline. It has a road problem which in many respects is different from any other province. A few years ago the sea provided the chief means of intercommunication. To face up to the problems of modern life, good road communications are absolutely essential.

The necessary centralization of good schools requires more connecting roads than in the past. There is also the matter of medical services, industrial needs, and so forth. As a matter of fact, one strong industrial reason for more adequate road communications is the daily transportation of fresh fish to cold storage centres and processing plants. There is also great mineral development in certain areas, both actual and potential. This requires people to travel from their homes in adjacent areas; if new towns had to be built up it would in some cases make the project economically unsound. The interlocking of local roads with the Trans-Canada Highway is necessary for the life of our people. That of course is a provincial matter. As a matter of fact, during the past decade, the province has, at a tremendous cost, built up about 1,500 miles of these local roads. Newfoundland has used a bigger percentage of its income for roadbuilding than has any other province in Canada.

An eloquent citation was given by Honourable Senator Inman in her speech in this debate, on the tourist attractions of her province, Prince Edward Island. I am not going to dispute one word of what she said. I am sure that neither she nor anyone with a practical knowledge of Newfoundland would argue for a minute against the tremendous tourist potential of my province. However, that tourist trade has been retarded tremendously by not having the basic highway facilities required. As we all know, the value of tourist trade is not reflected entirely in money spent on sightseeing, valuable and interesting as that may be. The bringing of people into a province, even though they come primarily for the pleasure of visiting, is a prelude to the creation of wider interest in industrial and business expansion in that area.

As I have emphasized before, the completion of a through road, such as is planned for the Trans-Canada Highway, is an essential factor in the economy of Newfoundland. This is just one of the many things still required to be done to bring the economy and standards of living in the still new province more in line with other parts of the dominion.

I would like to close on this note. June 24, only a little over a week ago, marked the 466th anniversary of the discovery of Newfoundland by John Cabot. During its long history it has developed its own economy based on supplying needs abroad, first in products of the sea, of the mines, and then of the forests. It went along with its ups and downs as have other countries. With the entry of Newfoundland as a province of Canada fourteen years ago, it brought into the dominion money from other countries by the sale of its products in world markets in far greater proportion than has been the experience of any other province. In recent years those exports have increased tremendously by reason of big capital investment from abroad. The earnings of our people from that expansion have been spent largely in buying our requirements from the other provinces, and very little from abroad where our products are sold. That unique situation in Canada is just one of the many factors which justifies Newfoundland having special consideration in the federal monetary policy.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, July 4, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Army Benevolent Fund Board, for the year ended March 31, 1963, pursuant to section 13 of the Army Benevolent Fund Act, chapter 10, R.S.C., 1952, including its accounts and financial statements certified by the Auditor General. (English text).

Report of the Canadian Maritime Commission, for the year ended March 31, 1963, pursuant to section 13 of the Canadian Maritime Commission Act, chapter 38, R.S.C., 1952. (English and French texts).

Report of the Farm Credit Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended March 31, 1963, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, July 9, 1963, at 8 o'clock in the evening.

Motion agreed to.

PRIVATE BILLS

FIDELITY MORTGAGE AND SAVINGS CORPORATION—THIRD READING

Hon. William H. Taylor moved the third reading of Bill S-22, to incorporate Fidelity Mortgage and Savings Corporation.

Motion agreed to and bill read third time and passed.

UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO—THIRD READING

Hon. John M. Macdonald, for Hon. Mr. Hnatyshyn, moved the third reading of Bill S-21, to incorporate Ukrainian Canadian Foundation of Taras Shevchenko.

Motion agreed to and bill read third time and passed.

THE EVANGELICAL LUTHERAN SYNOD OF CANADA—THIRD READING

Hon. Fred M. Blois moved the third reading of Bill S-24, respecting The Evangelical Lutheran Synod of Canada.

Motion agreed to and bill read third time and passed.

THE CANADA BOARD OF AMERICAN MISSIONS OF THE UNITED LUTHERAN CHURCH IN AMERICA—THIRD READING

Hon. Fred M. Blois moved the third reading of Bill S-23, respecting The Canada Board of American Missions of The United Lutheran Church in America.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

(Translation):

Hon. Edgar E. Fournier: Honourable senators, I should like to join with other senators who have already had the opportunity to say a few words of welcome and congratulations to our distinguished Speaker, the Honourable Senator Bourget.

I had the privilege to sit with him for some time in the other place. Of those who did not share my views, he was the one I rated most highly in that house. I had great regard for him, first of all, for his fine work and ability, but mostly for the eloquence he showed in the defence of his causes. I was sometimes jealous of his fluency of speech, of his well-founded arguments, of his constructive recommendations and I make no bones about confessing that I would have thought twice before launching into an argument with the honourable member for Lévis, whose great qualities have made him an obvious choice for the distinguished office of Speaker of the Senate.

Therefore, Mr. Speaker, I should like, in my humble way, first to extend to you my warmest congratulations on your appointment to this august assembly, and then on your elevation to this exalted position.

I ask divine Providence to bestow His blessings on you and on Mrs. Bourget and to keep you in good health so that you may enjoy for a long time the well-deserved honours that have been conferred on you.

(Text):

I also wish to extend my appreciation to the two honourable leaders of our house. I am sure that a novice like me can learn a lot from their wisdom and kindness. The two honourable senators are giving a fine example of true democracy, where differences of opinion are respected and debated in a very friendly manner.

I regret that the wheel of misfortune has commanded our leaders to cross the floor and change seats. I certainly hope that this exchange will be of only short duration, as both leaders are well qualified to work on either side.

To the new senators I would like to say this: I know that you have already felt and appreciated the friendship which exists inside and outside of this house.

Speaking as a new appointee, it is an honour and privilege to be associated with such a group of highly distinguished Canadian citizens.

I wish to congratulate the mover of the address in reply to the Speech from the Throne (Hon. Mr. Lefrançois) and the seconder (Hon. Mr. Taylor, Westmorland), for the way they have carried on their duties. Amidst all their embarrassment, the dignity of the house has been kept at a high level. I can appreciate the difficulty of their task in dressing such a lady for a public appearance, having so little and such flimsy material to work with.

It was only through the good fortune of my good friend of long standing, the honourable Senator Taylor—who has been a "Taylor" for a long time—that the fair lady was attired properly to meet the public. Everything seemed to have gone along as well as could be expected, until the fair lady had a rendezvous with the honourable Minister of Finance. And we all know what happened. No further comment!

I do not intend to be too critical of the Speech from the Throne; I shall try to rise above my political weakness and accept it as a fact that even at worst some good can be found. I am well prepared to stand behind any measures which may be of benefit to Canada.

We have heard many outstanding speeches lately from both sides of the house. However, in the last few days the matter has become somewhat "fishy". The adoption of the 12-mile limit, I am sure, will be a step forward in the right direction.

Last year I had the privilege of being the seconder of the motion for an address in reply to the Throne Speech. I must say that it was an easy and pleasant task, for in those days the Throne Speech really was a Throne Speech—progressive, constructive, and much could be said in its favour. An increase in the economy and welfare of the Canadian people was the aim, and it brought results which no fair-minded person could deny.

The Speech from the Throne mentioned the safeguarding of provincial rights, and we appreciate that. The speech also mentioned the establishment of a Municipal Development and Loan Board. Yet, we find the provinces had not been consulted in this important matter.

The speech mentioned measures to be taken to curtail unemployment. This too we favour and are prepared to support any program if results along this line can be attained. So far there are no indications of any results. The proposed Municipal Development and Loan Board so far has brought nothing but discontent and confusion on the part of the provinces.

The proposed amendment to the Atlantic Development Board Act is not too welcome in the Maritimes. I hope to say a few words on this bill when it is presented to this house, and more could be said.

However, as a Good Samaritan I am prepared to do everything in my humble capacity to support any measures which can be beneficial to Canadian citizens. Opportunities will come later to discuss other proposed measures affecting such matters as national defence problems, the appointment of a second cabinet minister for the Department of Agriculture, biculturalism, extended assistance to vocational and technical institutes, and many others.

Honourable senators, at this point I would like to say a word about a project in New Brunswick which is close to my heart. In every province across Canada, one will find monuments commemorating historic sites such as the landing places of our forefathers, places relating to our heroes, and battlefields. All of them have been erected to the pride of Canada.

A few years ago the Conservative Government embarked on a program of marking such sites. I would like to bring to your attention, honourable senators, what I call the "forgotten site"—that is "The Lazarate of Tracadie"—an institution where the lepers of Canada were taken care of. This would be a rather long story to tell in detail. However, I would like to give you a brief history of this institution.

It dates back to 1758, when a sailing ship called *l'Indienne,* arriving from the Orient was wrecked at the mouth of the Miramichi River. On the ship were two Norwegians who had boarded it in Norway and the fact that they had a skin disease escaped the captain's attention.

The ship was a complete wreck and the whole crew was forced to spend the winter

in the area, sharing with the inhabitants whatever food and shelter was available. Most unfortunately, this skin disease spread rapidly among the families who had volunteered to provide the crew with food and shelter.

The parish priest of Tracadie, Reverend Father LaFrance, took an interest in the afflicted and brought the matter to the attention of the New Brunswick legislature in 1842. From 1758 to 1842 very little had been done to prevent the spread of the disease and the area had become widely affected. In 1842, after Father LaFrance had appealed to the New Brunswick legislature, Dr. Kay of Miramichi was sent to Norway to study this particular disease.

Dr. Kay returned to Canada in 1844. On a small island between Chatham and Newcastle, called Sheldrake or l'Ile aux Becs-Scies, a small shelter was built for those afflicted. Soon after it was set on fire by a desperate patient and was destroyed. It was rebuilt, but living conditions there were no better than they had been in the first shelter. There were no sanitation facilities, food was practically nil, medical care was almost nonexistent. During a short period fifteen of the thirty patients died without receiving any attention.

Under those lamentable conditions, Father LaFrance made another appeal to the New Brunswick Government, and in 1849 a large house was rented from a gentleman by the name of Phileas Losier. The New Brunswick Government ordered that all patients be grouped together, and they were placed under the supervision of Mr. Losier.

A new doctor by the name of Charles Labillois was appointed in charge of the institution. At that time there was no known cure for the disease, but Dr. Labillois saw that proper care and food were provided. In 1852 Dr. Labillois left. He had gained a high reputation and had established a friendly relationship with those unfortunate people. After Dr. Labillois had gone three patients escaped and set the institution on fire. It burned to the last board. They were later caught, but their action caused much hardship the following winter.

In 1853 a new building 60 feet by 20 feet was erected. It had four sections, two for men and two for women. This new institution was placed under the care of Dr. Gordon. According to the records, Dr. Gordon made a very poor name for himself. The place became neglected and the doctor visited the institution not more than six times a year. He was known to be very rude to the patients. The story goes that this building was put up to relieve pain and suffering, but it had become a place of disorder and suffering. Windows were iron-barred, doors were locked, sanitation and food conditions became appalling, patients were unattended and died without medical services. History reports that one day Reverend Gaudreau forced his way into the institution and found the bodies of two patients who had died a couple of days prior to his visit. By that time Father LaFrance had been transferred to Halifax and was replaced by Father Gaudreau who carried the complaints to the New Brunswick Government.

In 1863 the institution underwent reform under Dr. Nicholson, but he died three years later, in 1866, and was replaced by Dr. Smith. Dr. Smith made an appeal to les Soeurs Hospitalières de St. Joseph du Mont Royal to take over the institution.

On June 10, 1866 the New Brunswick legislature decided to build a new wing to the institution at a cost of not more than 400 pounds sterling, on the understanding that the institution be placed under the control of Les Soeurs de Charité de Montreal. Les Soeurs de Charité declined the offer and at the request of Monsignor Bourget, Bishop of Montreal, the institution was taken over by les Soeurs Hospitalières de St. Joseph under the leadership of Mère Paré.

Honourable senators, the sad and heroic history of the Lazaret of Tracadie is that of the sisters who volunteered to work at the institution. They had to sacrifice their freedom and life; they had to live with the diseased, knowing they would become contaminated and die. But nothing stopped them in their devotion to the alleviation of human suffering. Reward for such devotion was not expected in this world. They brought comfort to the patients; they assisted those who had reached the stage of immobility; they attended the dying; and they prayed and prepared those unfortunate people to meet their Creator. Honourable senators, if this is not heroism, then heroism has no significance.

In closing my remarks on this subject let me state what this institution has accomplished since 1868, there being no records previous to that date. It has treated 326 patients: 142 from New Brunswick, 3 from Quebec, 7 from Ontario, 13 from the western provinces, and 3 Canadians who contracted the disease overseas and returned to Canada for treatment. The balance included immigrants to Canada from Russia, China, England, France, Scotland, Ireland, Syria, Malta, Iceland, and one Negro.

Today in the institution there are only four patients. One is a woman from New Brunswick, admitted in 1918. She never had the disease, but was a member of a complete family which was admitted and she has lived in the institution ever since. There is one

Russian Doukhobor, admitted in 1926, who is now cured but has no other place to live; one Chinese, admitted in 1937, who is homeless; and one Russian nun, admitted in 1958, who is under treatment and is curable. Consequently, one must conclude that the disease is conquered in Canada. Those patients are now in a separate quarter adjoining the Tracadie Hôtel-Dieu Hospital.

Honourable senators, at the beginning of this topic I said that the last Conservative Government had embarked on a program of assistance to develop such memorial sites. The site I have in mind is the old cemetery where all those unfortunate people, including the many sisters and doctors who devoted and gave their lives to this cause, are buried. It was a forgotten site until 1959, when a prominent and welfare-minded citizen decided to do something about this old memorable cemetery which has become a shambles and a disgrace.

Last year I had the pleasure of assisting the honourable gentleman, Dr. Luce of Tracadie, in his undertaking. We brought this matter to the attention of the Department of Northern Affairs and National Resources, under its then minister, the Honourable Walter Dinsdale, and to the attention of the Department of National Health and Welfare, under its then minister, the Honourable Jay Waldo Monteith. We made considerable progress. Although we did not agree with some of the procedures followed by those departments, at least we finally received notice of approval to rebuild this memorable site.

I would like to show you by the use of this sketch what we have in mind. It is very simple. The burial ground, which is approximately 110 feet by 50 feet, contains 500 or 600 bodies. Our idea is to erect a centre monument in memory of Sister Paré and Doctors Labillois, Nicholson and Smith. This monument will be surrounded by a number of headstones of similar design. It is intended that the stones be carved locally at Tracadie, and our estimated cost of the project is much below $5,000.

I wish to place on record today that this honourable citizen, Dr. Luce, is now writing another page in the history of this memorable institution, the Lazaret of Tracadie, and his devotion to this cause is highly commendable.

It is my sincere hope that this project will be carried out as planned. I am informed now that there are on the site at Tracadie two officials or inspectors from Halifax making a survey of what we have requested. I hope it will not become a political football, as I am afraid that the expenses of those two officials from Halifax may be more than the cost of the project itself. I also understand that this is their second visit. I fail to see why experts or technical engineers are required to set those simple stones and erect a very ordinary fence around this lot. I believe that the old cemetery is of a memorial nature, being the only one on Canadian soil. Its history of suffering, devotion and self-sacrifice should not be allowed to remain in the shadow any longer.

(Translation):

Honourable senators, I thank you for your kind attention.

(Text):

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

PRIVATE BILL

THE BOARD OF TRADE OF METROPOLITAN TORONTO—SECOND READING

Hon. Harry A. Willis moved the second reading of Bill S-25, respecting The Board of Trade of Metropolitan Toronto.

He said: Honourable senators, I come from quite close to that vast area known as Metropolitan Toronto.

The old city of Toronto has had a Board of Trade since 1890, incorporated by act of the Parliament of Canada. One section that act, as amended from time to time, permits the present Metropolitan Toronto Board of Trade to hold assets up to $750,000. In the past 10 years, and even more so in the past five years, this Board of Trade has grown by leaps and bounds.

In 1957 the board entered into a leasehold arrangement on the Board of Trade Building, and as my honourable friends from Toronto know, that is a very fine building. That leasehold arrangement has fifteen years to run. In this building there are lounge rooms, committee rooms, and a dining room. Since it was opened in 1957 the membership has increased to a present total of 10,000 members. Ordinarily membership of a Board of Trade increases, I am informed, by two to three per cent annually, but for the last four years this Board of Trade has increased by 10 per cent annually. It serves not only members of large corporations, but the smaller businessman who does not have a club. It provides him with facilities for entertaining and accommodation which he would not otherwise have.

The directors of the Board of Trade of Metropolitan Toronto are still within the $750,000 limit, and they are asking that there be no limit on their permitted holdings and further that they be allowed to decide the extent of their assets. Therefore, the directors are petitioning Parliament to grant them this power.

The idea contemplated by the Board of Trade is to erect other buildings. The first one covered by this long-term project would be a building similar to that on Adelaide

street in the city of Toronto, to be located in the Humber area in northwest Toronto, which would provide facilities for the business people in that area and would obviate the necessity of their travelling into downtown Toronto.

Furthermore, as honourable senators from Toronto know, in the Don Mills area there are some large business concerns, such as I.B.M. and Underwood, whose buildings are among the finest in Canada. They are indeed beautifully situated. It is the hope of the Board of Trade of Metropolitan Toronto to provide buildings and outlets for the area south of Highway 401 and along the Humber, to include facilities not now available in the present building on Adelaide street, such as a golf club and a curling club. Anybody who has witnessed the explosive growth of Metropolitan Toronto in recent years knows that curling has become the recreation of more people in the past few years than ever before.

I think the Board of Trade should be lauded for this idea. If they are granted the authority which they seek I know they will not exercise it unwisely. I say this knowing as I do, the directors and the past president, and knowing that they are very cautious and keen financial men. This house would have no reason to regret giving them the powers they seek, to be used at their discretion to provide whatever facilities they consider desirable.

If there are any questions I would be glad to answer them because I have been supplied with all kinds of material.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Willis: Honourable senators, I move that this bill be referred to the Standing Committee on Banking and Commerce. I was uncertain as to whether it should be referred to the Standing Committee on Miscellaneous Private Bills, so I asked my friend the Leader of the Government (Hon. Mr. Macdonald, Brantford) and he was of the opinion that it should be sent to the Banking and Commerce Committee.

Hon. W. Ross Macdonald: I suggested it should be referred to the Standing Committee on Banking and Commerce because there is a considerable sum of money involved. At the present time there is a limitation of $750,000 on the permitted holdings of the board, and it is now asking for unlimited powers. For that reason I thought it should go to the Banking and Commerce Committee rather than to the Miscellaneous Private Bills Committee.

Motion agreed to.

The Senate adjourned until Tuesday, July 9, at 8 p.m.

THE SENATE

Tuesday, July 9, 1963

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

Prayers.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Speaker informed the Senate of the receipt of a message from the House of Commons stating that the name of Mrs. Konantz had been substituted for that of Mr. Pennell on the Joint Committee on the Library.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Speaker informed the Senate of the receipt of a message from the House of Commons stating that the names of Messrs. Côté (Longueuil) and Cadieux have been substituted for those of Messrs. Pilon and Macaluso on the Joint Committee on Printing.

DEPARTMENT OF INDUSTRY BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-74, respecting the Department of Industry.

Bill read first time.

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

Hon. W. Ross Macdonald: Honourable senators, I would like to proceed with the second reading of this bill tomorrow. I believe copies of it have been distributed. May I have the consent of honourable senators to have the bill placed on the Order Paper as the first item for consideration tomorrow?

Hon. A. J. Brooks: Agreed.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report on the administration of the Members of Parliament Retiring Allowances Act, for the year ended March 31, 1963, pursuant to section 18 of the said act, chapter 329 R.S.C., 1952. (English and French texts).

Report on the operations of the Veterans' Business and Professional Loans Act for the year ended March 31, 1963, pursuant to section 13 of the said act, chapter 278, R.S.C., 1952. (English and French texts).

Report on the operations of the Fisheries Improvement Loans Act, for the year ended March 31, 1963, pursuant to section 12(2) of the said act, chapter 46, Statutes of Canada, 1955. (English and French texts).

Report respecting the operation of the agreements with and payments made to the provinces of Manitoba, Saskatchewan and Prince Edward Island under the Crop Insurance Act, for the year ended March 31, 1963, pursuant to section 10 of the said act, chapter 42, Statutes of Canada, 1959. (English and French texts).

Report on the activities of the Food and Agriculture Organization of the United Nations, for the year 1962-63, pursuant to section 3 of the Food and Agriculture Organization of the United Nations Act, chapter 122, R.S.C., 1952. (English and French texts).

PRIVATE BILL

THE MONARCH LIFE ASSURANCE COMPANY—FIRST READING

Hon. J. Campbell Haig presented Bill S-30, respecting The Monarch Life Assurance Company.

Bill read first time.

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

Motion agreed to.

PORTRAITS OF PRIME MINISTERS—COMMONS COLLECTION

On the Notices of Inquiries:

Hon. Jean-François Pouliot: Honourable senators, in February 1962 there were numerous references to a hidden picture of the late Lord Bennett, a former Prime Minister of Canada. We never knew where it was, and the collection of portraits of the prime ministers of Canada is incomplete. The picture of the late Lord Bennett should be found and hung in its place. The alternative would be to remove the incomplete collection, which is presently worthless, to the attic or the cellar, as a reminder of the ups and downs of politics.

HIS HOLINESS POPE PAUL VI

REPORT ON CORONATION CEREMONIES

On the Orders of the Day:

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are pro-

ceeded with I should like to make a brief report. As honourable senators are aware, I attended the coronation of Pope Paul VI in Rome on June 30 last. With me on the Canadian delegation were the Honourable Jules Léger, Canada's Ambassador to Italy, and the Honourable Pierre Dupuy, Canada's Ambassador to France. I should like to say that I consider it a privilege to have been associated with these experienced and distinguished representatives of Canada abroad.

I should like to acknowledge the kindness shown to Mrs. Connolly and myself by Madame Léger at her home and during our entire stay in Rome.

The coronation ceremonies were held outdoors in the Piazza San Pietro. Of this place Thackeray wrote:

> Oh, such a noble court; with fountains flashing up to meet the sunbeams; and right and left of you, two sweeping half crescents of great columns.

Indeed, the Bernini Columns surrounding the Square are said to be symbolic of arms outstretched in welcome to the world. That day they seemed to enclose representatives of all humanity. The crowd was estimated at about 300,000. It stretched from the door of the cathedral to the east end of the Via della Conciliazione at the Tiber about a half mile away. In addition, the ceremony was carried to millions of people by press, radio, television and telstar.

Had the ceremony been held within St. Peter's, I am sure it would have been most impressive. However, it was physically impossible to do this so soon after the election of the new Pontiff, because the nave of the cathedral holds banks of seats for use by the Ecumenical Council. The outdoor ceremony, however, made it possible for hundreds of thousands more to participate.

The scene in the Piazza was one of indescribable colour. It began in the early evening sunlight at six o'clock, under a cloudless Roman sky. The crowning itself, some three hours later, came after darkness had fallen and the lights had been turned on. Nightfall seemed to increase the impressiveness and the solemnity of the occasion. To all of this the singing of the Sistine Choir, and indeed the singing of the assembly, heightened the dramatic effect.

There were men and women there of every colour, race and creed; Africans in their tribal robes, Arabs, Indians, Chinese, Japanese, Greeks. There were heads of state—the King and Queen of the Belgians; the Presidents of Italy, Ireland and Brazil; the Grand Master of the Order of Malta.

Even royal houses, no longer reigning, were represented. I thought the presence of the Empress Zita of Austria especially poignant. She is a woman of great dignity, the widow of the Holy Roman Emperor. In another day, her status would have been very great indeed. The reminder given to the Pope during the ceremony, *"Sic transit gloria mundi"*, must have found real meaning with her.

The British delegation was led by England's first peer the distinguished Duke of Norfolk, who told me he was attending his third papal coronation. The Prime Minister of France, Monsieur Pompidou, led the French group. Herr Schroeder, the Foreign Minister, was the chief representative from West Germany. From the United States came a delegation under Chief Justice Warren. With him were Rabbi Finklestein and Senator Mansfield, the majority leader in the Upper House.

Over 70 Cardinals from many parts of the world entered the enclosure in procession. They wore white mitres and over their scarlet tunics the white vestments of their rank within the Sacred College. Among them was His Eminence of Montreal, the distinguished Cardinal Léger. The Cardinal Archbishop of Toronto, Cardinal McGuigan, had to return home soon after the conclave, and he was missed.

The heads of religious orders—hundreds of them—in their habits, were in the procession. The Pope was carried in a ceremonial seat through the crowds in the Upper Square to begin the ceremony. He was accompanied by his red-coated Palatine Guard, the Swiss Guard in its multi-coloured uniform designed by Michelangelo, and by his brilliantly vested ecclesiastical attendants. As he made his progress to the Theatre of the ceremony the acclaim of the crowd of 300,000 people was literally deafening.

In the Theatre a white throne sat under a red canopy in front of the east door of St. Peter's. Behind it hung a priceless tapestry from the Sistine Chapel. About one hundred yards in front of the throne, across a bright red-carpeted area, was the altar, adorned with ancient gilt candelabra and two gilt statues, one of Peter, the other of Paul. To the altar the procession brought the two mitres and the two crowns to be used in the service.

The ceremony of homage by the Cardinals came early. As each Cardinal made his way to the throne and was received by the Pope, the respect and affection of them all for the newly elected Pope was most evident.

As honourable senators know, at Westminster the coronation service is conducted by the Archbishop of Canterbury, not by the Monarch. At a papal coronation, the chief actor is the Pope: he celebrates the sacrifice of the Mass; he delivers a homily, and then receives the triple crown at the hands of the ranking member of the College of Cardinals.

The formula used is ancient:

> Receive the tiara adorned with three crowns and know that thou art the Father of Princes and Kings, Teacher to the world, and Vicar on earth of our Saviour Jesus Christ to whom is honour and glory through the ages.

On this occasion the crown used was not the well-known tiara of Renaissance origin. It was a new crown, but the design had its beginnings in much more ancient times.

In his 25-minute homily, the Pope used nine languages to express a message of greater understanding, charity and peace among all peoples. He spoke readily in Latin, Italian, English, French, German, Spanish, Portuguese, Polish and Russian. He pleaded for Christian unity. He urged the internal renewal of the Church and its adjustment to modern conditions. He warned that this unity and understanding was not to be the work of a day, but said it could come in time, with patience, with charity and with a dedication to truth.

On the following morning, July 1, the anniversary of Canadian Confederation, the heads of 90 national delegations were received by His Holiness in a ceremony in the Sistine Chapel. The setting could hardly have been more impressive: above us, Michelangelo's superb ceiling; in front of us, his sublime Last Judgment; on the walls, the frescos of Pinturicchio, Ghirlandaio, Perugio and Botticelli. There, too, was the splendour of the Papal Court. In fact, beauty, and dignity, and history, all were there.

But what remains uppermost in my mind was the graciousness, the dignity and the warm personality of Pope Paul. In the coronation ceremony the previous day he walked quickly, with a spring in his step, almost athletically. At the reception he was cordial, grateful to those who had come, and hospitable. He has an engaging smile.

The head of each national delegation was presented to him personally. To me, in flawless English, he spoke feelingly of Canada. He recalled his visit here some years ago with evident pleasure. He sent his blessing to our country and to all our people. Mr. Léger was also received.

Late that afternoon, the Cardinal Secretary of State, Cardinal Cicognani, held a reception in the Borgia apartments at the Vatican for the national delegates who had come to the coronation. He made a short address in French in which he stressed the problems of the developing countries of Asia and of Africa. The Cardinal had lived some 25 years in Washington. He, too, had visited Canada and he remembered that the old Papal Delegation building had been on the Driveway. He expressed his pleasure that Canada had sent a special mission to the coronation.

May I now say something of the new Pope. Like Pope John, Paul VI has announced his intention to build upon the work of his predecessors. For this he is well equipped. For 30 years, until 1954, he served in the Secretariat and worked closely with Pius XI and Pius XII. Earlier he had been in Poland.

Pope John appointed him Bishop of the highly industrialized diocese of Milan, the largest in Italy after Rome. There he faced aggressive Marxism and Communism. There his great task was to deal with the position of workers in new, modern industrialized society. His knowledge of these problems is broad. His sense of the numinous—the religious sense—is highly developed. Both of these he has brought to bear upon the problems presented today by industry, technology, science, art, and even politics.

He will continue the work of the Ecumenical Council with its emphasis on aggiornamento—the internal renewal of the Church as it grapples with the new conditions of society.

His own desire for Christian unity, so close to the heart of Pope John, is symbolized by his choice of the name Paul. The first Paul lifted the sights of the infant Church from its national horizons to the broader vista of the known civilized world. Mr. Chesterton said of the first Paul that, "under the influence of the vision which prostrated him on his way to Damascus, he became the Dove who turned back the Eagles—and he transformed the pagan world!"

The call of the new Paul for denominational amity and unity is in the tradition of the first Paul. I believe it will evoke a response like that which John inspired. I think, however, that the appeal of this most modern of Popes to men of all denominations—to the common man—to the little man—lies not in the technical realms of law or theology. Most people know little of these sciences. The appeal lies rather in the hope for peace on earth. This is a concept which men everywhere understand. It is what men everywhere desire most deeply. And they see in the work of simple, humble men of God like John and Paul—men without bombs or battalions—a star to which they can hitch their chariot.

Every courtesy was shown the Canadian delegation by the Vatican authorities, including the Canadian representative in the Secretariat, Monsignor William Carew, and also by the second secretary at the Canadian Embassy, Mr. John P. Schioler from Winnipeg. The personal attention given all of us must have created problems. The crowds

were great. So, too, was the heat. The death of Pope John was a blow. The conclave followed. Special arrangements had to be made to hold the coronation outdoors. Despite this, every event was beautifully conducted in an atmosphere of cordiality.

And the pace continued. On the next day President Kennedy arrived to receive a tumultuous reception from the Romans, to hold talks at the Quirinale and at the Vatican. Through it all Rome—*Roma Felix*—looked its most beautiful. Through it all Rome—*Roma aeterna*—was magnificently imperturbable.

PRIVATE BILL

KINROSS MORTGAGE CORPORATION—THIRD READING

Hon. John J. Connolly moved the third reading of Bill S-27, to incorporate Kinross Mortgage Corporation.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, July 4, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Harry A. Willis: Honourable senators, on your behalf may I be first to congratulate Senator Connolly (Ottawa West) on his brilliant exposition which he has just delivered, and also to congratulate this branch of the Parliament of Canada in having such an able and efficient representative at the coronation of His Holiness Pope Paul VI. Senator Connolly was not chosen for this task by ballot, or anything like that. He was chosen because he is one of the ablest members of this House and, I would say, one of the ablest men connected with the Government of the day. He is a great personal friend of mine and I am proud to call him such. I have never heard a more able speech than that delivered by Senator Connolly tonight. Speaking as a Protestant, I can say that I have almost been converted.

My second duty, honourable senators, must be to congratulate His Honour the Speaker, first, upon his appointment as a senator and, secondly, upon his election to the noble office of Speaker of this chamber. From what others who sat with you, Sir, in the other place have said about you I know that you are a debater of no mean ability. You knew your subject, and you always had the persistence to get what you wanted. I congratulate you upon being such a fair referee in this chamber.

I congratulate also my good friend Senator Macdonald from Brantford. Since I last spoke in a debate on the motion for an address in reply to the Speech from the Throne, Senator Macdonald has changed places and has now become the Leader of the Government, a position he had previously occupied. He will fulfill his duties as he so ably demonstrated previously, and he will fulfill them with the same willingness, co-operation and determination with which he fulfilled his duties as Leader of the Opposition.

I congratulate my leader, Senator Brooks, upon the able way in which he is leading the Opposition in this chamber. He is leading it in a way similar to that with which he led the Government last session.

I was not a member of the Senate in 1957 when Her Majesty the Queen opened Parliament in October of that year, but I shall always remember the picture I received as a side-liner of Senator Brooks, then the very capable Minister of Veterans Affairs, escorting Her Majesty to the Cenotaph in Confederation Square which commemorates our fallen. He was magnificent at that time, and he is still magnificent in the duties which he carries out here.

Also, I want to pay tribute to the Deputy Leader of my party in this chamber, Senator Lionel Choquette. I have known him for many years, and he carries out his duties faithfully and well.

Before passing on to other members of this chamber I want to say something about the Whips. I think they are generally overlooked. I notice that the Deputy Whip of the Government, Senator Taylor (Norfolk), who comes from the same province as I do, is not in his place tonight. I know he is a man to be respected, and I like him personally. I have an equally high regard for Senator Macdonald (Cape Breton), the Whip on my side of the house. The only reason I question him at all is that he has lived these many years without being married. I cannot understand the women of Cape Breton, Nova Scotia, or anywhere else in Canada, not having taken a look at him.

Senator Salter Hayden comes from my own province. No one could have been nicer to me and given me more direction and advised me so well about certain matters than Salter Hayden. I do appreciate his kind interest. I have the same sentiments about Senator Croll and Senator Roebuck, and I pay special tribute to Senator Lambert. He is on the other side of the house, but I have had the good fortune of knowing him for a

good many years; it is my opinion that Senator Lambert is one of the great citizens of Canada.

Senator D'Arcy Leonard also comes from the city of Toronto. He is a man of business experience, and I know that in following his advice one does not go far wrong.

I must mention next Senator George White, who occupied the office of Speaker of this chamber for much too short a time. He was not bilingual, but he took it upon himself to read the prayers in the French language, and he did an excellent job. He was a wonderful Speaker. He and his wife graced the Speaker's chambers as you, Mr. Speaker, and your wife are gracing them today.

One senator I wish to specifically mention is Senator Thomas Crerar. He did not know me when I was first appointed to this chamber, and I never expected to be a member of one of the houses of Parliament with him. From 1917 to 1921, when I was attending high school, Senator Crerar was a Minister of the Crown, and in the election of 1921 he led the Progressive Party and won, I think, 80 seats in the House of Commons. I have always admired him. I have always felt that he speaks what he thinks, and regardless of party politics I say he is a great Canadian and I pay tribute to him.

The last time I spoke in a debate on the Throne Speech was in October of last year. At that time I was on the other side of the house. Judging from the way things are looking now I am going to be on the other side of the house again very shortly.

Hon. Mr. Hayden: Don't bank on it. Don't hold your breath that long.

Hon. Mr. Willis: The honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) paid a great deal of attention to certain articles in the *Globe and Mail* about business being against our party. I would like to ask my honourable friend whether he knows where business is today. Has he read the recent articles in the *Globe and Mail,* and in particular, has he read an editorial in that paper of June 21 last? If my honourable friend would read that editorial and also articles in the various newspapers in Toronto, he would realize that business is changing.

I remember the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) in October of last year, while speaking in the debate on the Throne Speech, standing up from this side of the house and saying that the leader of the Liberal Party had then created a miracle in raising the standing of the Liberal party in the House of Commons to 99 or 100 seats. But, do my honourable friends opposite realize that one man, and one man alone, with a split cabinet, and with three newspapers in the city of Toronto against him, and with a Buffalo radio station broadcasting daily against him and his policies, won 95 seats in the House of Commons? That is something of a record and a tribute to the Right Honourable John G. Diefenbaker.

Honourable senators, in October last I took part in the debate on the Speech from the Throne and I think I spoke for about three-quarters of an hour. When I read the Speech from the Throne at the opening of this session on May 16, 1963, I could not find very much there to comment on. Therefore, my speech tonight must be a short one.

Hon. Mr. Hayden: The honourable senator should not let that stop him.

Hon. Mr. Macdonald (Brantford): It is disappointing to hear that.

Hon. Mr. Willis: I am disappointed about it. The honourable Leader of the Government in the Senate said two or three weeks ago that the Conservative Government brought down no budget. I say the present Liberal Government has brought down a budget, and I will not say more.

Hon. Mr. Brooks: They brought down the roof.

Hon. Mr. Willis: I know that I cannot talk about it now; but I would love to talk about it and will when the time comes.

Hon. Mr. Brooks: There is not much left of the budget.

Hon. Mr. Willis: However, honourable senators, I want to talk about two or three points in the Speech from the Throne, which is about all there is in it. As my honourable friend and colleague Senator Grattan O'Leary said in his fine speech, the Speech from the Throne started out with platitudes and ended up by wishing the Lord's blessing on us—which indeed we need, after what we have seen.

However, honourable senators, I take exception to the appointment of two ministers of agriculture. I operate a farm near Toronto, and why we would need two ministers of agriculture in this country, I do not know. We might as well have two ministers of fisheries, two ministers of justice, and two ministers for every other department.

An hon. Senator: And two ministers of finance?

Hon. Mr. Willis: I am not saying two ministers of finance.

Honourable senators, I should like very much to congratulate the mover and seconder of the address in reply to the Speech from the

Throne. They spoke most admirably, especially the seconder, Senator Taylor (Westmorland), whom I have known for many years. He will not remember where I first met him. When he was Minister of Agriculture in the province of New Brunswick my godfather, the Honourable Thomas Kennedy, who was Minister of Agriculture in Ontario at that time, entertained him at the Parliament Buildings, where we had a delightful conversation.

Moreover, Senator Taylor paid my wife the respect, a short time ago, of calling on her and congratulating her on her father being such a great Liberal. Therefore, I feel I should congratulate both the mover and the seconder, and especially the seconder, Senator Taylor, for his able exposition, although I do not think that down in his heart he would vote for two ministers of agriculture in Canada.

I have been told that the reason for this proposal is that it was put up on the political hustings during the election campaign. However, that does not explain why we would need two ministers of agriculture.

In my opinion, the present Minister of Agriculture, the Honourable Harry Hays, is a very good minister. He happens to be a friend and a client of mine, and I think he is an excellent minister and can handle the agricultural problems of the whole country without any assistance from the east.

If such a division is to take place, where is it to be? One may say the present minister is from the west. Are we to cut his area off at the Manitoba-Ontario border, or at the Ontario-Quebec border, or should it be cut off at the Quebec-New Brunswick border? I do not know where. Perhaps honourable senators opposite know, but I doubt it. I do not think they know what they are talking about when they say they will have one minister from the east and one from the west. If they wished to do what the previous Minister of Agriculture did—that is, sell wheat for the benefit of the Prairie farmers—they should have transferred that function of the Department of Agriculture to the Department of Trade and Commerce. That would make some sense.

It seems to me that to have two ministers of agriculture today in Canada will lead to division and disruption. I do not know where it will end and I see no reason whatsoever for it.

The present Minister of Agriculture has a very able parliamentary assistant. Also, he has the whole Department of Agriculture. Having two ministers of any department has never been heard of before. If this were to be done, perhaps it would be appropriate to have another Minister of Justice, since the Civil Code as administered in the province of Quebec differs from the civil law of the rest of Canada. It seems to me to be just plain stupid to have two ministers of agriculture.

Honourable senators, I wish also to comment on the paragraph in the Speech from the Throne which reads as follows:

> You will be asked to establish a Municipal Development and Loan Board, through which municipalities may obtain, with the approval of the provinces, loans and grants to carry out projects which will increase employment and improve services. Amendments to the National Housing Act will also be proposed.

Honourable senators, do you realize that in the province of Ontario—and I suppose this applies to other provinces—we have such agencies set up right now? The honourable Senator Croll and the honourable Senator Roebuck were cabinet ministers in the province of Ontario and they know what this means.

In the province of Ontario now we have the Ontario Water Resources Commission, which is set up for the purposes of aiding municipalities, with the approval of the province and with the approval of the Ontario Municipal Board, providing loans under the Municipalities Loans Act at very reasonable rates of interest.

In addition, there is the Ontario Municipal Improvement Corporation. This also helps the municipalities. Is this third commission to be superimposed on the boards which the provinces have already? Is it to be superimposed on the boards of Ontario? Is this new board to dictate what the Ontario Water Resources Commission or the Ontario Municipal Improvements Corporation are to do? Furthermore, have the provinces been consulted? My opinion is that the provinces of Ontario and Quebec are as mad as anything about this whole business.

If it were intended to set up something like this, it should not have been introduced in the Speech from the Throne but held over until the Prime Minister of the day had called a provincial conference.

I know that the present Prime Minister has sent a letter to the provincial premiers—my honourable friend the Leader of the Government has tabled those letters—and the premiers of the provinces will be meeting. So why introduce something in the Speech from the Throne which will compete with what the provinces are doing now?

Why not continue the winter works program as it was operated by the former Government? That would help to promote employment. This proposed board is introduced as a red herring and I think the provinces wholly disapprove of it.

Thirdly, I should like to make some comments on the Atlantic Development Board. As a senator from Ontario, I may seem to have no right to talk about that. It may be said that I know nothing about it.

Hon. Mr. Hayden: That is a good qualification.

Hon. Mr. Willis: I do know that the Atlantic Development Board was set up by the former Government as a five-member board. Now the Speech from the Throne indicates that it is to be made an eleven-member board. All one has to do is a little subtraction and addition in order to understand what this means—that it will be a board with six Liberals and five Conservatives on it.

Honourable senators, on behalf of my party may I say that we are very pleased that the Prime Minister the Right Honourable Lester B. Pearson has recovered from his operation and has returned to the House of Commons. We are very pleased also that His Excellency the Governor General has recovered from his recent illness.

I have heard some fine speeches from honourable senators. In particular, I should like to mention the wonderful speech about Prince Edward Island by Senator Inman. I liked very much her illustration of her meeting with the daughter of one of the Fathers of Confederation. I say this in order to indicate that there is not much meat in the Speech from the Throne, since the honourable Senator Inman and other honourable senators spoke about their own provinces. However, I liked very much the exposition by Senator Inman about the province of Prince Edward Island, her meeting with the daughter of one of the Fathers of Confederation, about the parties which they had on board ship and about their having to stay on the ship because there was a circus in Charlottetown at the time and there was no hotel accommodation left. Having had an opportunity to visit Charlottetown, I congratulate Senator Inman on her fine speech.

I should like to congratulate the honourable Senator Phillips, who also comes from that delightful province. He too, talked about Prince Edward Island. I enjoyed very much the exposition by Honourable Senator Pratt of the beauties, the worthwhileness and the attributes of Newfoundland. I say that in all sincerity, for I have been to Newfoundland. As a matter of fact, in 1938 my wife was expecting a child, so I got away. I took a boat from Montreal and finally landed at Corner Brook. We called at a port on the north coast of Labrador, and from there on they started to nail everything down and we wondered what was going to happen next. When we came to Corner Brook I got off the boat as fast as I could, took the narrow gauge railway to Port aux Basques, and then crossed over to North Sydney to where my honourable friend the Whip on our side of the house (Hon. Mr. Macdonald, Cape Breton) comes from.

I did appreciate Senator Pratt's speech. It was more than a travelogue. It contained substance with regard to the province of Newfoundland.

May I associate myself with Senator Pouliot in the remarks he made earlier this evening. Among the occupants of the rooms on the sixth floor, the first in line of order is Senator Cameron, Director of the Banff School of Fine Arts. I occupy the next room, which was formerly occupied by Senator Molson, president of the brewing company of that name. Senator Vaillancourt, the maple sugar king of Canada, is next. Then Senator Jean-François Pouliot, the great English and French translator and raconteur of Canada. I heartily agree with Senator Pouliot that it is wrong not to have a portrait of the late Right Honourable R. B. Bennett hung with those of other prime ministers in the halls of Parliament. I should like to see his portrait unveiled. I think it is wrong for Parliament to omit one of the great prime ministers of Canada.

Hon. Mr. Pouliot: Hear, hear.

Hon. Mr. Willis: In closing, I wish to associate myself with those senators who feel that the Senate should become more useful. I think they were right in their submission. Arising from last year's speech from the Throne, a bill was introduced in the other place to put an age limit of 75 years on senators holding office. One of the great Liberal senators said that a bill should be introduced to limit the age to 95 years, but I saw no reference to that in the Speech from the Throne. However, if we are to survive, I think steps should be taken, perhaps by both leaders in this house, to make this chamber more useful and to see that its time is more fully occupied.

Honourable senators, I wish to thank you for your attention.

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

PRIVATE BILL

CO-OPERATIVE FIRE AND CASUALTY COMPANY—SECOND READING

The Senate resumed from Thursday, June 27, the adjourned debate on the motion of Hon. Mr. Cameron for second reading of Bill S-26, respecting Co-operative Fire and Casualty Company.

Hon. Mr. Roebuck: Honourable senators, although the adjournment of this debate stands in my name, I yield to Senator Cameron.

Hon. Donald Cameron: Honourable senators, if I may make a brief digression before dealing with this bill I should like to comment on the speech which has just been made. The honourable Senator Willis, who is my next-door neighbour on the sixth floor, made a speech from about this location last October. It was one of the most politically partisan speeches I have ever listened to in this chamber. I do not know what brought about the transformation which occurred this evening, as he dispensed sweetness and light upon the entire chamber. Perhaps it is because he has been transferred from one side of the chamber to the other. May I suggest that he should not count too much on his wishful thinking that he be translated back to this side of the house and to his more partisan aspects. We like him better as he is.

In the discussion on Bill S-26 on June 27, a number of points were raised by the honourable Senators Grosart and Roebuck, which I shall endeavour to answer to the best of my ability. In the event that I cannot answer them to the satisfaction of those honourable senators, a further opportunity will be provided when the bill is discussed before the Banking and Commerce Committee, to which committee I shall propose the bill be referred if it receives second reading. I shall endeavour to deal with the points in their order.

Rights of policyholders: The point was raised both by Senator Grosart and Senator Roebuck as to what will happen to the rights of the policyholders who presently control the company when, in the event that this bill is passed, control passes from the policyholders to the shareholders. The answer is, as I indicated in my submission on June 26, that as the policyholders are practically all members of the co-operatives, control of the proposed joint stock company will be in the hands of the members of the co-operatives, who are also the policyholders. The latter are still protected, because they control the policies of the co-operatives who own the shares in the new company.

I should emphasize that before applying for this change in the structure of the company the policyholders were circularized and gave their consent to the charge. I should emphasize also that since this company is in the fire and casualty field, which involves one-year auto policies and three-year fire policies, the policyowner turnover is practically continuous. Policyholders do not build up an equity in life insurance companies as they might be expected to, as, for example, do members of the wheat pools, who market their wheat through the pools. The result is that members of a fire and casualty company have only a passing interest in the management of the companies in which they are insured. In other words, there is no difference, with one exception, so far as the rights of the policyholder is concerned, whether he buys his policy through the Co-operative Fire and Casualty Company or through one of the private companies. The exception would be that in the practice of co-operative principles the benefits of any savings are passed on to the shareholders as dividends. In this respect there is little difference between this and a mutual company.

The question of control raised by the honourable senators is a good one, and one which has always been of concern both to the company and the sponsors of the company. When incorporation of the company was originally applied for in 1951, the sponsors sought to have a delegate system of control. They failed in this attempt, because such a system of control would not work harmoniously with the provisions of the Canadian and British Insurance Companies Act, which act controls all insurance companies operating in Canada. The question of control has been under study more or less continuously in the co-operative movement, but intensely so during the past three or four years. There is an element among the co-operative membership which feels that the company should press once again for a private bill enabling it to operate under a delegate system of control similar to that of the major wheat pools. After extensive study, however, which included hiring and reporting of management specialists, the great majority of the co-operative membership agreed that, so far as this company was concerned, the delegate system of control should be abandoned as a possibility.

Finally, on this matter of control, the majority of policyholders feel that to impose a delegate system of control on the company, and to keep all members in all regions actively participating in a local unit, would be prohibitively expensive to the company. Thus, necessity and practicality have led the company to ask for the passage of this bill at least as a means of accomplishing a reasonable and workable system of control and still to keep within the framework of the general insurance act.

The company is presently controlled by advisory committees in six regions across Canada. These regions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and the Maritimes. The company is licensed in Ontario but does not do business there.

The duties of the advisory committees are to further the interests of the company in their respective regions generally, and, in particular, to insure that their region is represented at the annual meeting of the company. At the annual meeting it is their further duty to ensure that two directors are nominated for their respective regions. The advisory committees consist of representatives from the major co-operatives in each region. When it is necessary for them to vote in the affairs of the company, they of course qualify themselves by becoming policyholders. It was this group of co-operatives which originally organized the company and put up the initial $200,000 to launch it in its corporate existence. There has always been a lurking fear that an individual or group might gain control of management and, thereby, the proxy-raising mechanics, and in this way gain control of the company. The co-operative movement in the United States suffered such an experience on at least one occasion. At least one experience of a similar nature has occurred in Canada. Therefore, the co-operative membership is somewhat concerned about any device which might give a certain group control, other than that of the membership.

The purpose of the proposed bill, therefore, is largely to firm up the control in the hands of the co-operative movement, that is to say, in the hands of those co-operatives which originally sponsored the bill, put up the necessary funds and guided its course from that day to this. After the passage of the bill, the advisory committees would remain the same and would be called shareholders, instead of policyholders as they are now.

Also, may we suggest for the moment that you look at the situation here from a slightly different viewpoint. When the sponsors of this company put up their initial $200,000 capital there was a reasonable anticipation that it would at some time be repaid. This was the experience of the same group when they sponsored the Co-operative Life Insurance Company. However, the nature of the fire and casualty field has been such that not only was the sum not repaid but additional funds became necessary. Accordingly, the same co-operatives have been called on for additional funds through the years, and the amount of contributions now has reached $1,200,000. I am informed by management that the need for additional capital is likely to continue. The sponsoring members of the company—which as has been seen are the major co-operatives across the country—now have more than a maternal interest in keeping this company within the co-operative fold; they have a large financial interest. These sizeable contributions, by virtue of the original act of Parliament, are repayable only at the discretion of the company. Accordingly, should a future management gain control by the gathering of proxies among casual and disinterested policyholders, or should an individual or group buy up a block of policies to gain control at an annual meeting, then the sponsoring co-operatives would stand to lose not only the possibility of repayment but also the right of control over a sum in excess of $1 million.

Looking at the picture from this viewpoint, it is clear that if any rights need shoring up it is the rights of the sponsors of the company who will, upon the passage of this bill, become the shareholders.

This bill in its present form is necessary from the standpoint of the continued good health of the company. Following from the last point made, it is understandable that the original sponsors might be expected to be reluctant to continue to advance funds as needed unless something is done to firm up control in the co-operative movement. If the health of the company is impaired by loss of access to funds, it would be purely academic to discuss these rights of policyholders as such.

A recent survey indicated that over 75 per cent of the company's business is done with the sponsoring co-operatives or their members or associates. As has been mentioned, this group controls the company through six regional advisory committees which will continue. However, with regard to the remaining small percentage of policyholders, it has not been the experience of the company that these have ever appeared at annual meetings or taken any interest in the affairs of the company other than the prompt processing of claims on their particular policies. Nevertheless, when the decision was made to proceed with the firming up of control by this bill, an advertisement was placed in the major co-operative newspapers across the country. In addition, this purpose was advertised in the advertisements required by the Canadian and British Insurance Companies Act respecting meetings. When the resolution to proceed with the bill was put to the general meeting in question, it received the approval of every member present with the exception of a delegate from a Manitoba co-operative who still felt the company should press for a delegate system of control. In the face of this near unanimous decision to proceed, the bill is placed before Parliament.

The legal representative of the company is prepared to produce a certified copy of the resolution which was put before the general meeting of the company, asking permission to present this bill before Parliament and to the appropriate committees of both houses. This resolution, which received practically unanimous support, should assure honourable senators that the policyholders are behind this change. The one member who did not give his approval did not object except on the grounds that he would prefer to see control maintained on a delegate basis. However, if the present provisions of the bill are not sufficiently strong, section 12 of the bill requires that it be placed before a future meeting for final approval. I would therefore feel that this double precaution amply protects every shareholder's rights.

People familiar with the automobile and fire insurance field know that auto policies shall run for one year only and fire policies usually run for three years. Since at the time of receiving the existing policies, the policyholders expect to have the right to vote, these rights are preserved to the conclusion of the contract. Any renewed policy will not include that right, and the policyholder therefore has to make a personal decision as to whether he wishes to renew his contract under these circumstances. At the present time policyholders do not really have any more property value in the company than their own policies. The distribution of surpluses to policyholders presently is and must be discretionary with the directors.

There is one further point in connection with the distribution of surpluses, and this was raised by Senator Grosart. I would point out that the provision respecting the distribution of surpluses is exactly the same in the proposed bill as in the original act. The reason for the use of the word "may" instead of "shall" is the same in both cases. Directors of all co-operatives who strive to operate on a cost basis must have discretion as to the payment out of surpluses. If it were otherwise, every nickel of surpluses could be demanded by policyholders and the co-operatives could never grow and develop. The directors, therefore, must decide upon the application of surpluses as between development of the company and repayment to policyholders. This has always been the case and must continue to be if the company is to have continued existence.

Senator Roebuck raised the question that the written consent of all policyholders must be obtained before any change can be made.

I referred earlier to the fact that advertisements, notifying policyholders of the proposed change, were placed in the major co-operative newspapers across the country. The purpose was advertised as required by the Canadian and British Insurance Companies Act respecting meetings, and when the resolution was brought before the general meeting it received the approval of every member present with the exception of one delegate from a Manitoba co-operative who still felt the company should press for a delegate system of control.

Honourable senators know that in principle if the written consent of every member of a company was required to effect any change which, in turn, affected the interests of every member directly or otherwise, no corporate change would ever be effected. Human beings acting in a large group are never absolutely unanimous. For example, in the present instance, all members active in all advisory committees in all regions are unanimous that something should be done to firm up control of the company. However, one member of one advisory committee, a Manitoba co-operative, still feels the proper means of doing this is by the delegate system. If the principle suggested by Senator Roebuck, that every policyholder must give written consent, were to be imposed on the company, no change could be made.

In this case, while all are agreed on the principle of control, there is not complete unanimity on method. Secondly, may I say that such a requirement would be impossible of fulfilment from a practical standpoint for the reason that every fire and casualty company finds that people are buying and cancelling fire and auto policies with their companies almost daily. By the time the branch managers could get a list of existing policyholders to head office, the list would be obsolete. For example, members consenting to the preparation of the petition may no longer be members by the time the bill is presented to Parliament and enacted as law.

A further point was raised as to what might be described as improper disbursement of the company's funds. On this point it can only be said that co-operatives, as other corporate entities, can only go so far in providing safeguards against mismanagement, or so-called misguided management. The best answer to this point is simply that the major co-operatives in Canada gave this company its corporate existence and have financed its corporate existence to this date to the extent of $1 million. They have controlled the management of the company from the date of its corporate existence to this date, and they now simply wish to firm up control in their hands so that the services of the company which they sponsor will not

be lost to them and at the same time their investment will remain secure.

A further question was raised respecting the income tax position of the company. This company has always paid income tax, in the same way as any other mutual company operating in Canada under the Canadian and British Insurance Companies Act.

Hon. Mr. Isnor: Do you mean by that that they paid taxes from the day they commenced operation?

Hon. Mr. Cameron: Yes, in the same way as any other mutual company. It will continue to do so, with one change under the new act. The interest which was paid to contributors of capital formerly was a tax expense of the company, being interest paid on borrowed money. In the future, however, the company will lose this benefit because payments now made to contributors of capital, as shareholders, will be dividends which are not a tax expense to the company. This could be an influence on the company reducing payments to contributors of capital—shareholders, upon the passage of this bill—which up to this date have been running at about 5 per cent per annum.

In any event, there is assurance that dividends to shareholders will not exceed 6 per cent; this is the law. This is not only because there is that limitation in the proposed by-laws of the new company, but also because their past record shows that that is not the way they do business. The present act permits interest up to a maximum of 6 per cent, and yet, though they have controlled the company throughout, they have never paid that high an interest rate.

I do not think it should be necessary to comment further on the possibility of donations being made by the company to a political party. The co-operative movement was sponsored in Saskatchewan by the Liberal Government and has been furthered by all parties since. We are dealing here with producers' and consumers' co-operatives. Their membership is made up of members of all parties. While their members may make contributions to various parties, to my knowledge the co-operatives themselves have never made a contribution to a political party. If such a motion were ever proposed at a general meeting of the company, there would be a fearful internal row as to which party it should be, with the result that the possibility would be dropped.

In conclusion let me emphasize that up to the present the Co-operative Fire and Casualty Company has been taxed as a mutual company. The change from a mutual to a joint stock company is quite typical of co-operative development in Canada. Most co-operative enterprises are joint stock companies. However, in the application of co-operative principles, the voting procedures are that one member has only one vote regardless of the number of shares; whereas, in private companies each share has one vote.

I trust these explanations will satisfy honourable senators, but I can assure you there will be ample opportunity for further questions before the Standing Committee on Banking and Commerce. If this bill receives second reading tonight, I shall propose that it be referred to that committee. I therefore move second reading.

Hon. Austin C. Taylor: Honourable senators, before this bill receives second reading I would like to make one or two comments in relation to it.

The Hon. the Speaker: Order. I am very sorry, but the honourable senator who moved second reading, having spoken, has closed the debate.

Hon. Mr. Macdonald (Brantford): The honourable Senator Taylor (Westmorland) may obtain unanimous consent.

The Hon. the Speaker: Honourable senators, has the honourable Senator Taylor (Westmorland) unanimous consent to speak now?

Hon. Senators: Agreed.

Hon. Mr. Roebuck: Mr. Speaker, I believe the honourable senator who has just spoken did so to answer questions rather than to close the debate, and there was no statement prior to his rising that his remarks would close the debate. I kept the matter open so that he might answer the questions raised by the honourable senator opposite. I think that is all he has done. He rose not for the purpose of closing the debate, but strictly in answer to the questions raised by Senator Grosart and myself. So perhaps a certain amount of latitude could be extended in this instance. Perhaps we should consider his speech as merely in answer to questions raised.

The Hon. the Speaker: Before the honourable Senator Cameron spoke I probably should have said that his doing so would have the effect of closing the debate. Not having done so, I believe that with unanimous consent we should allow Senator Taylor (Westmorland) leave to speak now.

Hon. Senators: Agreed.

Hon. Mr. Taylor (Westmorland): Honourable senators, I thank you for the courtesy you have just extended me. As a matter of fact, I did not think the debate had been closed, because it was adjourned by Senator Roebuck, and I thought I was quite in order in speaking to it. However, I wish to say only a few words in relation to the bill.

When the bill was first introduced and was explained by the sponsor, like the honourable senator from Pickering (Hon. Mr. Grosart) I was concerned about the relationship of this bill to the existing charter of the company, the membership of the company and, in particular, its relationship to the matter of taxation. I was personally concerned because there are three co-operatives in the Maritime provinces involved here. They are: la Fédération des Caisses Populaires Acadiennes Limitée, New Brunswick, the Maritime Co-operative Services Ltd., an organization having its headquarters in Moncton, and the Nova Scotia Credit Union League of Antigonish.

For that reason, and because there was a change in the membership setup of this organization, I was quite concerned. As a matter of fact, I took the opportunity of writing to a former Deputy Minister of Agriculture in Nova Scotia, Dr. Walsh, who is now Director of the Co-operative Advisory Services in the Atlantic provinces, and I am advised by him that the co-operative organizations across Canada have been working on this project for some time. He also advised me that just before dissolution last winter they had about completed their study of the terms and purposes of the bill, and recognition has now been given to it by all the organizations and their membership.

For that reason the co-operatives of the Atlantic area, and particularly the Co-operative Advisory Services, which represents all the co-operatives of the Atlantic region, are anxious to see this bill passed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, June 27, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-6, to make provision for the disclosure of information in respect of finance charges.

Hon. George S. White: Honourable senators, before making a few remarks on this bill may I extend to Your Honour my congratulations, firstly, on your appointment to the Senate and, secondly, on your appointment to the office of Speaker. Like many other honourable senators, I well remember the days when we were both members of the other place, and I recall very well the capable member you were. I also remember the kind consideration and assistance you extended to me on many occasions when I sought information from your minister's office. You are more than well qualified for the high office you now hold, and I am sure you will discharge your duties as Speaker with impartiality, dignity and fairness.

You are indeed fortunate, Mr. Speaker, in having such capable and efficient floor officers in the Senate to assist you. I am sure you have already found that your personal staff is not only competent and loyal, but is also most anxious and willing to help you in every way. I wish you every success in your term of office.

Hon. Senators: Hear, hear.

Hon. Mr. White: Honourable senators, may I join with others who have congratulated the mover and the seconder of the address. May I also express a word of welcome to the newly-appointed senators. I am sure that every new senator coming to this honourable chamber receives a warm welcome from the senators already here.

I also wish to congratulate two old and valued friends, the Leader of the Government Senator Ross Macdonald, and the Leader of the Opposition Senator Brooks. These two gentlemen have had very distinguished parliamentary careers, and while they have recently changed positions in the seating plan of this house, I am sure they will continue, each in his particular capacity, to render a valuable contribution to the welfare of our country.

While my own term of office as Speaker of the Senate was brief, I shall always remember and cherish the great honour of having occupied that position. My most pleasant recollection will be the support and the many courtesies and kindnesses expressed in so many ways to my wife and to myself. My sincere thanks and appreciation I extend to every honourable senator.

Hon. Mr. Roebuck: It was a short life but a merry one.

Hon. Mr. White: The present bill is an old friend—I have spoken on similar bills on other occasions. While there have been similar bills presented in this house in previous years, and while the honourable senator who presents this bill has removed the various objectionable sections, there remains in my mind the important question as to whether or not it comes within the jurisdiction of the federal Parliament.

Not only the honourable senator who has introduced the bill, but many other honourable senators have discussed similar bills during recent sessions. They have dealt at great length with the very high rates of interest

charged, and have pointed out the grave injustices existing, and have gone into detail as to the methods adopted by certain companies regarding consumer credit. I think everybody will agree that there have been abuses and that fabulous rates of interest have been charged.

Many methods have been employed which one can rightly regard as unethical, but to my mind all arguments along this line do not apply to this present bill because it does not attempt to regulate the rate of interest or to put a ceiling on finance charges. The title of the bill is, "An Act to make provision for the disclosure of information in respect of finance charges", and the explanatory notes to it make it clear that the sole purpose of the bill is to require the giving of information in the form of a statement, to be handed to a purchaser, in which the rate of interest and the finance charges are set out in terms of simple interest.

The honourable senator who introduced the bill (Hon. Mr. Croll) has made it very clear on a number of occasions that it is not intended in any way to set a ceiling on finance charges. At page 87 of *Hansard* this session the honourable senator stated:

> Honourable senators, this bill does not attempt to set a ceiling on finance charges.

And on the same page the honourable senator stated:

> I repeat, because I think it is worth remembering, that the man who borrows money from a loan company and pays cash is protected by the Small Loans Act, whereas the man who goes in and makes an instalment purchase is not protected. This act would protect such a man.

Now the honourable senator has pointed out that if you borrow money from a small loans company you are protected because that act distinctly sets out what the rate of interest is to be. But this bill does not attempt to set the rate of interest. The honourable senator who introduced the bill has emphasized the fact that he does not wish to limit interest or to put a ceiling on it, and therefore I fail to understand how the senator can say that this bill will protect such a purchaser.

In the session of 1962 the honourable senator stated at page 142 of *Hansard*:

> This bill does not attempt to control consumer credit or interest.

And in the session of 1962-63 the honourable senator stated, at page 191 of *Hansard*:

> The sole purpose of this bill is to require credit financiers to tell the truth about these charges.

And on the same page the honourable senator repeated:

> Honourable senators, this bill does not attempt to set a ceiling on finance charges.

Other honourable senators have made it very plain in their speeches that this bill, like previous similar bills, would not impose any control of interest. I would especially refer to two speeches made in this house, one by the honourable Senator Bouffard, on March 28, 1962, at page 407 of *Hansard*, and another by the honourable Senator Hayden made on the same date.

Having in mind that the purpose of this bill is to give information by furnishing a statement, the lack of any provision in the bill to control interest, the admission by the mover of the bill that it does not attempt to control interest or put a ceiling on finance charges, and also the explanatory note that no criminal liability would flow from non-compliance with the bill, it seems to me, as a simple country lawyer, that this bill is not within the jurisdiction of the federal Parliament because it does not deal with interest.

This bill, in my opinion, deals with certain conditions regarding what we in Ontario call conditional sales. In this bill we are attempting to legislate for the giving of certain information in writing to a purchaser making a conditional purchase under a conditional sales agreement. In this province the majority of conditional sales agreements cover cars, electrical appliances and furniture. I think most honourable senators will agree when I say that under the British North America Act these matters come within the definition of property and civil rights, and therefore come under the jurisdiction of the various provincial legislatures.

Is this bill intended to cover the ordinary accounts that a housewife has with a department store? Here I am thinking of the great number of people who live in the country, whose wives deal with city stores and who under this arrangement can purchase goods in, say, the month of July and have until a certain date in August to pay for them, and if the goods are not paid for by the specified date in August certain interest charges will be added. Now if it is correct that this bill applies to accounts of this type, I presume the merchant must submit some form of statement with each sale of goods. This, in my opinion, would be a hardship.

In a previous speech I attempted to explain to honourable senators the provisions of the Conditional Sales Act in the province of Ontario. This act has been in existence for many years, and I understand a somewhat similar act exists in each of the other nine provinces. It provides that an agreement must

be in writing, it must be signed by the purchaser or his agent, it must state the terms and conditions of the sale, the goods must be described, and a copy of the contract must be furnished to the purchaser. Now that is pretty comprehensive, and I submit that all the honourable Senator Croll is attempting to do by this bill is simply to add to the information which must now be given in the province of Ontario additional information setting out the rate of interest.

Such agreements in Ontario are registered and if they run for a certain period of time, a renewal statement must be filed. This is a sworn statement showing in detail the state of the account, the balance owing, the rate of interest, payments made, and everything of that nature. The members of the Bar of Ontario will, I am sure, agree that the Conditional Sales Act of this province is very full and complete in every aspect relating to consumer credit.

I contend that what the honourable Senator Croll is trying to do can be accomplished by a simple amendment to the Conditional Sales Act of the province of Ontario, and by amendments to similar acts of the other provinces.

Honourable senators will have noticed from the press that there is in the province of Ontario at the present time a committee of the provincial Legislature investigating all the ramifications of consumer credit.

I have here an act passed by the Legislature of the province of Manitoba in 1962 respecting the sale of goods under time sales agreements. This act did provide for disclosure of the rate of interest but, at the last session of the Manitoba Legislature held this year, it was amended and the clause relating to the rate of interest was repealed. The original act did not define finance charges but the amending act does, and the definition more or less follows that of Senator Croll in this bill.

Clause 3 of the bill provides that a statement is to be furnished before the transaction is completed. I suggest to Senator Croll that there may be some confusion as to just when a sale is closed. It could be said that a sale is closed when a payment is made, or when the agreement is signed, or it could be said that the sale is completed when the goods are delivered. It might even be said that the sale is completed when the conditional sales agreement is registered. I just draw these matters to Senator Croll's attention, and it may be that he will consider amending that clause when this bill goes before the committee.

Honourable senators, I spoke previously about clause 5, which is very objectionable because it deals with regulations. I do not think anyone realizes more than Senator Croll the curse of many Ontario statutes in providing for the passing of regulations. This clause says that three things are to be provided for by regulations, and I think it is only fair that these three features be incorporated into the bill.

Paragraph (a) of clause 5 says that the regulations may provide for the form and manner in which the written statement is to be made. There are any number of Ontario statutes which at the end set out the exact nature of the forms to be used, and I have noted two or three here. One is the Conditional Sales Act which contains the form of agreement and the form of renewal. The same can be said of the Bills of Sale and Chattel Mortgages Act and also the Partnerships Registration Act. The forms are given in the acts. I do not think it would be complicated to have a form included at the end of this bill.

Secondly, the regulations are to prescribe the manner of calculating the percentage relationship in terms of simple interest. Surely, this is a most important provision, and the formula should be included in the bill. Senator Croll and others have on various occasions indicated that the formula is a fairly simple one. If that is correct, then I do not know why it is necessary to provide for a degree of accuracy as to the rate of interest. If the figuring of interest is as simple as some honourable senators claim it to be, then it would not be very difficult to have the formula incorporated in the bill.

The honourable sponsor of this bill (Hon Mr. Croll) stated that he is willing to have the bill go before a committee where it can be studied, and that he is agreeable to having a clause inserted to the effect that the bill would not come into effect until there has been a reference to the Supreme Court of Canada. I commend Senator Croll for taking that stand. As honourable senators are aware, there is to be a joint committee of both houses of Parliament to study this important matter, and I am sure that one of the questions that will come before it will be the constitutionality of such a measure as this.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 10, 1963

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

Prayers.

(Translation):

NEW SENATOR

The Hon. the Speaker informed the Senate that the Clerk had received a certificate from the Secretary of State of Canada showing that

Romuald Bourque, Esquire,

has been summoned to the Senate.

NEW SENATOR INTRODUCED

The Hon. the Speaker having informed the Senate that there was a senator without, waiting to be introduced:

The following honourable senator was introduced; presented Her Majesty's writ of summons, which was read by the Clerk Assistant; took and subscribed the oath prescribed by law, which was administered by the Clerk, and was seated:

Hon. Romuald Bourque, of De la Vallière, in the province of Quebec, introduced between Hon. W. Ross Macdonald, P.C. and Hon. Thomas Vien, P.C.

The Hon. the Speaker informed the Senate that the honourable senator named above had made and subscribed the declaration of qualification required by the British North America Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

(Text):

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of proceedings under the Trans-Canada Highway Act, for the year ended March 31, 1962, pursuant to section 9 of the said act, chapter 269, R.S.C., 1952. (English and French texts).

Order in Council P.C. 1963-920, dated June 14, 1963, authorizing, under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the sale by the Consolidated Mining and Smelting Company Limited, of Montreal, Quebec, of engineering services and capital equipment for a zinc smelter and associated sulphuric acid plant to Cominco Binani Zinc Limited, Calcutta, India, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended by chapter 33 of the Statutes of 1960-61. (English text).

Copy of the agreement entered into between the Government of Canada and the Government of British Columbia, dated July 8, 1963, concerning implementation of the Treaty between Canada and the United States of America relating to co-operative development of the Basin, signed on January 17, 1961. (English and French texts).

COLUMBIA RIVER TREATY

COPY OF AGREEMENT PRINTED AS APPENDIX

Hon. Mr. Macdonald (Brantford): Honourable senators, the copy of the agreement between the Government of Canada and the Government of British Columbia, respecting the Columbia River basin, the last document tabled today, has just been received. The agreement is signed by the Prime Minister, the Secretary of State for External Affairs, the Premier of British Columbia and the Minister of Lands and Forests of British Columbia.

Hon. Mr. Reid: May I ask the honourable Leader of the Government if the agreement is accompanied by a report? I understand that a report was tabled with the agreement in the House of Commons. We should have a copy of that too.

Hon. Mr. Macdonald (Brantford): The document I received and have tabled is an agreement between the two governments, in English and French texts. I am not aware of the report referred to by the honourable gentleman, but I will make inquiries and obtain a copy if there is one.

Hon. Mr. Isnor: Can the Leader of the Government tell us whether the province of British Columbia will pay income tax on this development?

Hon. Mr. Drouin: Sales tax.

Hon. Mr. Macdonald (Brantford): I received the agreement only a few moments ago, and I have not had an opportunity to peruse it.

Honourable senators, because of the importance of this document, I would move, with leave, seconded by the Leader of the Opposition (Hon. Mr. Brooks) that it be printed as an appendix to the *Debates of the Senate.*

Hon. Senators: Agreed.

Motion agreed to.

For text of agreement see appendix, pp. 232-4.

PRIVATE BILLS

THE CANADIAN MANUFACTURERS' ASSOCIATION—FIRST READING

Hon. Paul H. Bouffard presented Bill S-31, respecting The Canadian Manufacturers' Association.

Bill read first time.

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

Motion agreed to.

THE BOARD OF TRADE OF METROPOLITAN TORONTO—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-25, respecting The Board of Trade of Metropolitan Toronto, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Gunnar S. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

> The Standing Committee on Banking and Commerce to whom was referred the Bill S-29, intituled: "An Act respecting The Sovereign Life Assurance Company of Canada", have in obedience to the order of reference of July 2, 1963, examined the said bill and now report the same without any amendment.
>
> A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.
>
> Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be taken into consideration now.

Report adopted.

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

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ALLSTATE LIFE INSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

> The Standing Committee on Banking and Commerce to whom was referred the Bill S-28, intituled: "An Act to incorporate Allstate Life Insurance Company of Canada", have in obedience to the order of reference of July 2, 1963, examined the said bill and now report the same with the following amendment:
>
> Page 1, line 14: After "Canada," insert "and, in French, Allstate du Canada, Compagnie d'Assurance-Vie,"
>
> A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.
>
> Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be adopted now.

Report adopted.

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

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DEPARTMENT OF INDUSTRY BILL

SECOND READING—DEBATE ADJOURNED

Hon. W. Ross Macdonald moved the second reading of Bill C-74, respecting the Department of Industry.

He said: Honourable senators, the purpose of this bill is to create a new department of Government which will be especially concerned with the needs and opportunities of the manufacturing industries in Canada.

At present Canada's manufacturing industries provide direct employment for more than 1½ million Canadians. They also create work for the many persons who are supplying materials and other facilities to manufacturers. The importance of the industrial sector of our economy is quite obvious to all, and the Government intends to place more emphasis on it by establishing a department which will be concerned with fostering effective economic growth in the manufacturing industry.

There is now a greater need than ever before for such a department. We have a serious unemployment problem in Canada. Over the past calendar year unemployment has ranged monthly from 260,000 in the summer months to 583,000 in the winter months, representing from 3.9 to 9.1 per cent of our labour force. Added to this, Canada's labour force is growing rapidly and will expand at an even greater rate in the future. The anticipated annual increase in the labour force in each of the next few years is about 250,000 persons. Apart altogether from the large number unemployed, there are many young people coming into the labour force, and there are as well those who are being displaced by automation and technological change. Where will they find employment? Many of them will look to the manufacturing industries. We must face up to this serious problem, and I am satisfied that the results of this proposed legislation will be helpful.

The functions of the new department will be to maintain close, practical contact with industry, to review each branch of industry in order to ascertain what can be done to increase Canadian production and how government can be of assistance in that regard.

The bill provides that there shall be one minister who will be responsible both for the Department of Industry and for the Department of Defence Production. The Defence Production Department has been concerned with the industrial development of the defence production sector of Canadian manufacturing. By having one minister to preside over both that department and the new department, it will be possible to bring about co-operation and avoid duplication in the activities of the two departments.

It is vital that the proposed Department of Industry and the Department of Defence Production collaborate closely, because there is a close relationship between procurement and industrial development. For example, the Canada-United States Development Sharing Program stresses production development, and this has resulted in additional employment in Canada and as well has increased our exports.

Honourable senators will see that the functions of the new department are set forth in Clause 7 of the bill.

Under paragraph (a) of that clause the new department will be responsible for acquiring a detailed knowledge of every aspect of manufacturing industries in Canada, and for developing an effective liaison between industry and government in order to assist industry in eliminating obstacles to growth and efficiency.

Paragraph (b) provides that the new department shall promote the establishment, growth, efficiency and improvement in manufacturing industries. This can be realized in a number of ways. For instance, it is doubtless that a great many products are now being imported into Canada which could be manufactured here on an efficient and competitive basis. The new department will render assistance to industry by identifying such imported articles. Similarly, it could be that a more efficient use of engineering and industrial design could lead to the manufacture of better products. That is another area in which the department will render great help to industry. The proposed department will also study all aspects of manufacturing operations with a view to making recommendations to improve production in manufacturing industries.

Paragraph (c) provides that the department shall develop and carry out such projects and programs as may be appropriate:

> (i) to assist the adaptation of manufacturing industries to changing conditions in domestic and export markets and to changes in the techniques of production,
>
> (ii) to identify and assist those manufacturing industries that require special measures to develop an unrealized potential or to cope with exceptional problems of adjustment.

For example, any changes in the tariff structure might lead to exceptional problems of adjustment. The department would study these and make recommendations for their solution.

> (iii) to promote the development and use of modern industrial technology in Canada and improve the effectiveness of the participation by the Government of Canada in industrial research.

One of the most important features of the bill, honourable senators, is the provision for

the establishment of an area development agency. This agency will be concerned with assistance to areas of high and chronic unemployment where special action is necessary to promote economic and industrial growth. The agency will develop and implement programs and activities to improve economic conditions in such designated areas with a view to fostering employment and higher levels of income.

Under the clauses of the bill relating to area development, the Governor in Council will be empowered to authorize and direct departments, branches and agencies of the Government to undertake such special measures as may be appropriate to facilitate economic development in the designated areas. As a result, it will be possible to plan and implement co-ordinated programs involving the facilities of a number of departments. The area development agency will also work closely—and this is very important—with provincial governments and regional bodies in developing and carrying out its programs. In so doing it is not the intention of the Government to lessen in any way, nor to interfere with, provincial responsibilities. The new Government will not in any way create new federal responsibilities.

Hon. Mr. McCutcheon: "The new Government", did you say?

Hon. Mr. Macdonald (Brantford): It is not new now. I meant to say "the new department", but I suppose in a wider sense that adjective applies also to the Government. I suppose we can still think of the present Government as the new Government.

Hon. Mr. Drouin: It looks pretty old already.

Hon. Mr. Macdonald (Brantford): Not nearly as old as the one that recently passed out.

In any event, honourable senators, neither the new federal Government nor the new department will in any way create new federal responsibilities. Its sole concern will be to discharge more effectively and efficiently the responsibilities which already fall on federal authorities.

Honourable senators, the new Department of Industry, if it is to be effective, must be in a position to acquire as soon as possible the services of personnel with specialized industrial knowledge. I say it must acquire this personnel soon because the problem of unemployment is an urgent one, and we cannot let any time go by without facing up to it. The type of personnel required is not in some instances at present available in the Government. As a result it will be necessary during the initial stages of the department's development to obtain the services of a number of personnel from outside the public service. Clause 5 of the bill authorizes the employment of such highly qualified persons on a temporary basis. These people can only be employed until December 31, 1964. By that time the permanent staff will have been recruited and trained in the regular manner.

There is also provision under clause 15 of the bill whereby the Governor in Council can appoint advisory and other committees. These committees are to serve the minister in an advisory capacity and they are likely to be composed of persons in industry, trade associations and organized labour who have had extensive background and experience in matters relating to manufacturing industries.

That is a summary of the bill, honourable senators. I am quite enthusiastic about it for, as you will recall, over the years I have referred to the fact that not enough consideration has been given to developing the potential of our so-called secondary industries. The honourable Leader of the Opposition (Hon. Mr. Brooks) and I have often questioned what percentage of manufactured goods were being exported from Canada. I contended that a very small percentage of our exports consisted of manufactured goods, and he claimed that a larger percentage than I indicated was being exported but that it was still not a large percentage. I still feel that far too small an amount of manufactured goods is being exported.

I am not going to burden honourable senators by reading my own speeches, but I would remind you that when I was sitting where the honourable Leader of the Opposition is now sitting I said, as reported at page 33 of the *Debates of the Senate* for 1962, as follows:

> Our total exports in 1960 amounted to $5,264,052,000 and of that total the largest item of manufactured exports was farm implements and machinery which amounted to $81,279,999.

That is $81 million out of a total of over $5 billion.

Hon. Mr. McCutcheon: You do not regard newsprint as a manufactured product?

Hon. Mr. Macdonald (Brantford): That was a question which arose in discussion with the honourable Leader of the Opposition. It is partly manufactured.

Hon. Mr. McCutcheon: There is no substantial manufacture in it.

Hon. Mr. Macdonald (Brantford): However, one might call newsprint a secondary industry. Even if I include it, for argument's sake, it still leaves exports from secondary industry very low on the list.

Honourable senators, I feel that something must be done if we are to absorb the ever-growing number of people who will require employment in Canada. I do not say that this is a perfect bill or that it will solve all the problems, but I am satisfied that it will be helpful and I trust that it will meet with the favourable consideration of this house.

Hon. Mr. Thorvaldson: Would the honourable Leader of the Government allow me to ask a question? I refer to section 6 of the bill, which says:

> The duties, powers and functions of the Minister extend to and include all matters relating to manufacturing industries in Canada over which the Parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the Government of Canada.

Would the honourable Leader of the Government give some indication to the house as to what types of industries are referred to in that section as being affected by this legislation?

Hon. Mr. Macdonald (Brantford): Speaking now without having given detailed consideration to this question, though I appreciate what is being asked, I would think that would refer to practically all industries except those over which the provincial governments have jurisdiction. However, that may not be quite correct.

Hon. Mr. Hayden: It could also refer to some Crown companies.

Hon. Mr. Macdonald (Brantford): Yes, certain Crown companies which come under the jurisdiction of some other branch of Government.

Although the legislation refers to industries over which the federal Government has jurisdiction, I am sure this new department will be pleased to assist any province which is carrying on industry.

Hon. Mr. Hayden: That is provided for.

Hon. Mr. Macdonald (Brantford): The question of Atomic Energy of Canada or other Crown companies has been brought to my attention. I do not think this department will be involved with those Crown companies for they are the responsibility of other government departments, but I feel the new department—and the bill so provides—will co-operate with the department under which those Crown companies operate.

Hon. Mr. Thorvaldson: I presume the honourable Leader of the Government has taken into consideration the doctrine of property and civil rights and the manner in which this bill impinges on that situation?

Hon. Mr. Macdonald (Brantford): I have taken that into consideration. This bill does not impinge on that situation in any way. The bill will not interfere with any of the powers of the provinces in respect to property and civil rights.

Hon. A. J. Brooks: Honourable senators, before entering into any discussion on this bill—and I may say at once that my remarks will be brief—I would like to take this opportunity of welcoming our new member, Senator Bourque, to the Senate. I had the honour and pleasure of sitting in the House of Commons with Senator Bourque for a number of years. He was regarded there as a very outstanding and hardworking member, and one who was most conversant with the work of the Commons. As we know, he also has had extensive experience in municipal affairs. Senator Bourque certainly will be an acquisition to the Senate.

Hon. Mr. Macdonald (Brantford): May I interrupt the honourable Leader of the Opposition at the moment and say I regret that inadvertently I did not refer to the new senator. I would like to join with the Leader of the Opposition and with other honourable senators in welcoming Senator Bourque to this house. I look forward, as we all do, to a happy association with him.

Hon. Mr. Brooks: Honourable senators, I have just said that it is not my intention to make any extended remarks on this bill. I prefer to leave that to men who have had more experience in industry than I have had. I may also say, as one coming from the Maritime or Atlantic provinces, that we are more accustomed to lack of industry and our remarks have been more along that line than on industry.

I cannot say that I am quite as optimistic as my honourable friend the Leader of the Government. The development and encouragement of industry is one of the first functions of government and has been the first function of Parliament for a good many years. Even if this bill never had been introduced, and even if it were not passed, I am satisfied that the development of industry would receive the attention of governments of the future just the same as it has in the past.

I listened with interest to the explanation which the honourable Leader of the Government gave in regard to the bill. As he told us, it deals with probably the greatest problem we have in this country, that is, the development of industry. It involves the activities of practically every department. This is something which touches the homes of people in all walks of life.

However, I am still of the opinion that a bill establishing a new department was not necessary. A few weeks ago I spoke in the debate on the address in reply to the Speech from the Throne and I tried to emphasize that in my opinion we had departments enough and ministers enough. I saw no reason then why the number of ministers should be increased from 21 to 26, and I am still of that opinion. An increase in the number of departments results in an increase in the expense of government. This is well known to all those who take an interest in the cost of government.

In my opinion the Right Honourable the Prime Minister might well have been advised not to increase the numbers or the quantity of his cabinet; but he could very well, I think, have improved its quality.

Hon. Mr. Hayden: Oh!

Hon. Mr. Macdonald (Brantford): Be careful.

Hon. Mr. Brooks: We are often told that too many cooks spoil the stew; I believe we might well apply that saying in reverse and say that too many ministers may create a stew.

Hon. Mr. Hayden: There is another expression: "Many hands make light work".

Hon. Mr. McCutcheon: We are in the stew, anyway.

Hon. Mr. Brooks: In this case, too many heads are making things more difficult.

As we all know, this work was done by the Department of Trade and Commerce in the past year. This is one of the best departments of Government we have had. It has established a reputation of giving good advice.

At this point, may I say that any minister at the head of a department is well advised when he seeks and accepts the advice of the officials of his department; they are well trained in their particular work.

The former Government, realizing the necessity of further development along industrial lines, reorganized the Department of Trade and Commerce in 1960. There have been great changes in trade, as everyone knows. After World War II it was easy for Canadians to sell practically anything and everything they could produce. This situation continued until 1954 and into 1955, when it became more difficult to sell in foreign markets. The former Government, therefore, decided to reorganize the Department of Trade and Commerce and to bring it up to date so that it might be better able to further the development of industry.

In 1959, just before the reorganization, there was one deputy minister in the Department of Trade and Commerce and two associate deputy ministers. In 1960 two assistant deputy ministers were added. One deputy was in charge of trade policy, a second in charge of external trade promotion, and a third in charge of commodities, including the commodities branch and the agriculture and fisheries branch. There was an assistant deputy minister in charge of what was and still is called domestic commerce. All of this extension was promoted for the very reason the Leader of the Government (Hon. Mr. Macdonald, Brantford) told us a few moments ago, that industry might be encouraged and developed.

The Leader of the Government mentioned Clause 7 of the bill, which sets out the further duties of the minister, namely, to acquire a detailed knowledge of manufacturing industries in Canada, to promote the establishment, growth, efficiency and improvement of manufacturing industries, etc.

I wish to call to the attention of honourable senators the annual report of the Department of Trade and Commerce for 1962. In that report, honourable senators may find practically everything the honourable Leader of the Government mentioned this afternoon as being promoted by this bill. I do not intend to burden the Senate by reading long excerpts from this report, but I should like to read, for instance, the objectives of the industrial promotion branch:

> The primary responsibility of the branch is to foster industrial expansion in Canada, on an efficient and competitive basis, by assisting Canadian manufacturers to increase the output of existing product lines, to diversify production through the addition of new products, to achieve greater fabrication of Canadian raw materials and to overcome barriers to increased efficiency. To accomplish these aims, branch personnel maintain close liaison with businessmen, as well as with federal and provincial agencies. In addition, the branch actively co-operates with various other groups, such as Chambers of Commerce, railways, banks, power companies, boards of trade, and the Canadian Manufacturers' Association.

This industrial promotion branch also arranged visits to plants all over Canada. It brought in industrialists from all sections of Canada, arranged tours for our industrialists to visit other countries in search of trade, and also brought industrialists from abroad to Canada. These things are mentioned in the bill, but they had already been provided for

in the reorganization of the Department of Trade and Commerce for this very purpose.

Hon. Mr. McCutcheon: That is the report of the present Minister of Trade and Commerce, who was formerly the Deputy Minister of Trade and Commerce. You can call on no higher authority.

Hon. Mr. Brooks: And the report also states what was done by the previous Government.

Hon. Mr. McCutcheon: Right.

Hon. Mr. Brooks: So we might ask ourselves whether they were getting results. If we read the commercial standing of our exports and imports during 1962, I think we will find that the tide is definitely running in our favour. We had higher exports and lower imports in 1962, and we had surpluses in our commodity trade. All this is happening, as I say, under the present set up of the Department of Trade and Commerce, which we recognize as having as efficient a staff of personnel as can be found in any department of government anywhere in the world.

Another development, which also accrues to the credit of the former Government, is the devaluation of the Canadian dollar which has greatly improved the strength of our economy. As we all know, that principle was heartily criticized by the members of the present Government, not only in the last election but also in the earlier one. Devaluation of the dollar has been largely responsible for the more profitable position of many companies. It is encouraging producers for both domestic and foreign markets to seek new outlets. These are two features which help to lay a foundation for further industrial development in Canada.

There is another matter which I feel is assisting us at the present time, one over which we have no control or influence and for which we can claim no credit. In Germany, France, Great Britain and other such countries, competition in industry is now very keen. Just after the Second World War, when they were not enjoying the years of prosperity they are now, we could sell almost anything in those markets. However, at the present time wages in those countries have increased considerably and the cost of goods is high, with the result that Canadian prices are less and less at a disadvantage in those foreign markets.

For these reasons, honourable senators, I claim that there was no real need for the setting up of another department.

I agree with Part II of this bill, with reference to area development. I take that to mean, in the last analysis, more or less decentralization of industry. We have heard about that over many years; it is nothing particularly new. Canada is a country which does not lend itself too well to decentralization of industry, unfortunately, and people in the more distant parts of the country, such as the Atlantic provinces, and possibly the prairie provinces, know that only too well. However, we hope that development will be a success. It will mean much more for my part of the country and some other sections than for others.

Such a plan for assisting depressed areas has been tried out in the United States, to the great advantage of some of the southern states. By means of the Tennessee Valley Authority, the development of industry in the southern states has, I understand, become even greater than in many parts of the New England states. The plan was tried out in some middle and northwestern states, with similar success.

I recall that a few years ago there was extreme hardship in places like Durham, England, and in other parts of Great Britain, as well as in Wales. The same method of introducing industries was used there with much success. I do not see why the same idea could not be successfully carried out here in areas where there is not the same opportunity for industry as in central Canada. If it can be done, I think it will be a blessing so far as those sections are concerned.

There is much more to be said for it than just the fact that industries are being introduced into places where they are most needed. It would mean that people could stay at home instead of being sent to other parts of Canada. I have nothing against the great cities of central Canada, but as one flies over some of our cities today they look, to me at least, almost like huge, sprawling monstrosities. How much better it would be if people could remain in smaller towns and cities, and what a better life they would live if that could be brought about. We have raw material, and we have labour which is as good if not better than labour found in most other countries of the world.

I also agree with the provision that will permit the new department to make use of other departments of government, and provincial governments. This has already been done; it it not new. The Department of Trade and Commerce today uses the facilities of other departments. The Department of Agriculture is an industrial department, fisheries is an industry, as is lumbering, and they are all being used today by the Department of Trade and Commerce, and with good results.

In that connection, honourable senators, may I say that the question of transportation is one of the most severe handicaps and obstacles to decentralization. However, we have

other facilities. We have cheap electric power now in practically all parts of Canada.

As I said, honourable senators, excellent groundwork has already been established and I do not think that this bill initiates anything particularly new. If we were to follow along the lines of the establishment which is already created I believe we would have just as good a result as we would under the terms of this bill.

If time permitted we might take a look at the future. I have the feeling that Canada is on the verge of a great industrial development. I read an article in the *Financial Post* of a few weeks ago headlined:

> How U.S. Will Gobble Resources Over Next 40 Years

The article spoke of the United States gobbling up her own resources and how, when her own resources are used, she will have to turn to Canada, and must turn to Canada, for the resources she would no longer have.

A subheading of the article reads:

> What Canadian producers and investors can expect, as this enormous market for materials surges ahead.

The article pointed out that after the United States has exhausted her own resources, along with what she is at present getting from Canada, the demand for our forest products, for instance, will be increased many times, as will the demand for our mineral products and other raw materials which we have. But there is one point that is not mentioned in this article, and that is that once we start to further develop and expand industry in this country we should see to it that it is not the raw material that is exported, but the finished product.

Hon. Mr. Macdonald (Brantford): That is one of the purposes of the bill.

Hon. Mr. Brooks: That should be one of the purposes of the Canadian people, and if the people and the Government have the interest there would be no need for a bill of this sort. As I said, the Department of Trade and Commerce already provides for that and any act could be amended to meet that situation as it develops. To say that this bill is going to do these things, honourable senators, is stretching things very far.

Hon. Mr. Macdonald (Brantford): It will assist in doing that.

Hon. Mr. Brooks: A government which realizes its duty would certainly enact legislation at all times to assist in developments of this kind.

Honourable senators, it is not my intention to take up more of your time, other than to say I hope that all the things my honourable friend the Leader of the Government (Hon. Mr. Macdonald, Brantford) hopes for will be accomplished. I hope they will be brought about and that industry will be benefited whether development takes place under this bill or under legislation that we already have. I think that is the responsibility and duty of government, no matter what the agency might be.

Hon. A. K. Hugessen: Honourable senators, I was interested in the entire speech of the honourable Leader of the Opposition (Hon. Mr. Brooks) and I agreed with a good deal of it, but I was somewhat interested in the criticisms in which he indulged in the first part of his speech with regard to this particular bill.

I think that his first criticism was against the multiplication of new ministers. We heard a good deal about too many cooks spoiling the broth and that sort of thing. May I direct my honourable friend's attention to section 8 of the bill which provides that the minister of this new department shall exercise and perform all the functions presently exercised by the Minister of Defence Production. So, in that respect there will be no increase in the number of ministers.

Hon. Mr. Brooks: May I just correct the honourable senator? Previous to that I referred to the fact that the ministers were being increased from 21 to 26, and in saying that I was not referring particularly to the minister of this department.

Hon. Mr. Hugessen: So that was just a general criticism by my honourable friend, not directed to this particular bill. Do we understand that?

Hon. Mr. Brooks: I do not see why there should be any change in the Department of Defence Production.

Hon. Mr. Hugessen: My honourable friend's second criticism was that the functions which should be performed by this proposed new department could well be performed by the Department of Trade and Commerce.

Hon. Mr. Brooks: They are being well performed, as it presently exists.

Hon. Mr. Hugessen: I suppose there is a certain amount to be said for the Department of Trade and Commerce as it is presently constituted, but I find it rather difficult to know exactly what its functions are. The Act setting up the Department of Trade and Commerce, which is chapter 78 of the Revised Statutes of Canada, simply says:

> 5. The duties and powers of the Minister of Trade and Commerce extend to the

execution of laws enacted by the Parliament of Canada, and of orders of the Governor in Council, relating to such matters connected with trade and commerce generally as are not by law assigned to any other department of the Government of Canada—

In that connection I think one may properly say that the principal activities of the Department of Trade and Commerce involve trade in articles and materials after they have been manufactured, whereas the new department is to deal basically with the question of manufacturing. One might say that it is as if you had a large industry with two departments in it, first, the manufacturing department and, second, the department dealing with the sale of the products after they have been manufactured.

I looked up the sort of things which the Department of Trade and Commerce, as it is presently constituted, has under its control. Let me indicate some of them.

It has control over boards of trade; it deals with the Canada Grain Act; it controls the Canadian Wheat Board; it controls the Dominion Coal Board; it has jurisdiction over electricity inspection; it issues export and import permits; it looks after export credits insurance; it deals with gas inspection; it deals with grain futures, with the marking of precious metals and with statistics. As to the last subject, the Dominion Bureau of Statistics comes under the Department of Trade and Commerce.

I think that is enough for one department, and I see no reason why we should not have a new department separate from the Department of Trade and Commerce, to deal particularly and specifically with the planning of the manufacturing industries of this country.

I have no further comments to make on my honourable friend's remarks, but it does seem to me there is something to be said in favour of creating a new department for this specific purpose, particularly in view of the fact that the present Department of Trade and Commerce is over-burdened with a great many other responsibilities.

Hon. R. B. Horner: Honourable senators, I am opposed to this legislation for the very reason that I doubt whether we are altogether wise in assuming that the Government must provide for everyone. This measure would involve entering into manufacturing to create labour. Have we arrived at that point?

In reply to the honourable senator who has just taken his seat (Hon. Mr. Hugessen) as to the need for an additional department, I say that the creation of this Department of Industry is going to cause the Government any amount of difficulty. As to this idea of area development, is it intended to carry the goods and raw materials to places where labour is available? Some years ago, when someone suggested in the committee on agriculture that because fattened cattle shrank on shipment they ought to be shipped first and fattened at their destination, I remember that the late Senator Burns asked who suggested such nonsense as that. Cattle must be fed where the feed is; and in most cases manufacturing must be done where the raw material is.

If this department is formed the Government is going to have problems that no government has ever had. It is going to have individual communities waiting on the Government, asserting that their area has surplus labour and demanding that they have a manufacturing plant.

As the Leader on this side (Hon. Mr. Brooks) has pointed out, the main objective is to sell the goods we manufacture. That is Canada's present difficulty; it is not one of creating labour.

Hon. Allister Grosart: Honourable senators, I rise to support the position taken by my Leader (Hon. Mr. Brooks) in connection with this bill. I agree with him that it is an extraordinary and a most unnecessary bill. I believe it is going to have far-reaching effects on the economy of Canada, and they are not going to be good. I believe this bill is going to saddle the economy with an absolutely unnecessary division of Government responsibility in an area of the economy where there should not be such a division.

What business is seeking today is more coordination of the exercise of Government responsibility, not more spreading out. We have enough of that already. We are now going to have a Department of Industry as well as a Department of Trade and Commerce. This will mean a new staff and a new department. The honourable Senator Hugessen said: Oh no, we do not need to worry about this; we are not going to have an extra minister, because he will be the present Minister of Defence Production. But we are going to have a new department, the cost of which no one knows.

One of the remarkable things about this bill is that when the question was raised as to how much the department will cost, how many offices there will be and how large a staff will be entailed, the minister responsible for introducing the bill in the other place said that he did not know. Over and over again he said: We have not had time to find out. We are going to introduce this new department, and we have not the faintest idea what it will cost. Yet, this is the department which is to help Canadian industry improve its

business efficiency. This is a department that is going to start in business with no idea of its cost. If honourable senators wish to check that reference, they will find the facts in *Hansard* of the other place of July 4. I repeat, over and over again, the minister said: We do not know the cost. This is how we start with a Department of Industry which is going to be the focal point of business efficiency in this country.

I agree with the principles set forth in the bill. They are largely statements defining the area of Government responsibility vis-a-vis business, trade and commerce; but I am convinced after reading the bill that if it goes into effect it will defeat its purpose.

I object to it on six main grounds. First of all, it adds, unnecessarily, a new department. Second, it places two departments under a single minister, which I think is a bad principle. Third, it dissociates, rather than coordinates, government function in regard to business. Fourth—this has been mentioned by the Leader on this side (Hon. Mr. Brooks), but I will go further than he did—I believe it will bring to a disastrous end the expansion of one of the great departments of this Government. I shall have more to say on that point in a moment. Fifth—and this I have already mentioned—it is being set up without any consideration of cost. Sixth, and finally, I object to it because, to my mind, it bears all the earmarks of political rather than public expediency.

I said I would not be against a new department were it needed. The previous administration set up a new department, and I believe it was generally agreed that in the great area of forestry it made sense. Why not, then, a Department of Industry?

Well, to begin with, I consulted my dictionary. When I looked up "trade" it said, "see commerce"; and when I looked up "commerce" it said, "see industry". So far as I know, in the discussions that have taken place on this bill to date this has not been done, but I wonder if someone is prepared to define—in a way that makes sense and will afford some kind of guidance to those who are going to have to work with this bill if it becomes law—where "trade" starts and ends, where "commerce" starts and ends, and where "industry" starts and ends.

It is true that an attempt is made in the bill to define "industry" as being the manufacturing segment of industry. I would say this is rather fancy semantics, because we speak every day of the fishing industry and of the agricultural industry. Now, all of a sudden, the administration of Canada says: under this bill, from now on "industry" means only the manufacturing industry.

I believe the confusion has arisen because the activities of the Department of Trade and Commerce have not been fully studied. Senator Hugessen read us some pro forma statements of areas of responsibility under the Department of Trade and Commerce. On the other hand, Senator Brooks read from the report of that department; and there is a good deal of other evidence that that department, in its historic development, is a much more important and effective department than the honourable Senator Hugessen suggested in his remarks.

In connection with this confusion over the terms "trade", "commerce" and "industry", it is rather interesting to note that these terms are used practically interchangeably by the various provincial governments. For example, in British Columbia the corresponding department is Trade and Commerce; in Alberta it is Industry and Development; in Manitoba, Industry and Commerce; in New Brunswick, Industry and Development; in Newfoundland, Economic Development; in Nova Scotia, Trade and Industry; in Ontario, Commerce and Development; in Prince Edward Island, Industry, National Resources and Fisheries; in the province of Quebec, Trade and Commerce; and in Saskatchewan, Industry and Information.

So the provinces certainly do not attempt to make this peculiar distinction between trade, commerce and industry. If the Government of Canada is able to make it stick, they will have done something that I believe will be the marvel of the whole business world internationally—if they can by any definition separate industry from trade and commerce.

The whole function of the Department of Trade and Commerce in its recent expansion has been to jell these two things together, to say they belong together. It has said to Canadian manufacturers: You must survey the markets as an essential part of your industrial decisions, in this limited sense. Your decision to produce is tied so closely to your ability to sell that in business today there is not this kind of distinction which would make sense of separate departments of Government, as between trade and commerce and industry. I say, with all due respect, that I believe this is an integral absurdity in the whole conception of this bill.

The second point I mentioned was that of placing two departments under one minister. I believe it is an unsound principle. I think it is the whole principle of chain of command and historical constitutional development that wherever possible there should be one department and one minister. That would make sense. Anybody who has had experience in trying to find a minister of two departments would, I think, agree that such a situation gives him an excellent opportunity

to hide out. It means two offices in this building; it means two offices for this one minister scattered over the square mileage of Ottawa, and under the present trend in the development of government departments they may well be a long way apart.

The two departments, the Department of Defence Production and the Department of Industry, would be under the one minister, and we are asked to believe that it really makes sense to take Industry away from Trade and Commerce, with which it has a natural affinity, and unite it with Defence Production. With all due respect to the remarks of the honourable Leader of the Government, there is not that close relationship between the two. The Glassco Commission recommended that the Department of Defence Production become, in effect, the purchasing agency of the Government of Canada. We have been told by the administration that this is under active consideration, and now we are going to put the Department of Industry, with responsibility for the whole Canadian economy, alongside a department which is, in effect, a purchasing agency. I do not say it would not be a good place if it were a branch, but I do say there is no sense in making this part of a Department of Industry and taking Industry out of the Department of Trade and Commerce.

On the point of associating these vital functions, I think that somebody should apologize to those who over the years built up this great Department of Trade and Commerce. I refer particularly to recent years, and to the late Right Honourable C. D. Howe under whom the Canadian Department of Trade and Commerce became, in my view, one of the pioneer departments in the world in giving leadership to the development of the economy of any nation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Grosart: That tradition was carried on, I think, by the Honourable Gordon Churchill, and the Honourable George Hees also made a great contribution to the expansion of that department. They built on the sure foundations that had been laid, and this department was expanding to take care of its new responsibilities.

Honourable senators know the pamphlet, "Organization of the Government of Canada", published by the Queen's Printer. At page 291 there is a chart of the Department of Trade and Commerce. It starts with the minister and deputy minister. Then the number one associate deputy minister is in charge of commodities and industry. As the honourable leader on this side said, this resulted from a reorganization carried out over a number of years and stabilized to some extent in 1960. It provided for this department a natural expansion with people who had experience in the problems involved, people who had been in on GATT negotiations and who had worked on trade commissions all over the world and in every field of development in Canadian industry. Then, suddenly we say, "Sorry, goodbye, we are going to have a new department". One must surely wonder why. Look at the record.

Was this decision arrived at because it was a matter of public expediency? Or did somebody say, "Oh, one of our fellows wrote a book called *Troubled Canada,* and it said there should be a Department of Industry," and did another say, "One of our new ministers down in New Glasgow, N.S., on December 13, 1961 said that we should have two new departments; we should have a minister and Department of Area Development and a minister and Department of Industry?" We should be thankful that nobody in the cabinet said, "Let us have all three." Instead they said, "We will settle for one, and that will be sufficient to show that we are going to do those things we promised during the election campaign.

The present administration has recently acquired some very enviable experience in the high political art of backtracking. I, for one, am very sorry that they did not use those recently acquired skills in connection with this bill. I think it would have been an excellent place for them to say, "All right, the 60 days are over, let us now get down to some common sense administration," as I cannot but believe that the real genesis of this bill is the situation into which the present administration got itself when it decided on a program of government by slogan.

The slogan was: Sixty days of decision. Well, I have always advised people not to go to Madison Avenue for ideas unless they understand the techniques. Once that slogan had been adopted they had to have a decision a day for 60 days. I can well imagine a cabinet meeting in those hectic days. I cannot say actually what happened because I was not there, but I can quite imagine somebody saying: "Has anybody got a decision today? We need a decision. We have 60 days in which to make a lot of them. We have gone on for a long time and we have not made any". Then somebody else said. "Let's have two ministers of agriculture. That's a good idea". Then another asserted, "Let's put a 30 per cent withholding tax on the sale of securities to foreigners". And yet another suggested, "Let's put an 11 per cent sales tax on building materials. We have got to have decisions." And we have had decisions, but a surprising number of those decisions did not

last the 60 days. I suspect that that kind of genesis which some of these other decisions have had plays a part in this bill. Of course, they could have backtracked out of it. But there must have come a time when the backtracking was occurring with almost every headline, and the administration decided, "We had better have a new rule: if anybody wants to backtrack we shall have to ask whether it is really necessary, because we cannot backtrack on everything". Then, having reached the Rubicon and crossed it, the rest was inevitable.

I was thinking that one of the ministers must have said to the cabinet, "The die is cast. We have got to go ahead with this". The great Julius Caesar at one point in his career made that famous statement: "Let the die be cast". Plutarch describes the episode in this way—and I think this applies to some whom honourable senators might know—

> But finally, with a sort of passion, as if abandoning calculation and casting himself upon the future, and uttering the phrase with which men usually prelude their plunge into desperate and daring fortunes, "Let the die be cast", he hastened to cross the Rubicon.

I close my remarks with just one more quotation, honourable senators. We have had this slogan. We have had strange Government decisions, and we are going to have more. I would leave this thought with the chamber; the words are those of the fiery Old Testament prophet, Joel, who said at chapter 3, verse 14:

> Multitudes, multitudes in the valley of decision: for the day of the Lord is near in the valley of decision.

Hon. T. A. Crerar: Honourable senators, this bill is quite obviously an effort on the part of the administration to stimulate Canadian industry and thereby hopefully to relieve unemployment. Well, I think it is an important bill, and I certainly hope we will have a good discussion upon it in this house. I would hope even more that when it goes to committee much more information can be supplied to honourable senators than is presently available to them.

Let me say at once that as far as I am concerned I am dubious about this bill. I have yet to be shown that it will be as efficacious and as useful as those who put it forward believe it will be. That is not to say that it has not merit; not at all. It may be that I am too dull-minded an individual to appreciate fully the benefits that might come from it, but I do think that much more information is required.

This involves the setting up of a new department of Government. It is quite true that it will be administered by the honourable gentleman who at present administers the Department of Defence Production, but that is not, as a matter of fact, the limitation of the department. The new department will require a deputy minister. It will require offices, telephones and all the adjuncts of a department of government, and those are things that run into far more expense than the mere payment of the salary of a minister.

I am bound to say that I do not like this business of extending and enlarging ministries. I am not going to enter into any detailed criticism of the late Government now, much as I might feel disposed to do so in certain circumstances, but it did extend ministries. We have now 26 ministers and 26 departments of Government. The house will forgive me I am sure if I travel back 23 years to the beginning of World War II in 1939. The cabinet of that day was composed of 16 ministers. There were 16 departments of government. There were no parliamentary secretaries and there were no executive assistants. There were efficient deputy ministers in most of the departments. I might suggest to the house that there were at that time perhaps more efficient deputy ministers on the average than there are today.

Hon. Mr. Choquette: They are all ministers today.

Hon. Mr. Crerar: Perhaps upon reflection my honourable friend might wish to withdraw that remark.

That was the case then. During the war three ministries were added. There was a Minister of National Defence for Naval Services, the late Angus L. Macdonald, and a Minister of National Defence for Air, our colleague Senator Power. The late Colonel Ralston was the senior minister of National Defence. The other ministry created was that of National War Services, and that ministry continued through the whole period of the war, when it was dropped.

Hon. Mr. Kinley: How many dollar-a-year men did they have in the Government?

Hon. Mr. Crerar: The cost of government today frightens me. It seems to be expanding at an ever increasing ratio, and I cannot overlook the fact that today at all levels of government in this country—and we have to consider this—the costs are absorbing one third of the gross national product. That, I say to honourable senators, is a dangerous condition to get into because without any question, if history carries any lessons, that is going to mean sooner or later heavy pressures of inflation. If there is any one curse

that can rest upon a country more heavily than inflation, then I do not know what it is. Our job as legislators in both houses of Parliament should be to try to confine expenditures and taxation in order to avoid these dangers that unquestionably lie in wait for us down the road ahead, if we do not change our ways.

We have gotten into a state of mind where we think that spending does not matter. In fact, we rather glorify spending. That is associated, of course, with what is called the Keynesian theory of economics. It is very interesting to reflect upon that, as no doctrines have been more abused in their application than the doctrines and theories of Keynes. May I relate a little incident to the Senate?

In 1951, some five or six years after Keynes' death, I was crossing the Atlantic, and the late Sir Edward Peacock, an eminent Canadian then living in London, who knew Keynes very well and who had been a fellow Governor of the Bank of England with him, told me that if Keynes were then living he would be horrified at the use being made of his theories. We have gone on, on that basis. I would like to see the energies of Parliament and of Government applied to see how we can cut down the enormous cost of running the government machine today. Think of it—we of this Parliament will be asked to vote at this session about $7½ billion to carry on the business of this country.

I have this to say, and I shall continue saying it because I believe in it most fervently, that this is a profound danger to this country. When this bill comes before a committee—as I expect it will and as it certainly should—there is some information I think we should have.

Clause 7 sets out the further duties of the department. It says:

> (a) cause the Department to acquire a detailed knowledge of manufacturing industries in Canada...

Now, what is meant by that? I do not know what is meant, but I do know that one can get almost any kind of information today about any manufacturing industry in Canada from the Bureau of Statistics. Is this new department to have a new barrage of questionnaires sent out to harass manufacturers everywhere? It is important that we should know what the cost of this will be.

Secondly, clause 7 says:

> (b) promote the establishment, growth, efficiency and improvement of manufacturing industries in Canada...

That is another responsibility placed upon the minister. Let our committee be told how it is proposed to do this. I have some little knowledge of industries in Canada and in my opinion they are, in the main, very efficient. For instance, the big pulp and paper companies carry on research all the time as to how they can become more efficient, how they can reduce costs and expand markets. I would like to know how this new department will assist them further. I think we should be given some information as to ideas about that, before we pass such a bill as this.

I know a little bit about our steel industry in Canada. Is it efficient? I do not think there is an industry anywhere that is more efficient than our Canadian steel industry in manufacturing or production. They are always striving to find out how they can cut down costs and improve their products, and how they can extend markets. I would like to know how this new Department of Industry proposes to assist them. What new ideas will this department have which could help those industries that have been studying this question from the ground up?

The same reasoning applies to practically all our major industries. Take our great sawmill industries and woods industries. They are efficient; they have to be if they are to compete in the world. There is nothing that makes for efficiency as much as competition. If any proof were needed, that has been given in the tremendous revival of West Germany following the Second World War, when competition was made as open and as lively as possible. That is what we need here, it seems to me, rather than more ministers to tell us what we should do.

Then there is the question of area development. That probably has much merit. As one honourable senator—I think it was Senator Grosart—said, already the provinces are very active in this field.

I know that in Manitoba there are several small industries, such as the canning industry of Altona which encourages farmers in the growing of vegetables. There is a soup manufacturing industry established at Portage la Prairie, and the processing of potatoes is carried on at Carberry. Several of those industries are growing up naturally. I would like to know in what way this new department will assist them.

I would also like to know what plans the new department has for area development. There are various factors in that. We should have this information before the committee.

Above all, honourable senators, I would really like to get some idea before we pass this bill as to the approximate amount of the total financial obligations. Surely some estimate must have been made as to what the

expenditures of this new department will be. Let us get them, not in detail but in broad outline so that we can pass our judgment upon them. This is the kind of information which I feel would be very useful to the committee when this measure comes before it.

Hon. Salter A. Hayden: Honourable senators, as I sat listening to this debate I could not help observing what a remarkable effect the change in seating arrangements has made on the viewpoints which are expressed in this chamber at times.

Hon. Mr. Brooks: We all recognize that.

Hon. Mr. Hayden: I always admire what my seat-mate (Hon. Mr. Crerar) says; I like to hear him speak, as he always has something worth while to say. On certain subjects, such as that on which he was speaking today, he follows a pattern. That took me back to 1960—not very far—when the positions here were reversed and we had a bill before us to create a department of government called the Department of Forestry. My friend and seatmate made, in many respects, the same kind of speech then as he has made today. It is true that in addition he raised then the question of constitutionality, which was raised today by another member from the same province, the honourable Senator Thorvaldson.

However, when I looked at the bill dealing with the Department of Forestry in 1960, I found that we were then taking the functions already being performed in relation to forestry and carving them up, lifting them out of two other departments of government—the Department of Agriculture and the Department of Northern Affairs and National Resources—and in the case of many of the powers which we gave to the minister of the new department then, we used language not too dissimilar from the language to be found in some portions of the bill we have before us today.

My good friend Senator Pearson was the sponsor of that bill on its second reading. I looked at the reasons he put forward for creating the new department. I must assume that it was functioning very well as part, not of one but, of two other departments of government at that time. The arguments which he put forward were very interesting. For instance, I find that, as reported in *Hansard* for 1960, at page 1070, he said this:

> It is felt that the Department of Forestry should be established now to improve the flow of new knowledge which can be obtained by research and which will be of benefit to provincial forest administrators and industrial forest operators, and also to give all possible assistance to industry and the provinces in other directions.

Hon. Mr. Thorvaldson: Do two wrongs make a right?

Hon. Mr. Hayden: No, unless I may accept my friend's question as being an admission that they were wrong in 1960.

Hon. Mr. Thorvaldson: I agree.

Hon. Mr. Hayden: Then I take my friend's agreement that they were wrong. However, I always like to quote an authority from the Opposition camp. The authority I am quoting now is the presentation of this bill in 1960 and its passage in this house, having been approved in principle on second reading, having gone through third reading and having been passed into law with the support of many of the honourable gentlemen who were sitting over here at that time, and possibly with the support of some who may find objection to this bill. Therefore, I think it is perfectly fair to refer to what was said in respect of that bill which in many respects was doing exactly the same thing as this bill proposes to do on this occasion.

Again, as some of the reasons Senator Pearson urged in support of that bill he stated the net value of our forest products in 1957 amounted to $2,200 million per annum, and that of that production 65 per cent were goods to the net value of $1,400 million that were exported, and he indicated the importance of that. Then he went on to say:

> In regard to employment, work in the woods and in plants manufacturing wood products—sawmills, pulp and paper mills, and wood- and paper-using industries—is equivalent to 350,000 man-years annually.

As I go down the list of reasons he gave—and I am not critical of them now, nor was I then, because I did not speak in opposition to that bill—they seem to parallel in many respects the grounds upon which the Leader on the Government side was urging for the favourable consideration of this bill in the Senate.

So I say, let us put the cards on the table. How much of what is being said here in the debate on this bill today has to do with the principle of this bill? How much has to do with the fact as to what party is proposing the bill in the Senate? I would prefer to discuss it on the basis of the principle of the bill. The principle of the bill, as I see it, resolves itself into the question: Are the objectives as stated in the bill objectives which

would be beneficial to Canada, and the carrying out of which would be in the best interests of Canada?

Hon. Mr. Brooks: May I ask the honourable gentleman a question? Are they not objectives that could be attained by other means than through this bill?

Hon. Mr. Hayden: My friend was so impatient to ask me that question that he stopped me before I put the next question to be considered.

The next question to be considered, in my submission, is whether this bill to create a Department of Industry, and the Department of Industry itself, are needed in order to give full force and effect to these objectives in the best interests of Canada? I think even my friend would agree with that statement as being the point of view upon which we should focus attention.

Hon. Mr. Brooks: Of course that is where our opinions differ.

Hon. Mr. Hayden: Yes, our opinions differ as to whether there is the necessity to do this or not. However, as to what is the basis or the viewpoint we should take into our consideration, I do not think the Leader of the Opposition and myself, in view of what he has said, are far apart.

When it comes to following my friend Senator Grosart down the road of 60 days of decision and all allied things of that kind, I think it would be wasting time and it would be an imposition upon the good will of the senators to devote much time to comment in that direction. I only wish to point out that the institution or the creation of a Department of Industry is something that was discussed long before the voters decided who should form the next government.

When we come down to the question of the need for a Department of Industry, let us see within what narrow compass we can resolve this. The Department of Trade and Commerce is, and has been over the years, a very important department of the Government. It has become increasingly important with the expansion of world trade and the need for Canada to trade internationally in order to survive. However, the department has had a considerable run at this problem, a problem which has been thrown into sharper focus because of our continually heavy unemployment. Whatever the department has done in this direction, to whatever lengths it has gone, and whatever plans it has put into operation, it has not produced the visible result that we are seeking in the best interests of Canada. It may well be that a Department of Industry will not accomplish it either. However, in the interests of focusing our attention on the problem in a particular way, and by lifting some responsible person out of other responsibilities as minister and directing his efforts into the objectives of the proposed department, it is hoped that a better result will be achieved more quickly.

There is justification for a Department of Industry.

My friend Senator Grosart paid such reverential tribute to the Department of Trade and Commerce that I imagine if he had been wearing a hat he would probably have raised it each time he mentioned that department. I have nothing to say against the Department of Trade and Commerce, but that department has already a tremendous number of functions to perform. It is a sound principle that if a question develops of such importance that it requires undivided attention and concentration to see if it can be resolved, you are justified in doing or creating whatever is necessary in the hope of getting the result which is desired for all the people in Canada.

At this point, I would say that to cure or alleviate substantially chronic unemployment such as exists in Canada today, and has for some years in the past, justifies and obligates us to devote our consideration and best attention to find ways and means of solving it. Certainly, if we can improve industrial production, if we can make our industry, by research, by advice and direction, more efficient than it is now, or more efficient in a larger field, and develop even further our external trade, thereby providing more employment, then I do not think any person would criticize and say this was not a sound objective to pursue. Once you take that as a principle, then you must subscribe to the principle that if a separate department of government is the best means to produce that result we should be all for it.

My seat-mate has spoken of the information that should be sought in committee. I agree that we should get all those facts, or as many as we can at that stage, but I do not think the Department of Industry will suddenly spring into full-grown operation and be in full possession of every fact. In other words, though royal assent can be given to the bill after it has passed both Houses of Parliament, there will still be some problems in the setup that will have to be studied, such as designated areas and what can economically be done in those areas. Those are questions that cannot be answered in any complete fashion at this moment, because they must first be studied and examined very carefully. All the information must be collated, and conclusions must be reached as to whether it would be advisable

to move industry or to create new industry in those areas so as to provide employment.

My friend the Leader of the Opposition (Hon. Mr. Brooks) was talking about the geographic layout of Canada, with its 4,000 miles or so stretching out like a ribbon, with not too much depth in most places, with a concentration of population, particularly in the central area, and the position of the Maritimes—and I think my friend will agree that I have some fair understanding of industrial operations in the Maritimes—and of the well-recognized problem of the handicap of geographical location. That problem has been solved with respect to some industries. There are handicaps, but they can be overcome. Possibly that could be a subject for further study by the department. However, in the layout of a land such as ours there are many handicaps in geographical location; there are also benefits in geographical location, such as locating in the central areas of Canada, where you have your manufacturing operations close to your markets. There is also the problem of the depressed areas, where there is so much unemployment.

These are all problems worthy of and entitled to the undivided attention of a department of government—not a sharing with many matters in a department of government. For that reason, I think this bill in principle is sound.

The question of whether, once we have heard all the evidence as to the plans which are in contemplation, we shall then decide that the proposals are feasible, is another matter. However, in principle—and it is principle we are concerned with on second reading—the objectives are sound; they are worth while for Canada and they should be supported.

We have tried to accomplish these objectives as a part of the operations of another department of government, and with all due respect to that department, and casting no reflection at all upon the last minister in that department before the recent election, it did not work out. Unemployment still continues and, therefore, we must of necessity try this plan and endeavour to concentrate the effort and the energy of a department of government solely upon this objective.

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

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(See p. 216)

COLUMBIA RIVER TREATY

Agreement entered into between the Government of Canada and the Government of British Columbia, dated July 8, 1963.

THIS AGREEMENT made this 8th day of July, 1963

BETWEEN THE GOVERNMENT OF CANADA, herein referred to as "Canada",

AND THE GOVERNMENT OF BRITISH COLUMBIA, herein referred to as "British Columbia",

WHEREAS a Treaty between Canada and the United States of America relating to Cooperative Development of the water resources of the Columbia River Basin has been signed on the 17th day of January 1961; and

WHEREAS it is desirable that an Agreement be made between Canada and British Columbia concerning implementation of the Treaty and disposal of benefits arising thereunder:

Now therefore this Agreement Witnesseth:

1. In this Agreement

"Treaty" means "The Treaty between Canada and the United States of America relating to cooperative development of the Water Resources of the Columbia River Basin" signed at Washington, District of Columbia, United States of America on the 17th day of January, 1961, together with any protocol or exchange of notes relating thereto.

2. All proprietary rights, title and interests arising under the Treaty and particularly those with respect to

(a) downstream power benefits accruing to Canada,

(b) proceeds from the sale of downstream power benefits in the United States of America,

(c) monies payable and electric power accruing to Canada in return for flood control,

(d) the stand-by transmission services rendered by transmission grids in the United States of America,

(e) benefits arising in Canada from any dam constructed pursuant to the Treaty,

(f) rights of water diversion granted to Canada by Article XIII of the Treaty, and

(g) monies paid to Canada by the United States of America in settlement of any claim made by Canada under the Treaty which relates in any way to the obligations of British Columbia under this Agreement

belong to British Columbia absolutely for its own use.

3. British Columbia shall at its own expense;

(a) construct or arrange for the construction of all the dams and operate or arrange for the operation of all of the storages as required by Articles II and IV of the Treaty;

(b) not operate and prevent the operation of any storage in British Columbia in the manner prohibited by Article IV(5) of the Treaty;

(c) prepare and make available for flooding the land in Canada required for the purposes of any dam constructed by the United States of America under Article XII of the Treaty;

(d) not make and prevent the making of any diversion of water prohibited by Article XIII of the Treaty;

(e) carry out or arrange for the carrying out of any variation in operation of any Kootenay River diversion agreed upon pursuant to Article XIII(6) of the Treaty;

(f) abide by and carry out or arrange for the carrying out of any decisions made pursuant to Article XVI of the Treaty which relate in any way to the obligations of British Columbia under this Agreement;

(g) pay to Canada, upon demand therefor, all costs incurred by Canada in connection with proceedings under Article XVI of the Treaty which relate in any way to the obligations of British Columbia under this Agreement;

(h) carry out or arrange for the carrying out of anything required to be done by Canada under Article XVIII(3) of the Treaty;

(i) carry out and give full force and effect to all conditions, provisions, orders and decisions imposed or made by the Permanent Engineering Board established by the Treaty; and

(j) generally do all those things which constitutionally it is capable of doing to ensure that Canada is not in default under the Treaty and not do and so far as it is constitutionally capable prevent any person from doing anything which Canada has under the Treaty undertaken to refrain from doing.

4. (1) It is acknowledged and agreed that Canada has the right and obligation to do all things which the Treaty requires Canada to do that British Columbia has not undertaken to do by this Agreement.

(2) Notwithstanding subsection (1) of this section Canada shall obtain the concurrence of British Columbia before:

(a) confirming by exchange of notes any operating plan pursuant to Article IV of the Treaty;

(b) making any election pursuant to Article VI(5) of the Treaty relating to payment for flood control;

(c) agreeing to any variation of entitlement to downstream power benefits pursuant to Article IX of the Treaty;

(d) confirming any electrical coordination arrangement made pursuant to the Treaty;

(e) agreeing to any diversion of water by the United States of America pursuant to Article XIII of the Treaty;

(f) agreeing, as provided for in Article XIII(6) of the Treaty, to any variation in the use of water diverted by British Columbia pursuant to that Article;

(g) charging the entities designated pursuant to Article XIV of the Treaty with any new power or duty; and

(h) terminating the Treaty.

5. Canada shall, if requested by British Columbia, endeavour to obtain the agreement of the United States of America with respect to:

(a) any variation of the operation of any dam constructed under Article XII of the Treaty;

(b) any modification of the area of land in Canada required for the purposes of the dam constructed under Article XII of the Treaty;

(c) any diversion of water not provided for by the Treaty;

(d) any new power or duty which British Columbia wishes to impose upon the entities designated under Article XIV of the Treaty;

(e) any direction which British Columbia with the concurrence of Canada wishes given to the Permanent Engineering Board established by the Treaty; and

(f) any proposal relating to the Treaty which Canada and British Columbia agree is in the public interest.

6. (1) Canada shall designate the British Columbia Hydro and Power Authority as the Canadian entity for the purposes of Article XIV of the Treaty and British Columbia shall ensure that the British Columbia Hydro and Power Authority fulfills the obligations imposed on the Canadian entity by the Treaty.

(2) British Columbia may nominate one of the two persons to be appointed to the Permanent Engineering Board established by the Treaty and Canada shall upon such nomination appoint the nominee to that Board.

7. (1) Canada shall do whatever is reasonably possible to ensure compliance with the Treaty by the United States of America and shall not waive any default or breach by the United States of America without having consulted British Columbia.

(2) Canada shall, at the request of British Columbia, present any claim deemed reasonable by Canada arising under the Treaty which British Columbia wishes made against the United States of America.

(3) Canada shall establish any arbitration tribunal necessary to settle differences under the Treaty and shall, after consultation with British Columbia, defend or prosecute, as the case may be, all differences submitted to such tribunal or to the International Joint Commission under the Treaty.

8. (1) British Columbia shall indemnify and save harmless Canada from and in respect to any liability of Canada to the United States of America arising under the Treaty.

(2) British Columbia shall not be required to indemnify Canada pursuant to subsection (1) of this section in respect of any liability to the United States of America directly attributable to any action or failure to take action by Canada.

(3) Canada shall not discharge any liability in respect of which it is indemnified pursuant to subsection (1) of this section without having consulted with British Columbia.

9. British Columbia shall maintain or arrange for the maintenance of complete accounts and records relating to;

(a) the discharge of the obligations of British Columbia under this Agreement;

(b) the receipt and ultimate disposal of all monies derived from the sale in the United States of America of any downstream power benefits arising under the Treaty;

(c) the receipt and ultimate disposal of all monies and other compensation derived from the provision of flood control under the Treaty; and

shall comply with or arrange for compliance with any reasonable request for disclosure of any such account or record made by Canada of the Permanent Engineering Board established by the Treaty.

10. (1) Canada shall transfer to British Columbia the administration and control of any unimproved lands in Canada belonging to Canada which are required for the construction and operation of the dams and storages which British Columbia is obligated by this Agreement to construct or operate.

(2) For the purposes of subsection (1) of this section the expression "lands" does not include lands forming part of an Indian Reserve.

11. (1) As soon as may be convenient after execution of this Agreement, Canada shall undertake negotiations with the United States of America with a view to entering into a protocol to the Treaty embodying certain

matters agreed to by Canada and British Columbia and Canada shall thereafter with due diligence proceed toward ratification of the Treaty.

(2) Any protocol entered into pursuant to subsection (1) of this section shall be attached to this Agreement as Schedule A and shall form part of this Agreement.

12. (1) Canada agrees that the downstream power benefits arising in the United States of America under the Treaty may be sold in the United States of America subject to terms that are acceptable to both Canada and British Columbia and that will ensure that the proceeds of the sale will contribute to savings in the cost of electric power in the Province of British Columbia.

(2) Any agreement concluded under subsection (1) of this section with respect to the sale of downstream power benefits shall be attached to this Agreement as Schedule B and shall form part of the Agreement.

(3) British Columbia will finance the Treaty projects by use of the funds derived from the sale of the downstream power benefits arising in the United States of America, from the flood control benefits and from other sources as required, so that Canada shall have no obligation for the financing of these Treaty projects.

13. (1) The construction of the dams and operation of the storages required by the Treaty shall be carried out in accordance with all laws in force from time to time whether those of Canada or British Columbia.

(2) British Columbia shall take whatever steps are necessary to amend or repeal any law, permit or regulation and shall not enact any new law or regulation or issue any permit which may operate to frustrate, hamper or interfere with the carrying out of any undertaking in the territory of Canada provided for by the Treaty.

(3) Canada shall do everything possible to expedite the issue of all licences and permits required under the laws of Parliament by either British Columbia or the British Columbia Hydro and Power Authority in order for them to carry out and perform their obligations under this Agreement, including Schedules A and B.

14. Canadian labour and material shall be used in all construction or operation of the dams and storages constructed or operated pursuant to this Agreement to the full extent to which they are procurable, consistent with proper economy and the expeditious carrying out of the construction and operation and no person shall be discriminated against in the course of the construction and operation by reason of his race, colour, religion or political affiliation.

15. (1) Canada and British Columbia will consult as required on technical and other matters of mutual interest with a view to facilitating the implementation of the Treaty, avoiding disputes and carrying out this Agreement.

(2) In particular a Liaison Committee shall be established consisting of senior representatives of Canada and British Columbia.

(3) If differences or questions arise or allegations are made as to loss arising out of any action or failure to take action by either Canada or British Columbia which cannot be resolved through consultation they shall be submitted to the Exchequer Court of Canada for decision and that Court has jurisdiction to determine the rights and liabilities of either party under this Agreement.

(4) British Columbia shall, in respect of itself, procure the enactment of whatever legislation is necessary to implement subsection (3) of this section.

16. (1) British Columbia agrees that generators will be installed in the dam at Mica Creek as soon as economically feasible.

(2) Subject to the requirements of British Columbia, British Columbia will make available to other provinces of Canada, through a national grid or otherwise, on a first call basis, electric power from the Columbia River and other power developments in the Province of British Columbia at prices not higher than those obtainable by British Columbia from time to time from the United States of America for any comparable British Columbia entity electric power exported thereto.

17. This Agreement binds Canada and British Columbia from the date of the Agreement and thereafter so long as any obligation or right of either the United States of America or Canada exists under the Treaty or any part thereof.

IN WITNESS WHEREOF THE UNDERSIGNED, DULY AUTHORIZED BY THEIR RESPECTIVE GOVERNMENTS HAVE SIGNED AND DELIVERED THIS AGREEMENT

For the Government of Canada on the 8th day of July, 1963.

L. B. PEARSON,
Prime Minister.

PAUL MARTIN,
Secretary of State for External Affairs.

For the Government of British Columbia on the 8th day of July, 1963.

W. A. C. BENNETT,
Premier and President of the Executive Council.

R. G. WILLISTON,
Minister of Lands, Forests and Water Resources.

THE SENATE

Thursday, July 11, 1963

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

Prayers.

(Translation):

OFICIAL REPORT

CORRECTION OF TRANSLATION

Hon. Jean François Pouliot: Mr. Speaker, I must say, first, that I have already talked about the new translation from French into English of the speech I delivered on June 19; it is most satisfactory, but the French translation of the English speech is deplorable. May I be allowed to make corrections which are imperative. There were three things that were amiss: first, there was the shorthand reporting. Maybe I talked too fast; but the English shorthand reporting was much better than the French shorthand reporting.

What I have to complain about today is the translation, and the deplorable proofreading at the national printing bureau.

The word "appartenance" was used instead of "allégeance", which would have been more appropriate. There are mistakes such as "faissons", instead of "faisions"; then, Senator "Powers" instead of "Power", etc.

No attention was paid either to the rule of grammar regarding the imperfect of the subjunctive; that matter was quite disregarded. On page 138, the word "parrainé" was used to translate "sponsor"; the meaning is quite different; in English, that word, "sponsor", used as a verb, means "stand as sponsor for, to accept the responsibility for". The word "parrainé" is a neologism that is not found in the *Dictionnaire de l'Académie.*

Another similar word is "motionnaire"; a word being used for the mover, the seconder of the Address. One might talk of "parrainé" and of "motionnaire" to any French-speaking elector, and nobody would understand.

There is also something remarkable about the translation or the proofreading; I had been talking about the Chief Justice of Canada and I had said: "I am sure he will continue to have the respect and *esteem* of all those who come in contact with him. In the French translation, it reads: "Qu'il se gardera le respect et l'*administration* de tous ceux qui l'approcheront", which is utterly idiotic. Then, the word "endroit" is given the meaning of "Chambre"—"House". The word "véridique" is used instead of "exact" or "correct".

I now come to something unimaginable: I had referred to the "complete set" of the Statutes of Canada; this was translated as follows: "D'abord vous devriez posséder un *jeu* complet des Statuts revisés du Canada de 1952." "Jeu" for a deck of cards or a set of paddles, yes—but never have I read or heard of such a thing; it requires a distorted mind to apply the word "jeu" to a "série" or a "collection" of books.

Then, "on a condensé ces lois" for "on a compilé"; it is quite different; that is on page 139.

The word "texte" is held in horror; the word "libellé" is used instead of "texte" which is the same thing in French and English except that in French a final "e" is added. "Libellé" applies to notarial deeds, not to texts of statutes.

Furthermore, "discussion" has been translated by "analyse" and "exposé". The word "discussion" has also been translated by "analyse" which is not accurate and by "exposé" which does not mean the same thing at all.

Elsewhere, about the delegates or members who attended the conference in Charlottetown, the expression "shake hands" was translated by "tendu la main" instead of "serré la main".

Elsewhere, the phrase "ils y rédigèrent '*avec diligence*' les résolutions de Québec" was used to translate the words "in great haste", hurriedly, in a mad rush, which is not the same thing. The English words "nothing of the discussion came out" has been translated by "n'avaient donné aucun résultat". That is not accurate; the French version should have read: "rien ne fut divulgué de ce qui s'est passé dans les discussions". That is not all. The word "marriages" has been translated by the word "alliances".

The word "Statut" is also held in horror by the translator; he uses instead the phrase "recueil des lois". There is any number of them, such as Sirey, Dalloz, etc. When particular acts are being referred to, like the Statutes of Canada, such statutes must be identified. Besides, the word "statut", in French, is quite correct, and appears on the covers of all compilations of laws that we receive.

I truly think there is sabotage taking place, because there is one sentence in particular that is absolutely contrary to anything I had the honour of telling you, honourable colleagues; and it is this: "The exclusive jurisdiction over civil rights belongs to the provinces, but there is an exception to that". This was rendered by "*Le mariage* et les droits civils relèvent exclusivement des provinces" which is wrong as far as marriage is concerned, and that is why I say there is sabotage there, and that the translator has acted in bad faith.

The word "ressorti" has been used to translate the word "belongs". That is not it at all! It should be "relève du Parlement du Canada".

There is another mistake, and that is the word "reconduction" instead of "continuation" which is exactly the same word in French and in English. "Reconduction" does not apply to legislation but to rents and to farm leases. There are many other mistakes, but I shall not labour the point. I have reason to complain of this translation and did complain to the person concerned in the Bureau for Translations. I was told that it was not always possible to control the hiring of translators, that employment had to be given to those who applied for it. I would rather see blank pages than such mistakes as I have just pointed out in the French debates of the Senate of Canada.

Unless there is improvement, the necessary sanctions should be applied. In addition, I am going to suggest that the speeches be printed in the language in which they are delivered, that is, let speeches delivered in French be printed in French, and those delivered in English printed in English, untranslated, so long as there are two indexes—an English index and a French index. In this way, we would at least have gained something, if indeed it is impossible to find enough translators able to make a faithful translation.

Why not have translators appear before the Civil Service Committee of the Senate, so they may be asked why they speak the language of Les Précieuses ridicules, that laughable language that nobody understands. It is too bad that Molière has been dead these last three centuries, for he could paint the true portrait of Senate translators.

I shall not press the point; I only ask while giving all possible credit to *Hansard,* that the Bureau for Translations be more careful in the future.

When I was first elected to the house, the words "electors of my county, or my constituency" were being translated by "commettants de ma circonscription", an appellation that no one could understand. Today, the same thing is going on; and, after 40 years in politics, there is no way of getting a change for this appellation that no one understands.

(Text):

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Copies of replies received from the provincial premiers to the letter, dated May 15, 1963, addressed to them by the Prime Minister of Canada, concerning bilingualism and biculturalism. (English and French texts).

Report of Canadian Overseas Telecommunication Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended March 31, 1963, pursuant to sections 22 and 23(1) of the Canadian Overseas Telecommunication Corporation Act, chapter 42, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Capital budget of the Farm Credit Corporation, for the fiscal year ending March 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, and copy of Order in Council P.C. 1963-512, dated March 25, 1963. (English text).

BILINGUALISM AND BICULTURALISM

REPLIES BY PROVINCIAL PREMIERS PRINTED AS APPENDIX

Hon. Mr. Macdonald (Brantford): With respect to the first-mentioned documents tabled, it is likely that honourable senators would like to examine these letters. Therefore, I would move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks), that these letters be printed as an appendix to the *Debates of the Senate.*

Hon. Mr. Brooks: Are the letters complete, in that a reply has been received from each province?

Hon. Mr. Macdonald (Brantford): I do not have the list before me, but I believe each province has replied.

Hon. Mr. Brooks: I understood that up until yesterday a reply had not been received from British Columbia.

Hon. Mr. Macdonald (Brantford): I have tabled copies of all the letters received, in any event.

Motion agreed to.

For text of letters see appendix, pp. 253-6.

SENATE REFORM

INQUIRY

Hon. M. Grattan O'Leary: Honourable senators, may I at this time direct a question to the honourable Leader of the Government? In the early stages of the debate on the address in reply to the Speech from the Throne, mention was made by the Leader on this side of the house (Hon. Mr. Brooks) and by the Leader of the Government (Hon. Mr. Macdonald, Brantford) of the desirability of doing something about bringing about at least partial reform of the Senate, within the Senate and by senators themselves. Later

the honourable Senator Hugessen seemed to agree with this idea, at least in so far as it concerned the operation of Senate committees.

My question is: Has this noble idea died aborning, or is it still in the mind of the Leader of the Government and, if so, is anything likely to be done about it?

Hon. W. Ross Macdonald: The answer to the first part of the question is "no", and to the second and third parts the answer is "yes".

The reason consideration has not been given to the suggestion is that the debate on the Speech from the Throne has continued. It occurred to me that senators who speak on the Throne Speech might like to refer to the matter. In fact, I believe a number of senators who have spoken since the honourable Senator O'Leary (Carleton) spoke, have referred to this matter. I think the honourable Senator Willis referred to it the other day.

However, I assure the honourable Senator O'Leary that the suggestion has not been overlooked. I shall be pleased to confer with the Leader of the Opposition (Hon. Mr. Brooks) in the near future as to the advisability of proceeding with this suggestion and, if any action is deemed desirable, to consider the form that such action should take. I think we are getting near the end of the debate on the Speech from the Throne. It is unfortunate we have not as yet been able to complete it.

While I am dealing with this subject, honourable senators, may I suggest, now that Government business is increasing, that we should be prepared to sit longer hours during the coming week. Indeed, it might be necessary to sit on Friday. We have now under consideration in this house one Government bill which has already passed the other house, and I understand that the bill respecting the Atlantic Development Board will receive third reading in the other house today, and will be before us next week. Also, a bill to set up an Economic Council will be considered and will likely be received by us next week.

In addition, we have the items presently on our Order Paper, which include the debate on the Throne Speech.

Having regard to these facts I am quite sure that honourable senators will be prepared to sit longer hours during the coming week, and to sit on Friday if it becomes necessary.

Hon. Mr. Reid: What about sitting on Mondays?

Hon. Mr. Macdonald (Brantford): It might be advisable to sit on Mondays, but in my opinion at the present time we have not sufficient business to make it necessary for us to come back next Monday. It is my intention to propose, with the approval of the house, that when the house rises today it stand adjourned until Tuesday night, and we will see how the work of the house progresses next week.

Hon. Mr. Roebuck: May I ask a supplementary question? Has any consideration been given by the Government to the reform of the Commons?

Hon. Mr. Brooks: Honourable senators, I think I can assure the honourable Leader of the Government that the members on this side of the house will co-operate in every way in order to expedite the business of the house, and that we will sit whenever it is necessary to do so.

[*Later:*]

Hon. Mr. Grosart: Honourable senators, may I make the brief suggestion that, if it is found necessary to sit additional hours, consideration be given to extending the hours of sitting on the three days that we now sit rather than sitting on extra days. I am aware that there are committees sitting and that this may present difficulties, but I ask that consideration be given to my suggestion because I think some hardship might result from an arbitrary decision to sit an extra day on Friday or Monday. Some of us have already made other arrangements but, of course, our work here takes priority over everything else.

Hon. Mr. Macdonald (Brantford): I thank the honourable Senator Grosart for bringing his opinion to the attention of the house. I assure him that the convenience of all senators will be taken under advisement. However, the business of the house and of the country must at all times be paramount.

Hon. Mr. Reid: I am still in favour of sitting on Monday.

Hon. Mr. Macdonald (Brantford): I hear one honourable senator saying that he is in favour of sitting on Monday. I am sure we are all in favour of getting through the business of the house.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice of inquiry of Hon. Mr. Pouliot of March 28, 1962:

Referring (a) to the first seven words of section 129 of the B.N.A. Act, 1867,

about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from anyone to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the Statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c. 36;
13-14 Geo. V. (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927: and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

On the supplementary inquiry of June 26, 1963:

If representations have been made by anyone to the Government of Canada, either for the transfer of the federal jurisdiction over marriage and divorce to the provinces, or,

If anyone has asked the Government of Canada for a federal amendment to the civil laws on marriage, and if so, who in either case?

Hon. Jean-François Pouliot: Honourable senators, may I revert to an inquiry that can be found at pages 160 and 161 of the *Debates of the Senate* for June 26 last respecting marriage and divorce.

I want to know if representations have been made by anyone to the Government of Canada since November 1, 1962 for the transfer of the federal jurisdiction over marriage and divorce to the provinces, or if anyone has since that date asked the Government of Canada for a federal amendment to the civil laws of marriage and, if so, who in either case. I presume that no answer is available now, but I hope to get it on Tuesday next.

INQUIRY ANSWERED

Hon. Mr. Macdonald (Brantford): Honourable senators, I am pleased to say that I have now received an answer from the Minister of Justice and the Attorney General of Canada to the effect that the answer to both branches of the question is "No".

Hon. Mr. Pouliot: Thank you very much. This is one thing that is settled for the time being.

TABLE OF PRECEDENCE FOR CANADA

PORTRAITS OF PRIME MINISTERS—COMMONS COLLECTION

On the Notices of Inquiries:

Hon. Mr. Pouliot: Honourable senators, there are two other inquiries I wish to mention. They are with regard to what was on June 25 last asked about the Table of Precedence for Canada, reported at page 150 of the *Debates of the Senate,* and as to the portraits of prime ministers, on July 9, as reported at page 202 of the *Debates of the Senate.*

If the former prime ministers of Canada are not to have the rank to which they are entitled by virtue of the Table of Precedence, then what is the use of keeping their portraits hanging in the corridor? If we are to keep the portraits there, let us give the former prime ministers—and there are two now instead of one—the rank to which they are entitled. I hope an Order in Council will be passed accordingly as soon as possible.

I thank the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) for the answer he has given to my first inquiry, and I hope the other questions will be as favourably considered.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that

when the Senate adjourns today it do stand adjourned until Tuesday next, July 16, 1963, at 8 o'clock in the evening.

Motion agreed to.

COLUMBIA RIVER TREATY

QUESTION RESPECTING INCOME TAX

Hon. Gordon B. Isnor: Honourable senators, I asked a question yesterday in reference to this matter. It is reported at page 216 of *Hansard*:

> Can the Leader of the Government tell us whether the province of British Columbia will pay income tax on this development?

The development I referred to was the Columbia River Basin development under the agreement entered into between Canada and British Columbia, respecting a treaty with the United States of America. There was no response from the honourable Leader of the Government as to whether he would answer the question. Having read the agreement, I would like to know whether, this being a public project, any income tax on sales of any kind will be payable to the Dominion of Canada?

Hon. Mr. Macdonald (Brantford): I will give consideration to the question. I have not had an opportunity to peruse the agreement since it was tabled, but I will do so and I hope to have an answer for the honourable senator on Tuesday evening.

Hon. Mr. Isnor: Thank you.

PRIVATE BILLS

THE BOARD OF TRADE OF METROPOLITAN TORONTO—THIRD READING

Hon. Harry A. Willis moved the third reading of Bill S-25, respecting The Board of Trade of Metropolitan Toronto.

Motion agreed to and bill read third time and passed.

THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA—THIRD READING

Hon. Gunnar S. Thorvaldson moved the third reading of Bill S-29, respecting The Sovereign Life Assurance Company of Canada.

Motion agreed to and bill read third time and passed.

ALLSTATE LIFE INSURANCE COMPANY OF CANADA—THIRD READING

Hon. Mr. Thorvaldson moved the third reading of Bill S-28, to incorporate Allstate Life Insurance Company.

Motion agreed to and bill read third time and passed.

DEPARTMENT OF INDUSTRY BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Honourable Mr. Macdonald (Brantford) for the second reading of Bill C-74, respecting the Department of Industry.

Hon. M. Grattan O'Leary: Honourable senators, before coming to this bill under discussion, I would like to refer to two interventions—perhaps I should call them two diversionary exercises—in this debate yesterday by Senator Hayden and Senator Hugessen, two gentlemen for whose talents I have the greatest admiration.

Senator Hayden's position seemed to me one of extraordinary confusion. He simply confused ends with ways and means. He said to the Senate, "Do you agree with the ends, the objectives, which we seek to reach here?" Then he said, "If you do agree with those objectives and those ends, then you have got to accept this particular bill as the ways and means to those ends."

Honourable senators, this surely is a new style in logic, and I submit respectfully that it is not the style of logic, not the style of reasoning, that has enabled the honourable Senator Hayden—I am sorry he is not in his seat in the chamber—to reach the shining position which he has reached in his chosen profession.

Now I come to the honourable Senator Hugessen. His tactic was to produce the statute which created the existing Department of Trade and Commerce, to cite the functions, duties and responsibilities given the department by that statute, then to find that these functions, duties and responsibilities did not include certain things which he said needed to be done. So he said, by implication at any rate, that we need this new department; we need what is provided for in this bill. And Senator Hugessen, like his colleague Senator Hayden, did not bother to examine the bill. He asked us to accept certain ways and means, but he did not even take the trouble to try to show us what those ways and means are.

I wondered as I listened to him—and I have always done so with the greatest attention—how many court cases Senator Hugessen has won by logic of that kind. He spoke of the need to encourage manufacturing industries. Nobody denies that that need exists, but let me put this to him and to the Senate, that that need also exists in England, a country which has three or four times our trade, where too they are trying to encourage new industries, and where too they have a problem of depressed areas. They have dealt with their problem of depressed areas, and they are

dealing with their new manufacturing industries; but I have not noticed them setting up a second department of the Board of Trade.

The United States has ten times our trade and all the problems we have—all the problems mentioned in this bill. It has depressed areas; it has an unemployment problem, practically as great as our own. Has anybody noticed the United States setting up a second Department of Commerce?

Incidentally, the leader of this house (Hon. Mr. Macdonald, Brantford), in explaining this bill yesterday, became almost lyrical about what he thought it was going to do for our manufacturing industries. Let me ask him this question: Did Canadian manufacturers ask for this bill? Did they ask for a new department? Did the chambers of commerce ask for this bill and for a new department? Did our trade unions ask for it?

Hon. Mr. Macdonald (Brantford): I shall be glad to answer those questions at the close of the debate.

Hon. Mr. O'Leary (Carleton): I sincerely hope so, and if they did make such requests I hope those requests will be brought to the Banking and Commerce Committee and shown to us in writing. I would like to see the dates on the letters of request.

Honourable senators, I am opposed to this bill. I reject this bill *in toto,* and I do so for seven reasons.

In the first place, I reject the bill because it is something that is useless and costly, that is dangerous in its trend and wrong in its philosophy, and is another step towards big government.

Secondly, I reject this bill because it rests upon the pathetic delusion, which is growing in this country, that governments are omnipotent, that they possess a wisdom not given to the rest of us, and that they know how to manage business better than businessmen themselves.

Thirdly, I reject the bill because I think it is an insidious encroachment upon the freedom of the individual. All one has to do is look at a certain clause in the bill, to which Senator Crerar drew our attention. That clause speaks of the powers given to the minister. Powers over whom? Powers to do what, and of what sort?

I reject this bill also because I think that this could become one more step, and we have taken many such steps, towards a managerial society by a managerial elite.

I reject the bill because I think that the ends and objectives cannot be achieved in this way, by young men in grey flannel suits, roaming around this country on planes and trains carrying brief cases and telling businessmen of this country how to run their businesses.

I say, honourable senators, that the objectives we are seeking in this bill can be achieved, and can only be achieved, by the energy, the enterprise, the free ambition and industry of the Canadian people themselves.

I reject this bill and all its works because it will be another step towards big and bigger government, which even now is crushing down this country under a burden of debt.

Honourable senators, we Canadians, partly because of our federal system, but for other reasons more grave, must be the most overgoverned nation in the whole democratic world.

I have here, and I am going to ask leave to put a part of it on Senate *Hansard,* a recent report of the Royal Commission on Government Organization, known as the Glassco Report. Mr. Glassco and his fellow commissioners, in introducing this report, sought to point out the tremendous extent to which government in Canada has reached out to interfere with the very lives of the Canadian people.

Let me give honourable senators some information from this report. At the time this was written we had in Canada 23 government departments, ranging in size from 93 employees to more than 43,000. We had the armed forces; we had 21 statutory boards, one of which had no employees of its own; another had 2,800. We had 42 corporations, including various undertakings such as the National Gallery, the Unemployment Insurance Commission, and so forth. We had 29 statutory officers and counsellors, including the Chief Electoral Officer and so forth. In addition, we had 132,000 civil service employees under the Civil Service Act, 214,000 other civilian employees, 120,000 members of the armed forces and, 14,000 revenue postmasters and assistants. All together 480,000 people were employed by the Government. The commissioner remarks that this was more than 7 per cent of the Canadian work force, being roughly equal to the number employed in the 25 largest industrial corporations of the country or the 60 largest manufacturing concerns of the country. And then he says:

> The popular notion that bureaucrats are desk bound was dispelled by the discovery that over $12 million is paid annually to public carriers to transport civilian employees travelling on public expense.

Those are largely the boys in the grey flannel suits, the boys carrying brief cases that you meet on trains and planes, the young

men going about this country telling Canadians how to behave in various patterns of their lives.

Government and paper, the commission says, seem to go together. And here we are applying for another department to pile us with mountains of reports. Surely honourable senators get the reports of the Department of Trade and Commerce—scores and scores of reports on every conceivable subject and facet of trade and industry in this country. My desk in the *Journal* office is piled high with them, and I am sure that is true of every newspaper and every public man in this country.

I read further from the Glassco Report:

> Government and paper seem to go together. More than 100,000 different forms were identified and an additional 100,000 are believed to exist. About 50 million letters are written each year and over five million cheques are issued each month. The inactive files of the government occupy an estimated 200 miles of shelving, one-third of it in the Public Records Centre in Ottawa. Enough library material to fill ten miles of shelving is being acquired each year.
>
> Even without the vast public domain in the north, the federal government is by far the largest holder of real estate and the largest tenant in Canada. In 1960, about 180 million square feet of building space were occupied by departments and agencies—the equivalent of over 100 buildings, each the size of a football field and 28 storeys in height—and the value of real estate holdings was estimated at $4 billion.

The range of activities carried on by the Government may be further illustrated by the following:

> Departments and agencies conduct such varied activities as a gold refinery, power plants, a tailor shop, fumigation service, bait service, a mail order prescription drug service, pastures, hostels, cafeterias, swimming pools and golf courses.
>
> Over $50 million is spent annually to educate almost 75,000 students in federally operated schools.
>
> Departments operate 44 hospitals containing over 12,000 beds, scattered from Inuvik in the Northwest Territories to Zweibrucken in West Germany.
>
> Over $50 million is spent annually for telecommunications.
>
> About $12 million is spent each year to move the household goods of the government's civilian and military staffs from place to place.
>
> Outside Canada, in more than 100 locations, thirty-one departments and agencies employ over 11,000 civilians.

Honourable senators, I think it was Sidney Smith who once said that the only true function of a government was to get twelve good men into a jury box. Well, all of us know that the day of Sidney Smith is long gone; all of us know now that political parties and governments must adapt their principles and their policies to an incredibly changing world. But, honourable senators, surely we have not yet come to the day when a state administrator is needed for every human need. It may well be that we do not want to return to the old jungle of capitalism, that we do not want to return to the days of the robber barons; but, though we need government superintendence, though we need the government as a referee, though we need traffic lights, surely we do not need a policeman in every car. Yet that is the direction toward which we are tending, that is the principle, that is the philosophy of this bill—more and more big government, more and more interference with individuals, and more debt.

Honourable senators, for the past half century I have been in Ottawa and have observed Parliament and the trends of our legislation, and without any question whatsoever the trend is away from liberalism with a small "l", away from conservatism with a small "c", and away from freedom. The trend is in favour of those young men I have mentioned, who are not concerned with the old names and the old policy and principles or even with the old heroes of the Liberal or Conservative parties. How often did my Liberal friends in the last general election hear the name of Sir Wilfrid Laurier invoked? How often did they hear the name of Edward Blake invoked? And I may turn now to my own party and ask, how often did we hear invoked the great names of the Conservative party?

We have come to a condition in this country where government has been turned over to the young men in the grey flannel suits, as I call them; it has been turned over to the young executives, to the boys of the executive suites. That brings to my mind something in this bill that I almost overlooked.

Who is going to set up this new department? Is it going to be set up by the many able senior civil servants we have in Ottawa? Is it going to be set up by Mr. Mitchell Sharp, the saving grace of the present cabinet? No, sir. They are going outside for these young people—young business people they call them —to set up this department. I would have thought that, in the light of a certain tragic experience in this city in recent weeks, they

would have been a bit chary of this business of going outside to find people to set up a department, disregarding our senior civil servants.

We are not here considering good intentions; we are considering ways and means of achieving an end, and I submit to you that this bill does not provide those ways and means.

There is something else, when you speak of ways and means. I would like to read from an article by Mr. Justice Brandeis, a great man of the law on this North American continent. This is what he warned against.

> What men who value freedom should be wary of most of all are good intentions and purposes by government. You can always be alert to evil men but the men to guard against are the well-intentioned people with good purposes but without understanding.

Heaven knows, honourable senators, certain events of the past two weeks in Ottawa have shown us a rather tragic and melancholy example of the truth of that statement by Mr. Justice Brandeis. We have seen a man, well-intentioned no doubt, high-minded no doubt, but without the wit and understanding to translate his good intentions into a workable, practical plan.

We have to guard against all these proposals. This, I fear, was not asked for by the manufacturers of Canada, by the chambers of commerce, or by the trade unions, whether in the Maritimes or elsewhere, but was put in the Liberal platform, dropped in a hectic moment of electioneering from a Liberal platform, and then incorporated into a Liberal statute.

Government in Canada! I repeat, we have more of it than any other nation on earth—economic councils, departments of industry, boards, bureaus, committees, commissions—and on top of all this we shall shortly have before us another bill, to set up an economic council in Canada.

Where, in heaven's name, are they going to find all the people to fill these positions? Do you mean to tell me, or does it appeal to the common sense of anyone in this chamber, that you can bring young men into these departments who are able to go out and tell men like Mr. E. P. Taylor how to run his business? Can you get one of these young men to go out and tell Mr. Sherman or Mr. Scully of Hamilton how to run the steel business, or go to Montreal and tell the Dominion Iron and Steel Company what to do? What sort of nonsense, what sort of twilight twittering this is, sending out young and inexperienced or second-rate business people!

Can anyone imagine that the leading industrialists and businessmen of this country are going to come to Ottawa to put this bill into effect? Who is going to "keep shop" in this country if our businessmen are to be brought to Ottawa to try to run a department like this?

There is no need whatsoever for this department, and I venture to say that hardly a man on the other side of this house feels in his heart there is such a need. It is useless, it has not been asked for, it is capable of great harm, and will lead to more and more infringements on liberty.

I, sir, would not even refer this bill to the Standing Committee on Banking and Commerce. I believe that were this chamber performing the old, historic functions for which is was created, it would reject a bill like this, lock, stock and barrel, and send it back whence it came.

Hon. G. Percival Burchill: Honourable senators, I must congratulate the honourable gentleman who has just resumed his seat (Hon. Mr. O'Leary, Carleton). Whether or not one agrees with his views or political philosophies, we must all agree that he has a talent for expressing succinctly what he thinks. His appointment to this chamber has added considerably to our array of speaking talent.

Hon. Senators: Hear, hear.

Hon. Mr. Burchill: I am sure I speak for every honourable senator when I say it gives much pleasure to hear him speak.

Honourable senators, as one who is very concerned with trade and industry, I have a few observations to make in connection with this bill. However, before doing so may I congratulate you, Mr. Speaker, on your appointment to this chamber and on your elevation to the Chair to preside over our deliberations? I feel sure we are all happy to have you among us, and I wish you an enjoyable and successful term of office.

To all those who have been appointed to the Senate since I last had the pleasure of speaking in this chamber, I want to join with the previous speakers in offering them a warm welcome. I hope they enjoy the experience as much as I have over the years, and I trust they will make as many warm friends as I have had the happiness of doing.

Honourable senators, this bill has as its object the creation of new industries and the expansion of our present ones. However, when we discuss industries I believe something should be said about, and I wish to pay tribute to, the great Canadians who have built this country, who have established industry and who, by doing so, have assumed grave financial risks and have exhibited courage, enterprise and hard work. With

these qualities they have built Canada and have established the industries we have inherited.

I was impressed many years ago when I read a speech which King George V delivered in Liverpool on opening a tunnel which had just been constructed across the Mersey River, between Birkenhead and Liverpool. He said to the large gathering:

> I praise the imagination that foresaw, the minds that planned, the skill that fashioned, the will that drove, and the strong arms that endured.

To my mind those are the qualities of our forefathers, the men who built this country, and they are qualities which are just as essential today as in the days of our forefathers. They worked against great odds, and they did not have the credit facilities that we have in our day and age. In fact, much of the credit was provided from outside Canada, from across the ocean, and at that time they were begging people to invest in Canadian industry and resources.

Today, when we talk so much about becoming engrossed in government, we must not forget that we must continue to breed a race of men who have the same qualities as our forefathers, men who will spark industry and undertake the risks involved in present-day enterprises and in launching new industries across this nation. I say that because, as we all know, today Canada faces world competition both in quality and price.

I may add that while we are exalting the arts, sciences and education, that is all very fine, but in doing so we must not forget the men who are keeping the wheels of industry turning and keeping this country on the rails. We must remember that those men deserve a high priority in the society in which we live.

Having said that, I say that this legislation, in so far as it is designed to help solve the problem of unemployment, should receive our blessing. In spite of all that my honourable friend (Hon. Mr. O'Leary, Carleton) has said this afternoon, that problem is the number one priority in Canada at the present time, and if this legislation will assist in any way to solve that problem, then I believe this bill should receive our blessing.

I want to add, however, that to achieve practical results two things are necessary. First of all, there should be close liaison with the Department of Trade and Commerce. Yesterday afternoon Senator Hugessen aptly told us that the Department of Trade and Commerce's function was to find markets for the sale of our goods, while the Department of Industry would serve to help the manufacturer of those goods. That is true, but any of us who are engaged in industry know that to promote a new industry, or to expand an old one, the first consideration must be a market for the sale of the goods to be produced. That is why I say that there must be the closest possible liaison between the Department of Industry and the Department of Trade and Commerce.

The Department of Trade and Commerce is doing and has done a grand job. I could mention many instances in which it has helped Canadian industry. Only two weeks ago that department brought over from Great Britain a delegation of timber people and architects who are concerned in a big housing program upon which that country is about to embark. Apparently they need something like 50,000 houses, and need them at once. These men spent some time in Montreal, Toronto and Ottawa and even travelled as far west as Vancouver. At the end of their tour they came to New Brunswick and they were kind enough to say—perhaps I should not mention this, but I believe they were sincere—that notwithstanding all the grand places they had visited in Canada, they regarded their visit to New Brunswick as the highlight of their trip. Whether that be true or not, they issued a statement when leaving in which they said that their trip to Canada had been of immense value and that they had received much beneficial information. They were amazed at what we were able to do, the size of our timber, the design and fabrication of our houses, and they went home feeling that the trip had been very well worth while.

I mention that as being one thing for which the Department of Trade and Commerce was responsible and which has been of real benefit. My view is that this proposed Department of Industry, if it is to accomplish what we hope it will, must have close liaison with the Department of Trade and Commerce.

The second point I want to make is that in my view there must be close co-operation between the proposed federal Department of Industry and the departments of industry of the various provinces because, as was pointed out yesterday, the departments in the provinces are keen and active and are doing an excellent job in snatching up every possible industry they can get hold of. In fact, my own province of New Brunswick has been accused of stealing industries from other provinces, which charge, of course, is not true, but it does happen that we have advantages down there that other provinces do not have. The fact that we have been so accused shows that our provincial Department of Industry is right on its toes.

I mention this to emphasize the fact that a new industry coming to this country, or an existing industry desirous of expanding, naturally starts with the department of industry in the province concerned. If the federal Department of Industry is to give the assistance which we hope it will give, then it seems to me that in order to avoid overlapping the approach has to be through the departments of industry in the various provinces, and I presume that is the system which will be followed. It is for that reason, as I have said, that I urge the closest possible co-operation between the federal Department of Industry and the departments of industry in the various provinces.

There are other features of this legislation about which I, like Senator Crerar yesterday, am not too clear, and upon which I hope further information will be forthcoming when the matter goes to committee. However, I cannot agree with my honourable friend who has just spoken (Hon. Mr. O'Leary, Carleton) that everything is as dark and gloomy as he has painted it. I think we should take hold of this legislation; it is designed by the Government to cure, or at least to help to cure, the problem of unemployment, and I say that no government in Canada worth its salt can afford not to do everything in its power to solve what I consider to be the most serious problem we have today.

Honourable senators, I say that we in this chamber should give this legislation our blessing, pass it, and hope that it will accomplish what we expect it to do.

Thank you.

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

PRIVATE BILL

THE MONARCH LIFE ASSURANCE COMPANY—SECOND READING

Hon. J. Campbell Haig moved the second reading of Bill S-30, respecting The Monarch Life Assurance Company.

He said: Honourable senators, this bill requires only a short explanation. As the explanatory notes indicate, it is merely sought to add a French version to the English name.

This is a Winnipeg company, formed in 1906, with its head office in that city. It commenced transacting business in the province of Quebec in 1928. I have here the report, in both English and French, for the year ended December 31, 1962. In that year five per cent of the company's business was produced in the province of Quebec, and according to the investment portfolio something over 17 per cent of the company's assets are invested in that province. I am informed by company officials that all policy contracts, premium notices, forms, training courses, annual reports and promotional material for use in the province of Quebec are printed in the French language.

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

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Tuesday, July 9, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Malcolm Hollett: Honourable senators, having listened during the past few days to the excellent speeches coming from both sides of the house concerning the proposed new Department of Industry, I am rather reluctant to address you, particularly being conscious of my lack of oratorical power and because the Speech from the Throne now seems to me to be somewhat antiquated. It is a long time since we listened to the Speech from the Throne and I think it is about time that an expression of our appreciation was forwarded to the Governor General. However, honourable senators, I do not intend to take up too much of your time.

In the Throne Speech there was mention of matters which apply in a particular sense to the province from which I come, and about which I deem it my duty to say a few words. Before doing so, I wish to join in the sentiments of previous speakers and I am sure of every member of this house, when I say how happy we all are that His Excellency the Governor General has recovered from his recent illness which prevented his being present at the opening of Parliament.

I am also sure that we all subscribe to the congratulations which have been expressed here to the Honourable the Speaker of this house on his elevation to his high office. He is thoroughly familiar with the duties of his office, and I know I speak for all honourable senators in saying that we will all be happy to obey any order which he may deem it his duty to make from time to time.

To the honourable Senator Macdonald (Brantford) has come the high honour of being the Leader of the Government in this house, and I am sure with his many years of

experience he will have no difficulty whatever in leading his forces—which are superior to ours, in a numerical sense only—along the trails of peace and quietude as we consider various pieces of legislation brought before us. After hearing what I heard yesterday and today I am sure that the honourable Leader of the Government is going to have quite a job endeavouring to lead us along these trails of peace and quietude.

Our own leader on this side of the house, Senator Brooks, and our former Speaker, Senator White, each still have a large contribution to make in the Senate. Of course, some contribution will be made from this side of the chamber, but I hope it will not be long before they are performing their duties on the other side.

Hon. Mr. Macdonald (Brantford): What a hope.

Hon. Mr. Hollett: Senator Connolly (Ottawa West) is not present at the moment, but I am quite sure that all of us who heard him speak of his visit to Rome are proud of the fact that the Senate was able to send such a man to represent Canada at the illustrious gathering of people present at the coronation of His Holiness Pope Paul VI. Senator Connolly made a marvellous speech, and after hearing him, and Senator O'Leary (Carleton) who spoke today, I am quite sure that we have some real orators in this house. I suppose we are going to have an occasional squabble on account of that one of these days.

To the new senators who have joined us since the session opened, I say that we are all very happy to welcome them.

The mover of the motion for an address in reply to the Speech from the Throne (Hon. Mr. Lefrançois) and the seconder (Hon. Mr. Taylor, Westmorland) are well deserving of the congratulations that have already been voiced here, and I do no more than reiterate them. I noticed that both of them were mild in their criticisms of the previous Government; no doubt that was because they could not find anything about which to criticize it. They were quite sure, however, that the present administration will do nothing wrong. I quote the words of the mover of the motion (Hon. Mr. Lefrançois):

> The sixty days of decision will remain famous in our country's history.

I agree with him. They will remain famous, but not in the sense in which the honourable Senator meant them.

The seconder of the motion, Senator Taylor, (Westmorland), was quite correct when he said that the Speech from the Throne was brief and to the point, without going into detail in connection with the various matters that were raised in it. I hesitate to say anything about some of the various matters that were raised in the Speech from the Throne because I might be considered out of order by His Honour the Speaker. We shall have an opportunity of dealing with certain measures that were mentioned in it, as we shall probably be allowed to say something about a certain document which I think is called the budget. I do feel, however, that I cannot entirely agree with Senator Taylor when he said that he believes it is true that the Liberal party has always been recognized as the party of reform. I did not know that before, and so I tried to go back into history to find out if it were so.

Hon. Mr. O'Leary (Carleton): Especially in Newfoundland.

Hon. Mr. Hollett: Well, now that you raise the matter of Newfoundland I am reminded that Senator Burchill spoke about the various industrial departments in the provinces, and I would suggest that if the federal Government wants to get some experienced information with respect to economic development —and Newfoundland's department is called the Department of Economic Development— all it has to do is to go down to St. John's, Newfoundland, and consult the premier. I am quite sure that he can find a man who can direct the Government with respect to the new industries that it is going to establish. That man lives in Montreal at the present time, but I shall not mention his name. The honourable Senator O'Leary should not interject things like that.

I agree, however, with both the mover and seconder of the motion that although little detail is given in the Speech from the Throne it does contain suggestions of various pieces of legislation which if enacted could undoubtedly make living all across Canada much better for a large number of people.

Hon. Mr. Macdonald (Brantford): Hear, hear. That's a concession.

Hon. Mr. Hollett: Before getting down to these items I fear I shall have to be a little critical of the things that were done during the recent election. I am not sure that I am allowed to do this, but I want to do it. It is my understanding that in the debate on the motion for an address in reply to the Speech from the Throne a senator may refer to anything.

I am sure honourable senators on the other side of the house—I notice still a few of them remain although many of them have left the chamber—all recognize the photograph in the centre of this page of The *Daily News* of St. John's of April 8 last. It is a picture of the

Prime Minister, and the whole page contains an advertisement inserted by the Liberal Association of Newfoundland.

Nearly all the things mentioned in the Speech from the Throne, and nearly all of the things contained in the budget, are listed here. It reads:

> Make Canada strong and secure!
>
> In the first 60 days of a new Pearson Government these pledges will be honoured with speed and decision.

I want to refer to one pledge to which I take the greatest exception, and I am quite sure that members on the Government side of this illustrious house will be ashamed when they hear these words. The first pledge that is given reads as follows:

> Call Parliament together on Thursday, May 16th, to start at once cleaning up the mess left over from five years of indecision and delay.

Honourable senators, if the photograph of the Prime Minister had not appeared in this advertisement I would not have minded so much, but I was surprised indeed to note that the Prime Minister of Canada could have lent what approximates his signature to such a statement as that. I ask you honourable senators: What was the mess left over from the so-called five years of "indecision and delay"? What was it? I trust you will bear with me while I recite a few of the items which in the Liberal mind make up the mess brought about by the so-called indecision and delay. As you will remember, the Diefenbaker Government—I am not speaking politically, honourable senators—

Hon. Mr. Macdonald (Brantford): No, no.

Hon. Mr. Hollett: The Diefenbaker Government was barely in office before it managed to increase the salaries of civil servants. I think about 100,000 civil servants were taken into consideration, and their salaries were increased at a cost of $110 million.

Honourable senators will recall that the university per capita grants were raised to $2. I am just quoting a few items to demonstrate the "mess" that the previous administration did leave. The Atlantic Development Board was set up just before Mr. Diefenbaker's Government was kicked out, and the export coal subsidy for Alberta and British Columbia was raised from $1 to $4.50 per ton, and increased subsidies were paid to the producers of coal in Nova Scotia, which allowed large amounts of coal to be shipped to the central provinces. With respect to low-cost housing, which undoubtedly affects many Canadians, a loan program of $150 million was brought in, and there were interest-free cash advances paid to farmers for farm-stored grain to the tune of $200 million.

Then I am sure all honourable senators are aware of the things that were done with regard to social services. I refer, of course, to the old age pension, pensions for the blind and disabled, old age assistance, and so on. Veterans' pensions and allowances were also increased. Some $425 million worth of grain was sold to China, and I am glad to see that the present administration is endeavouring to increase these sales.

The Technical and Vocational Training Assistance Act was passed, and already over 400 schools have been built at a cost to the treasury of some $300 million. May I say, honourable senators, that one of the greatest and smartest things any government could have done in this age when we are moving from manual labour to automation was that which was done along the lines of building technical training schools. They are going to be a blessing to Canada in years ahead.

Municipalities all across Canada were assisted in many ways, and small business loans of up to $25,000 were made available. Unemployment insurance was granted to married women, and seasonal benefits were increased from 16 to 24 weeks, and later up to 52 weeks.

I want to get these things on the record, so that it will be understood that they have been mentioned in the Senate chamber.

Corporation taxes were reduced from 47 per cent to 20 per cent on amounts between $20,000 and $25,000. The excise tax on automobiles was cut by 25 per cent and later abolished altogether.

A National Crop Insurance Act was passed for the first time, and a Farm Credit Act which since 1959 has enabled some $300 million to be loaned to farmers.

Loans for home improvement were increased from $200 million to $500 million and long-term, low-interest loans were made available for the first time to universities for new student residences, the Government paying up to 90 per cent of the cost.

Exports insurance was increased from $100 million to $300 million, and income taxes were cut.

Federal mortgage lending was increased to $400 million from $250 million. Hospital grants were raised from $1,000 to $2,000 per bed.

Price supports on some 17 farming products were paid from a $250 million fund, which ensured fairer returns to our farmers.

I trust, honourable senators, you are not becoming wearied or bored by these citations. As I said, I believe that in the interest

of all concerned it is wise to enumerate at least some of the benefits which were brought about by the Diefenbaker Government.

To continue, I note that available money for highway construction was increased from $100 million to $400 million.

It is noted also that banks were authorized to make loans up to $200 million to assist exporters of Canadian manufactured goods. The maximum amount of farm improvement loans was raised to $300 million.

In connection with our industries, I do not know if anyone here noticed in yesterday's *Gazette* the report on business profits. It is enlightening to note the increase in corporate profits which was made over the last year and a half.

The Atlantic Provinces Power Development Act was passed and Atlantic Provinces Adjustments Grants were paid out by the Diefenbaker Government for the first time at a rate of $25 million a year, and I understand it was afterwards raised to some $35 million.

The Provinces' share of personal income tax was increased by 3 per cent. For the first time there was a "Roads to Resources" program, at a cost of $150 million.

Everyone will remember the winter works program which provided employment for many thousands of our people.

Acreage payments were paid to western farmers to the tune of $40 million.

The Diefenbaker Government set up a National Hospital Insurance Plan, under which all ten provinces are participating to the extent of $1 billion already contributed by the federal Government.

Direct Government housing loans were increased from $400 million to $750 million and later to $1 billion.

For the children of our war dead, education allowances were increased from $25 a month to $60 a month.

These and many other things were done by the Diefenbaker Government and, apparently, they constitute the "mess" so called, left over from five years of "indecision and delay". Oh, how those words must hurt in some areas.

Furthermore, I should like to add that farm cash income, which in 1957 was just over $1¾ billion, was nearly $2¼ billion in 1962.

Everyone has been reminded that our gross national product went from $32 billion in 1957 to over $40 billion in 1962.

Our exports rose from $4 billion in 1957 to $5¼ billion in 1962.

Labour income rose from $12 billion in 1957 to practically $15 billion in 1962.

Take the matter of payments to our provinces. In 1957 the total amount paid to the various provinces was $689 million. This went up by 124 per cent, from $625 million up to $1½ billion. I may say that our little province of Newfoundland benefited greatly by this, but I fear that little appreciation has been shown there. These federal grants made it possible for the Liberal administration in Newfoundland to confer many benefits on our people there.

Honourable senators, I am sure that if you would just consider the many things which were accomplished during the past five years in the interests of our people as a whole, not one of you could agree with the statement in the advertisement which I showed you regarding the "cleaning up" of the so-called "mess" left over from the "five years of indecision".

Again, it appears that the former Diefenbaker Government steered Canada's economic policies to what I believe to be good results. For instance, for the year 1962 new car sales rose by 15 per cent, housing outlays of $1½ billion went up at least 8 per cent; 1962 housing starts were up by over 3 per cent, while housing completions in that year were up by 9.5 per cent. You will notice that everything was going up.

On a year-to-year basis, total employment increased by 168,000 persons, or nearly 3 per cent. I am quite sure we all understand that we still have a large amount of unemployment all across Canada, and particularly in Newfoundland. I made a note today from a booklet which was issued by the Atlantic Provinces Economic Council—APEC. It states that in 1961 in Newfoundland 20.5 per cent of the labour force was unemployed.

Hon. Mr. Macdonald (Brantford): What month was that?

Hon. Mr. Hollett: I am not sure of the month. I think that was the average for the year.

Hon. Mr. Macdonald (Brantford): It would not be that high.

Hon. Mr. Brooks: It is pretty high.

Hon. Mr. Drouin: It was a bad month.

Hon. Mr. Hollett: Well, they are all bad months, at certain times or over certain periods.

Hon. Mr. Brooks: Those are the official statistics. That was the time when fishermen were unemployed.

Hon. Mr. Hollett: It includes a large number of fishermen, I think about 18,500. When they stop fishing in October they are unemployed and get unemployment insurance. That would add up, of course, to a considerable amount.

Hon. Mr. Macdonald (Brantford): That was always the situation.

Hon. Mr. Hollett: We always had that, but it was never called unemployment before, and they did not get any unemployment insurance. Of course that goes with the fisheries, particularly in the coastal fisheries in Newfoundland.

Hon. Mr. Brooks: It goes with unemployment insurance.

Hon. Mr. Hollett: It takes a lot of unemployment insurance to look after it.

Honourable senators, to get back to what I was saying, I may point out that personal income in 1962 was up by 8 per cent. I am quoting these extracts to show that the Government over the past five years certainly did not do anything to hold up business or to cripple our economy.

Hon. Mr. Macdonald (Brantford): You are not quoting the 20 per cent unemployed, for that purpose?

Hon. Mr. Hollett: The present Government proposes to set up a Department of Industry to take care of all that. I am quite sure the honourable Leader of the Opposition will raise that point.

Again, I understand that this Department of Industry will go to Newfoundland to start a few new industries. I have already said you should go to the Premier of Newfoundland and he will tell you how to do it. He set up 17 new industries with the aid of the $50 million we had at confederation. I think about three of those 17 industries are functioning properly at the present time. There is one which I mentioned before, costing $2½ million, which was opened by the late Right Honourable C. D. Howe and which was to have manufactured heavy machinery. Although it was intended to manufacture heavy machinery, according to the economic planning of a provincial Government, it ended up by becoming a sort of garage for a certain company which builds a lot of our roads down there.

Hon. Mr. Grosart: May I ask the honourable senator if this achievement, under which the majority of the 17 firms went out of business, was not a function of a Liberal department of industry?

Hon. Mr. Hollett: I do not know where the Premier of Newfoundland got his ideas. He probably got them from some of the planners in the Liberal party. We have seen the work of some of those planners in the past few days.

Hon. Mr. Taylor (Westmorland): Apparently he is still pretty well thought of down there.

Hon. Mr. Lambert: May I ask the honourable Senator Hollett if the Productivity Council visited Newfoundland to inquire into these conditions?

Hon. Mr. Hollett: I do not think the Productivity Council was ever much heard of in Newfoundland.

Hon. Mr. Macdonald (Brantford): I think you will get along just as well without so many references to the Premier of Newfoundland, who I know is highly regarded in Newfoundland and generally throughout Canada.

Hon. Mr. Hollett: I am talking about these industries.

Hon. Mr. Macdonald (Brantford): I am talking about the Premier of Newfoundland.

Hon. Mr. Hollett: I have high regard for everybody on the opposite side, but we are not industrial experts on either this or the other side.

Hon. Mr. Pratt: Could the honourable senator not deal with some ventures in Newfoundland that have been successful and prosperous, instead of dealing exclusively with those which he says are failures? Why not look at the situation generally?

Hon. Mr. Hollett: I suggest to Senator Pratt that he tell us about those things, if he so desires, at the right time. At the moment, my memory does not recall many things that went right when the Liberal administration took over in Newfoundland.

Hon. Mr. Pratt: Surely, you have heard about the developments in Labrador and elsewhere in the province.

Hon. Mr. Hollett: Every time I think of Labrador I am inclined to get mad. Several millionaires have been produced by Labrador, not on account of its richness in ore and its mines but by—well, you know what the stocks and shares business is like.

Hon. Mr. Drouin: Some of them are politicians.

Hon. Mr. Macdonald (Brantford): I should like to ask one question. Is there not something good to be said of Newfoundland and its premier?

Hon. Mr. Drouin: The climate.

Hon. Mr. Hollett: There must be something good about Newfoundland, because people from right across Canada were very happy when they took us into Confederation. There is a lot of good in Newfoundland.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. Hollett: And Newfoundlanders are good people. Today the province has a population of a little less than 500,000. The roots of its people are in England, Ireland, Scotland and Wales. About 99 per cent of them came from those countries. If you want to know how the province stands by denominations: one-third are Roman Catholics, one-third Anglicans, and the remainder a mixture of—

Hon. Mr. Macdonald (Brantford): Protestants.

Hon. Mr. Hollett: I did not say Protestants. I was about to say United Church and Salvation Army. So, you see, we must be good in Newfoundland. We hated to have the Liberal government come into our province and do these terrible things to us.

I was speaking about personal income for 1962 being up by 8 per cent. The gross national product was up almost 14 per cent, and every quarter of 1962 showed an increase over the preceding quarter. Last year manufacturing production rose by at least 8 per cent, and durable goods production by 11 per cent. We must have had a good government. Gains were recorded in rubber products, paper products, petroleum products and chemicals, as well as in textiles.

With regard to textiles, may I quote from the June issue of Industry, a pamphlet published by the Canadian Manufacturers' Association, entitled "Success Story":

> The plaudits which Canada's textile industry is winning these days on its remarkable recovery from the sickness which laid it low only a few years ago are nothing if not deserved. Less than a decade ago, the industry lay deep in the doldrums and appeared headed for early extinction. Saddled with high costs, outdated equipment, and sharply declining profits, it was in no shape to combat rising import competition at home much less abroad.

The article continues:

> How different is the picture today! Production last year reached its highest level in seven years, and along with profits, is continuing to rise as Canadian mills regain lost ground in the home market and develop new markets abroad.

For the record, let it also be known that electric power and gas last year grew by 6 per cent, while mining output increased by 8 per cent. Corporation profits were up 11 per cent over the average in 1961, and labour income was almost 12 per cent over the year 1961. Investment in new machinery and equipment has increased steadily and in 1962 was 9 per cent over 1961.

The honourable leader (Hon. Mr. Macdonald, Brantford) does not appear to be interested any more. Apparently I am citing too many of the good things.

Hon. Mr. Macdonald (Brantford): I am very interested.

Hon. Mr. Hollett: I repeat that investment in new machinery and equipment has increased steadily, and in 1962 was 9 per cent over 1961. That is over the annual average. Personal income for 1962 was up 8 per cent, in line with increases in our gross national product. Undistributed corporation profits rose by nearly 26 per cent, while personal disposal income, after taxes, was 8 per cent higher and total savings rose 21 per cent to nearly $7 billion.

Let me again quote from the June issue of the pamphlet *Industry*, from an article entitled, "Largest by Far".

> Wages and salaries paid in Canada last year hit an all-time high of $19,492 million or nearly $20 million, an increase of $1,248 million over the 1961 total, or an increase of 6.8 per cent. Manufacturing made by far the largest single contribution to this massive total—its payrolls added up to a whopping $5,808 million (29.8 per cent), a gain of $404 million or 7.5 per cent of the 1961 figure.

Honourable senators, I wish to put these facts on record in this chamber. They are indeed facts, not fiction, for they are figures taken from the Bureau of Statistics. If the facts I have given constitute the so-called "mess" which the present administration is about to clean up, then I would suggest that it is the nicest "mess" that any Liberal government has ever inherited. There is no question about that.

There were several other promises in this advertisement. Mr. Pearson was to go to London. Just imagine; everything was outlined. I believe this advertisement continued for two weeks in both Newfoundland newspapers. Imagine the amount of money wasted on that. I am quite sure that the honourable Senator Pratt will recognize that.

Hon. Mr. Macdonald (Brantford): Why do you say "wasted"?

Hon. Mr. Drouin: Because he has the votes anyway.

Hon. Mr. Hollett: Perhaps I should not say "wasted", but I really think it was—

An Hon. Senator: Misapplied.

Hon. Mr. Pratt: Should you not put on the record, for comparison, information of this

kind which appeared in the newspapers and was paid for by the party you represented in Newfoundland?

Hon. Mr. Hollett: Our party did not have the money to spend. You see, the Liberal party is supported by big business all across Canada. If you will examine the record you will find that practically every Liberal elected spent from $15,000 to $20,000 to be elected. If anyone can deny it, let him do so. The Progressive Conservatives did not have that kind of money. For some reason or other big business did not like the P.C.'s.

Hon. Mr. Isnor: Who did?

Hon. Mr. Hollett: Of course the Liberals had Mr. Gordon. At any rate, that newspaper states that Mr. Pearson promised he would make a visit to London and also go to see Mr. Kennedy. I am glad that the Prime Minister was able to bring about these visits.

I believe it was Senator Hayden who said yesterday in this house something about how the side of the house on which one sits affects one's thinking. It is rather amusing how quickly and, indeed, conveniently, our friends on the opposite side of this house can change their opinions and their policies. On October 4 last the present honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) who was then Leader of the Opposition—and I am sure he remembers this—severely criticized Mr. Diefenbaker for presuming to represent Canada at the Commonwealth Conference before calling Parliament together. I am sure we all remember that, and particularly the honourable leader. Now, however, I believe we may assume that the honourable leader gave his blessing to Mr. Pearson's visits to London and the United States before Parliament was called.

Honourable senators will recall that there were promises of 10,000 scholarships of $1,000 a year appearing in this advertisement I have referred to, and I believe that was referred to in the budget as well. These scholarships in themselves are a long way from measuring up to the results of the legislation brought in by the former government relative to universities and university grants. I am sure honourable senators opposite will readily agree with me on that.

There are two items in this advertisement and both are referred to in the Speech from the Throne. One was the statement that Mr. Pearson will establish the 12-mile fishing limit to protect Canadian fishermen against the draggers and trawlers of other countries. I sincerely hope that this can be brought about and I do hope that the 12-mile limit will extend from a base line which connects the various points of land, for until it does it would not benefit Newfoundland, because certain of our bays in which there are good fishing grounds are much wider than 24 miles, and unless the base line is taken from headland to headland or cape to cape, as the case may be, there will be nothing to prevent foreign trawlers from fishing long distances into these bays.

On this matter of fisheries, I refer again to this advertisement. The Speech from the Throne says that Mr. Pearson will launch an all-Canadian fishery development program to do for Canadian fisheries what is already being done for the farming industry. That, of course you will agree, is a pretty tall order. But that is what was promised in the advertisement. However, in the Speech from the Throne it says that the Government is initiating "consultation with the provinces to work out a program for national fishery development." I hope that the Government will get on to that quickly.

At one time fishing in Newfoundland was the mainstay of our economy and the source of employment for practically all our people. It was only after a few mining areas had been developed and two paper mills established, some 50 to 60 years ago, that new avenues of employment were opened up. These mines and woods works took many of our people from the fisheries and, indeed, improved their standard of living and their livelihood but, unfortunately, ever after that the tendency was for the fishermen to look for other and more remunerative occupations.

Unfortunately, in Newfoundland we now have a sore spot on Bell Island, the location of an iron ore mine that has contributed much to the welfare of thousands of our people over the last 50 years, and lately the work force there has been reduced from about 2,000 to 500 or 600 people. We have a problem there which I sincerely hope and pray the federal Government will take a hand in solving, and come in and assist the provincial Government to help out these unfortunate people who have been living there for years and years. I may point out that it is not easy for these families to move away from that area.

With Confederation, of course, there came other avenues of employment with the result that today there are probably no more than 20,000 or 25,000 fishermen in Newfoundland; therefore the fisheries would probably affect about one-quarter of our population. Unless an intelligent approach—and I am sure Senator Pratt will agree with me in this—is made to the problem of our fishermen, especially in Newfoundland, it will not be long before we shall have no fishermen left. May I point out that fishermen in Newfoundland are so far removed from the markets which absorb

their catches, and so far removed from the profits which result from the processing of their catch, that they can barely make sufficient from their season's fishing to support their families. A few days ago I went in a grocery store here in Ottawa and saw packaged salted fish for sale. I had to pay 59 cents a pound for it. Honourable senators from Nova Scotia will know what fishermen get for their catch—it does not approach 59 cents a pound by a good many cents. By the way, the fish I bought came from Nova Scotia.

In Newfoundland fresh codfish which is caught inshore and, indeed, which is caught by the trawlers and draggers on the Grand Banks of Newfoundland, net the fishermen not more than two and a half cents per pound, as a rule. Occasionally the price goes up to three cents a pound. I believe fishermen in Nova Scotia and Cape Breton receive at least two cents per pound more for similar catches. That is quite a difference.

Therefore, in addition to assistance provided, there must also be found some way to assist with regard to fishing gear and improved fishing boats, so necessary today; regard must also be had to ensure that fishermen get greater returns for their catches. To do this they must either participate in the profits resulting from the processing and marketing of their catch or they will have to be subsidized some day—and I think all will agree that subsidization is not always the best way. But that is what is being done to a large extent with regard to farmers.

An extensive study will have to be given to the problems of our fisheries, and given quickly; a solution will have to be found, otherwise—and I hate to say this—it will not be long before our fishermen will leave their boats as did the fishermen on the Sea of Galilee. I do want so very much, as does every senator, to see an all-out effort made to assist our fishermen to the extent that they may be enabled to continue in this ancient and honourable occupation.

I am pleased to see that the Speech from the Throne contains an item stating that Parliament will be asked to provide additional assistance for the completion of the Trans-Canada Highway. We have in Newfoundland some 300 to 350 miles of Trans-Canada Highway still unpaved. One of the big slogans of the Liberal party campaign in my province during the last general election was that Mr. Pearson promised that the Government would pay 90 per cent of the cost of completion of our highway. Honourable senators, we are going to hold him to that, otherwise things will be different the next time around. We want our highroads paved. Our travel communications in the old days were by boat, motor driven or sailing vessels, and it is only within the last few years that we have been getting some roads. I must give credit to the present Government of Newfoundland for expending a good many dollars on local roads. This has allowed our people to get back and forth from one part of the province to the other much more easily than they did.

The Speech from the Throne did not say so definitely, but I do hope that additional assistance will be given to Newfoundland, for I can assure honourable senators that in our present financial condition we can ill afford to pave highways.

I believe I have already said in this chamber that when Newfoundland came into Confederation 15 years ago we had some $50 million in the Bank of Montreal and our national debt was practically nil—except for about $3.5 million, Canada took it all over. Today that $50 million is gone into new industries which are not producing very well, and our national debt is approximately $100 million. I notice by the budget brought down in the House of Assembly in Newfoundland some time ago that a further loan of some $13.5 million will have to be raised this year to balance the province's books. So we cannot afford to spend much money on road building.

Honourable senators, I cannot forget the scathing attack on the Diefenbaker Government made by the present Leader of the Government in this house on October 4, 1962 with regard to many of its policies, at which time he stated that loss of confidence in the Government was general. Senator Macdonald gave three reasons for this so-called loss of confidence. They were, first, that Parliament was not called to meet as he wished it, on July 19; second, that the estimates were not brought down—and I may remind honourable senators that the estimates of the last Parliament have been accepted *in toto* by the present administration—third, the neglect in not bringing in the budget.

The then Leader of the Opposition in this house and now the Leader of the Government did not tell us that this so-called loss of confidence resulted from the preaching of his party and of business, big and small, about the dire consequences that would result from the devaluation of the dollar—it was preached by our opponents all across Canada, and you know who I mean—unless we got rid of the P.C. Government.

Hon. Mr. Macdonald (Brantford): I do not remember referring to that at all.

Hon. Mr. Hollett: I will say, however, that I do not think all the thinking men of the Liberal party believed what their political preachers were broadcasting to our people

about this devaluation. In fact, if you will turn to page 174 of the *Debates of the Senate* for 1962 you will find the remarks of the honourable Senator Hayden, where he said in part:

> Do not delude yourselves that devaluation is a cure-all; we needed it and we took the necessary steps.

That is what the honourable Senator Hayden said last October. I say that the Diefenbaker Government took the necessary steps and, as a result, our general economy has improved.

I wish to quote once again from the pamphlet which I mentioned earlier, that of the Canadian Manufacturers' Association, and I take it that this organization would speak with authority relative to the devaluation of the dollar. In the June issue of *Industry* that association said:

> The relative improvement in the competitiveness of Canadian manufactured exports vis-à-vis those of the industrial nations of western Europe in the past year or so owes much to the revaluation of the Canadian dollar and the comparative stability of our prices.

So the devaluation of the dollar was not such a fatal step after all, and I believe no one can deny that.

Honourable senators, I trust you will forgive me for taking up so much time in my recital of these things that were accomplished by the Diefenbaker Government. I felt it was my bounden duty to remind honourable senators that, instead of the present Government having inherited a "mess", it has inherited a country which has prospered immensely during the past five years; and if it was the result of "indecision and delay", I sincerely hope the present administration will not be lacking in such characteristics.

On motion of Honourable Mrs. Fergusson, debate adjourned.

The Senate adjourned until Tuesday, July 16, at 8 p.m.

APPENDIX

(See p. 236)

BILINGUALISM AND BICULTURALISM

REPLIES BY PROVINCIAL PREMIERS RESPECTING PROPOSED ROYAL COMMISSION

PROVINCE OF MANITOBA
Office of the Premier
Winnipeg

May 16th, 1963.

Dear Prime Minister Pearson:

In the Premier's absence I wish to acknowledge your letter of May 15 respecting a proposed inquiry by a Royal Commission on Bilingualism and Bilculturalism.

Your letter will be drawn to the attention of the premier immediately upon his return to the office at the end of next week. In the meantime, I have taken the liberty of forwarding a copy of your letter to the acting premier, the Honourable Gurney Evans, Minister of Industry and Commerce.

Yours respectfully,
Joan Cameron
Secretary to the premier

The Rt. Hon. Lester B. Pearson,
Prime Minister of Canada,
Ottawa 4, Ontario.

THE GOVERNMENT OF THE PROVINCE OF NEWFOUNDLAND
The Premier
St. John's

20 May, 1963.

Right Hon. L. B. Pearson, P.C. M.P.,
Prime Minister of Canada,
Ottawa.

My dear Prime Minister:

I thank you for your letter of May 15, enclosing draft terms of reference of the proposed Royal Commission on Bilingualism and Biculturalism and asking whether the Government of Newfoundland would approve appointment of a royal commission.

In the 14 years that Newfoundland has been united with Canada our people have come to appreciate the basic importance to the unity of our country, of good relations between the two founding races of Canada. We share a long land border with the province of Quebec and in Labrador are coming into immediate contact with the problems associated with the bilingual and bicultural character of Canada.

The Government of Newfoundland is ready and eager to make a constructive contribution to the solution of these problems; we cordially approve the proposal of a royal commission; we are quite happy with the draft of the terms of reference; and we are ready to cooperate fully in the work of the commission.

Sincerely yours,
J. R. Smallwood

PREMIER'S OFFICE
Regina, Saskatchewan

May 21st, 1963.

The Rt. Hon. L. B. Pearson, P.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

This will acknowledge your letter dated May 15, 1963, regarding a possible Royal Commission inquiry on Bilingualism and Biculturalism.

As soon as my colleagues and I have had an opportunity to study and discuss the proposed terms of reference I shall write to you again with our detailed comments.

Yours sincerely,
W. S. Lloyd.

PRIME MINISTER AND PRESIDENT OF THE COUNCIL
Toronto, Ontario

May 24, 1963.

My dear Prime Minister:

I acknowledge the receipt of your letter of May 15 in which you invite our views on the establishment of a royal commission to inquire into and report upon the existing state of bilingualism and biculturalism in Canada and to recommend what steps should be taken to develop the Canadian Confederation on the basis of an equal partnership between the two founding races, taking into account the contribution made by other ethnic groups to the cultural enrichment of Canada.

As a province whose own history and development, from the days of Champlain, Frontenac and LaSalle, has been profoundly influenced and enriched by the sons and daughters of French Canada, along with leaders and peoples of other lineage of bygone days, Ontario has the largest French speaking community outside Quebec. It is natural and logical, therefore, that we should

react positively to this all Canadian outlook, and we do so with a good heart.

Please accept, therefore, my assurance on behalf of the Government and people of Ontario that this course has our very warm approval, and as the terms of reference, as laid down, have been announced in the press, you will be proceeding on such basis. If the Canadian Confederation is to survive and flourish, our partnership must be a true one —in fact, in spirit, and in purpose—and may I say to you that when the proposed commission is finally established, we shall leave nothing undone to facilitate its work in our province.

I am fully persuaded that if we approach these unsolved problems with patience, understanding and good will, if we learn the necessary lessons from our failures and draw upon the wisdom gained from almost a century of experience, we can in the next four years do much to strengthen and ensure the concept of the Canadian confederation so that Canada's centennial will be an occasion of rejoicing and of fulfilment.

With kind personal regards and best wishes,

Sincerely yours,

John P. Robarts

Right Honourable Lester B. Pearson,
Prime Minister of Canada,
House of Commons,
Ottawa, Ontario.

THE PREMIER
Nova Scotia
Halifax

May 24, 1963.

Dear Mr. Prime Minister:

I wish to acknowledge your letter of May 15 with enclosure regarding the proposed Royal Commission concerning Bilingualism and Biculturalism.

I have now had an opportunity to confer with my colleagues concerning your inquiry.

It is, of course, not possible for the government of Nova Scotia to determine whether or not a royal commission is the best approach to this problem across the nation. That, of course, would be a decision for your Government to take. I can assure you, however, that if your Government decides to appoint such a commission the province of Nova Scotia will offer such a commission every co-operation.

Yours sincerely,

R. L. Stanfield

The Honourable Lester B. Pearson
Prime Minister of Canada
Ottawa, Canada

The Government of the Province
of New Brunswick

THE PREMIER
Fredericton,

May 24th, 1963.

Dear Mr. Prime Minister:—

I have carefully reviewed the terms of reference of the proposed Royal Commission on Bilingualism and Biculturalism in Canada and find them very comprehensive and quite adequate. Consequently, the government of New Brunswick endorses the proposal and offers our utmost co-operation.

Yours sincerely,

Louis J. Robichaud

The Right Honourable L. B. Pearson,
Prime Minister of Canada,
Ottawa, Ontario.

OFFICE OF THE PRIME MINISTER
Province of Quebec

Quebec, May 27, 1963.

Honourable Lester B. Pearson,
Prime Minister of Canada,
Parliament Buildings,
Ottawa.

Mr. Prime Minister,

I have your letter of May 15 concerning the holding of an inquiry on biculturalism and bilingualism.

I have submitted your letter to my colleague, together with the terms of reference of the royal commission that would conduct the enquiry.

I am pleased to inform you that the Government of Quebec favours the holding of such an inquiry, in consultation with the provincial governments, as you suggest.

In that respect, we trust that this commission will be made up in accordance with the principle set out in the preamble to the terms of reference, i.e. "an equal partnership between the two founding races of the Canadian confederation, taking into account the other ethnic groups".

Yours sincerely,

Jean Lesage

OFFICE OF THE PREMIER
Edmonton

May 28th, 1963.

Right Honourable L. B. Pearson,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

My colleagues and I have given careful consideration to your letter of May 15 and

to the terms of reference for the proposed Royal Commission on Bilingualism and Biculturalism.

In response to your request, we wish to advise that, while we are not opposed to such a study being undertaken, unless the terms of reference are clarified to make more explicit the objectives which it is hoped to achieve we have serious doubts as to its advisability and practical value.

To amplify, in the matter of biculturalism, if the objective is to encourage citizens of all racial and ethnic origins to make their maximum contribution to the development of one over-all Canadian culture embracing the best of all, we feel this would meet with widespread endorsation and support.

If, on the other hand, the objective is to give some form of official recognition to a dual English and French culture, we suggest that this is unrealistic and impracticable and we doubt that it would meet with any widespread public acceptance.

In the matter of bilingualism, if the objective is to encourage Canadian citizens to become fluent in two or more languages, certainly on the part of most Canadians this would be welcomed.

If the purpose is to extend recognition of French as an official language in areas and spheres beyond those in which it was guaranteed official status at the time of Confederation, we feel that it would not meet with general public acceptance and the consequences, in our opinion, would impair rather than strengthen Canadian unity.

We offer these observations for your consideration in arriving at a final decision in the matter proposed in your communication.

Very sincerely yours,

E. C. Manning
Premier.

PREMIER'S OFFICE
Prince Edward Island

May 28, 1963.

Right Honourable L. B. Pearson
Prime Minister of Canada
Ottawa, Canada

My dear Prime Minister:

I have your letter of May 15, regarding an inquiry with the provinces of Canada on bilingualism and biculturalism.

I have not had an opportunity of discussing this matter with other members of my cabinet, so I am not in a position to fully advise of their views regarding the most suitable approach to this important question.

Recognizing, however, that the decision of your government favors the formation of a commission to conduct the studies indicated, I can assure you that this province will accept your proposal, on the understanding as expressed in your letter that any commitments or recommendations from this commission will not be binding on the government of our province.

Yours sincerely,

W. R. Shaw,
Premier.

Province of Manitoba
OFFICE OF THE PREMIER
Winnipeg

May 31, 1963.

My dear Prime Minister:

My colleagues and I have studied with care the proposal outlined in your letter of May 15 to inquire into biculturalism and bilingualism in Canada by means of a royal commission.

May I say at once that this question requires full and serious attention by our people and that you may therefore be assured of the full co-operation of the government of Manitoba in the proposed investigation. Indeed I believe that this province may have a unique contribution to make in the search for a wholehearted consensus on national unity and cultural development because of our experience in integrating the contributions of many cultures into Manitoba's basic French-English cultural background.

In expressing agreement with the aim of the proposed royal commission I feel bound, however, to raise the question of whether the problem Canada faces today can be dealt with within these limits. The basic issue appears to me to go beyond the purely cultural relationships of Canadians, and may indeed embrace the intergovernmental framework of the nation, including its fiscal aspect. It would seem that this view has already been placed before your government by some at least of my fellow premiers, including the prime minister of Quebec.

I would hope, therefore, that the appointment of the royal commission would not delay a more fundamental examination of the question. This examination, I suggest, may best be considered by direct federal-provincial discussions, possibly along the lines of the meeting envisaged by your predecessor in his letter of February 4 last to provincial premiers. Manitoba would indeed be happy to join in the search for co-operative federalism, a phrase which well reflects our own policy of full co-operation in the working of our confederation.

In regard to the third point in the suggested terms of reference, I would mention that Manitoba has already taken steps to improve and extend the teaching of French

in our public schools. While the educational aspect of bilingualism is of first importance, I doubt that this can usefully be separated from its constitutional implications. It is for this reason that I suggest that, as a matter of procedure, while the royal commission may seek information from the provinces and make recommendations thereon, the consideration of this subject should be a matter for intergovernmental discussion rather than of discussion between the royal commission and provincial governments.

I am taking the liberty of making this letter public as of Monday, the 3rd of June.

Yours sincerely,

Duff Roblin.

The Rt. Hon. L. B. Pearson P.C., M.P.,
Prime Minister of Canada,
East Block,
Ottawa 4, Ontario.

OFFICE OF THE PREMIER
Victoria, British Columbia

May 31st, 1963.

The Right Honourable L. B. Pearson,
Prime Minister of Canada,
Ottawa, Canada.

Dear Sir:

In the absence of the premier, I wish to acknowledge receipt of your letter of May 15, and enclosure, re commission of inquiry on bilingualism and biculturalism.

Yours faithfully,
(Mrs.) K. R. Mylrea
Secretary to the premier.

PREMIER'S OFFICE
Regina,

June 7th, 1963.

The Rt. Hon. Lester B. Pearson,
Office of the Prime Minister,
Ottawa, Ontario.

My dear Prime Minister:

With further reference to your letter dated May 15, 1963 regarding a possible Royal Commission on Bilingualism and Biculturalism, I now wish to advise that the province of Saskatchewan will be pleased to take advantage of any opportunities to discuss with the commission problems related to biculturalism.

In the meantime my colleagues and I are discussing ways in which we can best make a contribution to the commission's inquiry and how best to undertake appropriate provincial studies.

Yours sincerely,
W. S. Lloyd.

THE SENATE

Tuesday, July 16, 1963

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

Prayers.

PRIVATE BILL

CANADA PERMANENT TORONTO GENERAL TRUST COMPANY—COMMONS AMENDMENT CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-14, an Act respecting Canada Permanent Toronto General Trust Company, and acquainting the Senate that they have passed this bill with the following amendment to which they desire the concurrence of the Senate:

> Page 1, line 11: Delete the words "La Canada Permanent, Compagnie de Fiducie" and substitute the words "La Compagnie de Fiducie, Canada Permanent".

Hon. Lionel Choquette moved, with leave, that the amendment be concurred in now.

He said: Honourable senators, may I give a brief explanation regarding the amendment that was made in the other place.

The amendment does not delete or add any words: it merely changes their order so that the last ones in the original translation we submitted become the first. The translation that the company submitted was, "La Canada Permanent, Compagnie de Fiducie". In the other place they changed the order to read, "La Compagnie de Fiducie, Canada Permanent". That is the only amendment that was made.

Hon. Mr. Croll: But why?

Hon. Mr. Choquette: The question raised here, as well as in the other place, was that "La Canada Permanent" is not French but is English, and because the article "La" is feminine there is some confusion. If the adjective "Permanent" is used and the noun is feminine, an "e" must be added to it. So the English name remains, "Canada Permanent". The amendment reads "La Compagnie de Fiducie, Canada Permanent". "Canada Permanent" can be given the English pronunciation, if desired. That is the explanation.

Amendment concurred in.

ATLANTIC DEVELOPMENT BOARD ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-80, to amend the Atlantic Development Board Act.

Bill read first time.

Hon. W. Ross Macdonald moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

SPECIAL APPROPRIATION BILL 1963

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-86, for approving certain expenditures authorized for the public service, and the application of certain amounts in the accounts for the financial year ended the 31st March, 1963.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—FIRST READING

Hon. Jean-François Pouliot presented Bill S-32, to amend the Marriage and Divorce Act.

Bill read first time.

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

Motion agreed to.

THE SENATE

ACOUSTICS IN PUBLIC GALLERIES

On the Notices of Inquiries:

Hon. J. Campbell Haig: Honourable senators, may I inquire of the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) as to whether he or any officers of the Senate have received any complaints about the acoustics in the public galleries of this chamber. If so, what action has been taken? If no complaints have been received, may I ask the honourable Leader of the Government to make inquiries with the object of seeing to it that visitors to our public galleries enjoy better hearing.

Hon. Mr. Macdonald (Brantford): I assure the honourable senator that I have received no complaints. If there is any hearing difficulty in the public galleries, I have not heard of it, but as the honourable senator has asked the question, I will bring it to the

attention of the Chairman of the Standing Committee on Internal Economy and Contingent Accounts. He is a man of action and I know that something will be done about it.

PUBLIC BILLS

SUSPENSION OF RULES

Hon. W. Ross Macdonald 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, may I say that those rules relate to the necessity of having two days' notice for second reading, one day's notice for third reading, and so forth. This motion has been made regularly over the years towards the end of each session.

Hon. Mr. McCutcheon: Are we coming to the end of the session?

Hon. Mr. Brooks: Honourable senators, I have pleasure in seconding this motion. I notice, however, that it reads "for the balance of the present session". Does the honourable Leader of the Government mean for the balance of the session before the recess but not after the recess? It is my understanding that we will be back in the fall.

Hon. Mr. Macdonald (Brantford): I had hoped that the honourable Leader of the Opposition would not have read my motion so carefully. I do agree with his suggestion. It is not intended that this motion be in effect when Parliament resumes in September and, accordingly, I am glad to rephrase the motion to read:

> That, until the summer recess, Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

After the summer recess those rules will be in effect again.

Motion agreed to.

COLUMBIA RIVER TREATY

REPLY TO QUESTION RESPECTING INCOME TAX

Hon. W. Ross Macdonald: Honourable senators, on July 10, when I tabled a copy of the agreement between the Government of Canada and the Government of British Columbia, respecting the Columbia River Basin, honourable Senator Isnor asked me a question as follows:

> Can the Leader of the Government tell us whether the province of British Columbia will pay income tax on this development?

The answer is that the provinces are not subject to federal income tax.

Hon. Mr. Isnor: Then I take it that there is a difference between private enterprise and public enterprise?

Hon. Mr. Macdonald (Brantford): The honourable senator will have to draw his own conclusions in respect to that matter.

DEPARTMENT OF INDUSTRY BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, July 11, the adjourned debate on the motion of Honourable Mr. Macdonald (Brantford) for the second reading of Bill C-74, respecting the Department of Industry.

Hon. M. Wallace McCutcheon: Honourable senators, I shall not delay you too long this evening. In the light of what my colleagues have said, much of what I may say now will merely be an underlining of that which has been said already. Yet I think it is important that that underlining should take place.

If ever the Senate received a bill which requires that "sober second look", about which the Leader of the present Government spoke a year ago when he was sitting on the Opposition side—and particularly when it comes from a minority Government—this is such a bill.

As I see this bill, it is the result of an impulsive election promise; it is a façade behind which the Government seeks to hide. The Government has said that the great problem of this country is unemployment. With that I do not disagree. During the election campaign the present Government promised: "We will cure that problem. You may ask how we will cure it—we will have a Department of Industry; we will have this and we will have that." This is the first occasion on which the results of one of those impulsive promises has come to this house.

Honourable senators, in my view if the bill has a principle, then it should not receive second reading. If it has no principle, then of course there is no harm in its going to the Standing Committee on Banking and Commerce where we shall learn more about it.

It seems to me that the bill is redundant. There is nothing it seeks to do which cannot be performed within the ambit of the present administrative machinery. It is an attempt on the part of the Government to convince the people of Canada that the Government now is taking bold steps to combat unemployment.

I think this bill will help to solve the unemployment problem. It will not do anything to solve that hard core of unemployment which my friends must know exists and which is one of the results of technological

development, but it will put more people on the Government payroll. It will help in that respect.

As the present Minister of Finance has said, unemployment is the most serious domestic problem facing Canada today. We do not disagree with that statement. What we object to are those ill-thought-through measures which are produced in high-sounding terms to try to convince the Canadian people that this problem really is being attacked.

The Minister of Finance—and with deference to my friend the Leader of the Opposition, I will not read from the records of the other house, but I have the press release, if necessary—

Hon. Mr. Macdonald (Brantford): The leader of whom?

Hon. Mr. McCutcheon: Of the Government. I knew I would make that slip sooner or later. The Minister of Finance detailed the measures that were going to be produced to resolve this problem, and presently in this house we shall have before us the tattered remnants of the budget.

The other evening, Senator Crerar expressed his doubts about this bill. In my opinion, the doubts of Senator Crerar are entitled to more weight—with no reflection on honourable senators—than are the affirmations of many honorable senators. I have no doubt that it was because of the doubts expressed by Senator Crerar that Senator Hayden decided to participate in this debate. Senator Hayden debated the principles of the bill. I am a great admirer of Senator Hayden. He is an eminent counsel. I would like to have his ability to stand up and to confuse an issue and yet leave the idea that it was clear. Unfortunately, I have not that ability. However, I should like to refer to Senator Hayden's speech because, after all, either this bill has a principle or it has not. If it has a principle, we are approving it in principle, but if it has no principle, then the approval means nothing, and the bill will go to committee.

Senator Hayden said, as reported at page 229 of Senate *Hansard* of July 10 last:

> The principle of the bill, as I see it, resolves itself into the question: Are the objectives as stated in the bill objectives which would be beneficial to Canada, and the carrying out of which would be in the best interests of Canada?

Well, the objectives are not set out in the bill. I think Senator Hayden was quoting from a speech made by a friend of his in the other place.

Hon. Mr. Hayden: I was quoting nobody.

Hon. Mr. McCutcheon: All right, you were quoting nobody. You were reading a press release—

Hon. Mr. Drouin: Two great minds.

Hon. Mr. McCutcheon: —stating that this was going to help the great problem facing us. Then Senator Hayden went on to say:

> The next question to be considered, in my submission, is whether this bill to create a Department of Industry, and the Department of Industry itself, are needed in order to give full force and effect to these objectives in the best interests of Canada.

No one is going to quarrel with the first principle. One does not quarrel with righteousness; but occasionally one wonders whether the paving stones on which one walks are leading in the proper direction, and, in my opinion, the paving stones that mark the course of this bill do not lead in the proper direction.

Senator Hayden made some comments about the Department of Trade and Commerce, to which I shall return in a moment or two. Then he made this amazing statement:

> It is a sound principle that if a question develops of such importance that it requires undivided attention and concentration to see if it can be resolved, you are justified in doing or creating whatever is necessary in the hope of—

"In the hope of", he says.

> —getting the result which is desired for all the people in Canada.

And he concludes by saying:

> These are all problems worthy of and entitled to the undivided attention of a department of government—not a sharing with many matters in a department of government.

Now, Senator Hugessen said that he really did not know what the Department of Trade and Commerce does. He read from the act incorporating the Department of Trade and Commerce. I suppose that is one of the oldest acts in the Statutes. It is the only act which I know prescribes that a minister must be a member of the Queen's Privy Council. It was probably one of the earliest acts, and it is in very broad terms. I am not going to try to say what the Department of Trade and Commerce does. Honourable senators have the annual report of the Department of Trade and Commerce. However, according to the press, the Department of Industry is going to take a special interest in—according to the words of the bill—a knowledge of manufacturing industries in Canada.

According to press releases there are going to be two kinds of manufacturing industries, one in which the new minister will not take much interest, and another in which he will. By and large, from what one reads in the press the minister is going to take an interest in what I might call small secondary industry. The Leader of the Government does not believe that the newsprint industry is a manufacturing industry, and I do not believe the new minister is going to take an interest in it. Of course there will be a little confusion because a number of the largest newsprint manufacturing companies in Canada also manufacture fine paper which, even the Leader of the Government will admit, is a finished product. They also manufacture shipping containers and a wide variety of other articles. So they are going to be bifurcated down the middle, and they are going to have to walk into one of my friends on one day, and another on another day.

Senator Hugessen was wondering what the Department of Trade and Commerce did. Well, honourable senators, I will read some of the subjects that that department is responsible for:

Domestic Commerce Service

That seems to be what this bill is talking about.

(a) Industrial Promotion Branch

Import Analysis—studies made on request of industry. Fifty studies made each year.

Manufacturing Arrangements—in co-operation with provinces, seeking out licensing arrangements for manufacture in Canada on an economic basis.

Information Services—

Industrial Analysis—basic studies of selected industries or commodity groups to uncover manufacturing opportunities for Canadian industry. "Spotlight" studies (chemicals, oil drilling equipment furniture).

National Design Branch.

Another one of their projects is responsibility for the Small Business Branch; examining problems of small business and assisting in their solution. Another is responsibility for the Standards Branch.

I shall not burden honourable senators by going through the entire list. I have given merely a sketch of what the Department of Trade and Commerce does.

Senator Crerar asked, "Where are we going to get the staff? What is going to happen?" He expressed the kind of doubts which in my opinion are the equivalent of the affirmations of most of us.

Well, there is no mystery as to where we are going to get the staff.

Hon. Mr. Drouin: From Bay Street in Toronto.

Hon. Mr. McCutcheon: No, we are not going to go to that extent. It is set out in the *Financial Times*—I seem to have left the paper in my office—that we are going to bring over Mr. B. G. Barrow, Assistant Deputy Minister of Trade and Commerce, who is in charge of these various functions I mentioned and some which I did not mention. Then his staff will be brought over. Mr. Dave Golden, for whom I have a high admiration, is going to be brought back. But his qualifications as a former Deputy Minister of Defence Production and recently as secretary of a trade association do not convince me that he has any special qualifications to set up this department that the present Deputy Minister of Defence Production or some official in the Department of Trade and Commerce has not got. I say that without any reflection on Mr. Golden.

So I ask honourable senators this question: Will Mr. Barrow and his employees do a better job under the direction of Mr. Drury than they would under the direction of Mr. Sharp? Is that the principle we are considering here tonight?

Now I turn to this matter of undivided attention. There is no more overworked man in government today than the Minister of Defence Production, who is also going to be the new Minister of Industry. I have before me the annual report of the Department of Defence Production for the year ended December 31, 1962, and I shall read from it some of the things for which the Minister of that department is responsible:

The department has:

(1) exclusive authority to procure the goods and services required by the Department of National Defence, and

(2) the responsibility to ensure that the necessary production capacity and materials are available to support the defence production programme.

The Department also has responsibility for defence development and production sharing with the United States, for defence production export activities with other Allied countries, and for armament co-operation within NATO. It co-operates with other Government departments to promote and strengthen the research capability of Canadian defence industry.

The Department utilizes the services of Canadian Commercial Corporation to assist it in obtaining foreign defence business for Canadian industry.

I might interject here that it is responsible for the so-called defence-sharing pro-

gram with the United States, for which the department deserves a great deal of credit and which has been very important to this country in the matter of employment and in the matter of our balance of payments.

I am not going to read all that the department is responsible for, but let me say that there are five Crown companies which report to the minister. In addition, the minister—and I think there is no one more competent to assume the position—has recently been appointed Chairman of the Cabinet Committee on Scientific and Industrial Research.

Then, of course, there is the implementation of the Glassco Commission report which, if implemented—and I think it should be implemented—would make the minister the procurement agency for the Government of Canada. So we see that we are transferring a small segment of industrial activity to a new department, to a new minister, so that after having looked after all of these things that I have mentioned and some that I have not mentioned, he may give his undivided attention to this problem that Senator Hayden mentioned.

As I read Senator Hugessen's speech, he made his case on the basis that in a business organization you have two departments, a manufacturing department and a sales department. I do not know which department he thought was to be the sales department, whether it was to be the Department of Trade and Commerce or the Department of Industry, but that is what he said, in effect. That, may I say, is quite an improper analogy. It is true that in a business you do have a manufacturing department and a sales department, but you do not let the manufacturing department run wild if the sales department cannot sell the product, and you do not let the manufacturing department slacken down if the sales department has more and more sales. You have co-ordination, and you have one boss.

Now, where is the line to be drawn so that you can say this is Trade and Commerce and this is Industry? Frankly, I do not know, and I do not think my honourable friend who introduced the bill (Hon. Mr. Macdonald, Brantford) knows either. It is the sort of artificial division that will never work in a business, and if it is attempted in government or is put in government it can only add expense, duplication, frustration, and so on.

I am just thinking of some of my former associates who are engaged in trade, in commerce and in industry, and I am wondering who they are going to talk to when they come to Ottawa to discuss various matters. In other words, I just do not believe you can separate these things. If my friends had wanted to make political capital they could have said: Well, you know, the name of this Department of Trade and Commerce is old; it was adopted in 1867, and, after all, as we are nearing the centennial of Confederation, we had better change the name and bring it up to date, and we will call it the Department of Trade and Industry. We will carry on what the previous Government did, by developing a more intensive interest in the small business, in the secondary manufacturing industry. But they did not need to do what they have done.

Another thing that the new minister is going to have under his jurisdiction is an Area Development Agency. The bill is very vague as to what is a "designated area". We can assume that it is an area where there is surplus labour; we can assume that it is one where, for some reason or another, industrial development has not kept up with the population. As I say, the minister is going to have such an agency under his jurisdiction, and it will be under the direction of a commissioner and a deputy commissioner. Those officials are going to be paid salaries, are going to undertake research and make investigations respecting the means of increasing employment and income in designated areas, and are going to prepare and carry out such programs and projects as may be determined in those areas.

Let us see what we have. We have the Minister of Industry, presently the Minister of Defence Production, with an Area Development Agency. We have the Atlantic Development Board. That bill has just come before us this evening, and as I do not have a copy of it I cannot quote from it, but that board has similar powers and a fund of money. The Atlantic Development Board will report to the Secretary of State, and the Area Development Agency will report to the Minister of Industry.

Then we have the bill respecting the National Economic Council. I must be very careful at this point, but from what I read in the press I would say that a number of the powers of the National Economic Council duplicate those that the minister is going to have under section 7 of this bill. The National Economic Council is going to report to the President of the Privy Council.

As I see it, this just flies completely in the teeth of the recommendations of the Glassco Commission, and flies completely in the teeth of the ordinary person's sense of order and responsibility. The Minister of Finance, among the few resolutions he has left, has some concerning special incentives for designated areas. Again, I do not know

what "designated areas" are. Is the Minister of Industry going to designate the areas? Is the Minister of Trade and Commerce going to designate the areas? Is the Minister of Finance going to designate the areas? We just get into hopeless confusion.

The suggestion was made by the Leader of the Government that, after all, our manufacturing industries were pretty poor, that we did not export much. According to his figures, the biggest export we had in 1960 was farm machinery. Other speakers rather reflected on the achievements of the department and said it had not accomplished very much.

I went to the trouble of obtaining a few figures on this subject, and I quote from the *Canadian Statistical Review* of May, 1963, published by the Dominion Bureau of Statistics. In 1960—which I think was the year the Leader of the Government mentioned—our exports of farm implements—and I am proud of them—were some $67 million, give or take $1 million or so for minor mistakes in addition. In 1962 they were $85 million. The table from which I am quoting breaks the merchandise down into separate items. They are: Iron ore, ferro-alloys, primary iron and steel, farm machinery, other machinery, automobiles and parts, other iron and steel, and so on. So, "other iron and steel" are pretty well manufactured products. In the year my friend quoted, the exports of "other iron and steel" were $89.3 million, as against some $67 million. In 1962 they were $132.9 million.

Hon. Mr. Macdonald (Brantford): That is iron and steel, but not manufactured into any definite products.

Hon. Mr. McCutcheon: No, no—

Hon. Mr. Macdonald (Brantford): Yes, I am right.

Hon. Mr. McCutcheon: Honourable senators, let me repeat what the categories are: Iron ore, ferro-alloys, primary iron and steel, farm machinery, other machinery, automobiles and parts, other iron and steel. I am not quoting the figures given under "primary iron and steel," but those under "other iron and steel". I am not going to make a point of this—

Hon. Mr. Macdonald (Brantford): It is impossible to.

Hon. Mr. McCutcheon: —but, in fact, in both those periods we exported far more alcoholic beverages than we did farm machinery; and I am sure my friend will agree that that is a fully manufactured product.

Hon. Mr. Macdonald (Brantford): I know nothing about that.

Hon. Mr. McCutcheon: I am not referring to my short 10-week tenure as Minister of Trade and Commerce, but that department has accomplished some things in the last few years. There was a favourable balance of merchandise trade in 1954 of $13 million, and there was not another favourable balance until 1961. In 1956 there was an unfavourable balance of $728 million. Then in 1961 the favourable balance, the first one we had since 1954, was $173 million. The following year it was $155 million. I could go through the total balance of payments figures and draw almost the same conclusion.

Honourable senators, if there is a principle in this bill then it should not receive second reading. If there is any principle, the only one I can see is that of proliferation of Government departments and agencies. If the Leader of the Government agrees there is no principle, then I am happy to have the bill go to committee.

Hon. Mr. Hayden: Would my friend permit a question? In speaking about the proliferation of branches of Government, my friend made reference earlier to the Atlantic Development Board. My friend is aware there is a statute by that name, quite apart from a bill which is before Parliament. Is he suggesting that when these industrial functions were being performed in the Department of Trade and Commerce, and you had superimposed on that the Atlantic Development Board and also the National Productivity Council, that there was not equally a proliferation, according to his thinking?

Hon. Mr. McCutcheon: All I would say to my friend is that if we were wrong he should not be worse.

Hon. Mr. Hayden: Well, of course, on that point I just could not be.

Hon. Arthur W. Roebuck: Honourable senators, I wish to join the last speaker in the compliments which he paid to my friend from Spadina, whom he described as a very fine counsel.

Hon. Mr. Choquette: From Spadina? You always praise the Spadina senator.

Hon. Mr. Roebuck: Well, he is a good counsel too, but I am speaking of the honourable Senator Hayden. I also wish to refer to my friend's wish that he had as great a power to confuse as has the honourable senator to whom I referred. I think, however, he has been unduly modest in his statement, because as I listened to his rather lengthy address he certainly confused me as to whether he is in favour of this bill or opposed to it. He said it will put more people on the payroll, but I can see no particular attack in that. The Government of which he formed a part not long since put a great many people on the payroll. The question is not whether

staff is increased, but rather whether those who are employed earn the money and perform a function in the public interest equivalent to the public obligation to keep them on the payroll. He asks if the staff will do better under the Minister of Defence Production than under the Minister of Trade and Commerce, and my answer is yes, because under the new minister the staff will have a definite purpose in view and will not be confused by many other purposes such as the honourable Senator Hugessen described when he read from the Trade and Commerce Act at the last sittings.

My friend says that in industry it is necessary to have one boss, but he fails to tell us that in most of the industries with which he and others have been connected there are separate and distinct departments; if there is one boss in private industry, so is there one boss in the conduct of the business of the nation, that is, the Prime Minister and the council surrounding him.

Now, Mr. Speaker, this is the first convenient opportunity that I have had to express to you the warm welcome that I feel for you on your becoming a member of this house. You and I entered Parliament as members of the Commons in the same year, 1940. I well remember the part you played in those days; it was a distinguished part. I came to the Senate some time prior to you, but you are fast catching up to me, and indeed have far exceeded me in the position you now hold. I would like to congratulate you, sir, on the honour that has come your way in being appointed to preside over the senior legislative body in the Dominion of Canada.

I think I would be somewhat remiss if I did not express a welcome to the senators who have taken their place in this chamber since the opening of Parliament. I wish them a long life in their new environment, and a happy and useful tenure of office.

I should like also to convey congratulations to the Leader of the Opposition in this house (Hon. Mr. Brooks). His constant courtesy and kindness are appreciated by everyone on this side of the house. I think he must know how much he is admired across the aisle, and I might add that all on this side of the house sincerely hope he will long continue to enjoy the honour of being the Leader of the Opposition.

As a matter of fact, honourable senators, my congratulations extend not only to the Leader of the Opposition but to his entire following on the other side for the brilliance with which they have upheld, during this debate, the best traditions of the Conservative party. We are all agreed on that. From long experience in public life I have learned, to my sorrow, that the best tradition of the Conservative party in Canada, is to resist change of any kind and to display a deadly fear of progress. That is why on this occasion I congratulate the members opposite on upholding the best traditions of the Conservative party. It is, I notice, the custom of my friends opposite and of their party to "view with alarm", as did the honourable Senator O'Leary (Carleton) in his brilliant philippic at the last sitting of this house, the organization of this new Department of Industry. He was, of course, on sound ground in one respect, that is, in his criticism of any increase in Government expenditure, something to which his party has contributed so magnificently in its recent term of office.

Most members of this house were raised in an atmosphere of frugality. I myself was raised in such an atmosphere and I think most of my fellow members could claim the same thing. For this reason any motive of economy is well calculated to justify the main purpose of his address, which is, if I may use a farming phrase, to hang back in the traces.

When I was on the farm many years ago the story was told of a lady who was driving in a buggy to town. She came to the top of a very steep hill, and as she looked down the rather dangerous incline she said that she put her trust in the Lord and the breeching strap. I have no criticism, of course, of my friends' trust in Providence, but it does seem to me that they are inordinately fond of the breeching strap. That is why I say that the Opposition speeches in this particular debate are in the best traditions of the Conservative party. They are leaning back on the breeching strap, afraid to change, afraid of progress, and deadly afraid that the new arrangement may be a success.

Hon. Mr. McCutcheon: You don't run downhill if you do that.

Hon. Mr. Roebuck: I heartily agree, of course, that deficits of one-half billion dollars per year, year after year, call for economy.

Hon. Mr. Thorvaldson: We had a $2 billion deficit in 1946 under a Liberal Government.

Hon. Mr. Roebuck: That was just at the close of the war. The war is now long since over. The fact that there were deficits years ago does not justify deficits today. Nor does it justify a succession of deficits year after year for a five-year period.

I agree that we should either exercise economy or we should increase revenues, or we should do both, but, honourable senators, I do not join in the scorn that the honourable Senator McCutcheon poured out this evening, and which I have heard from the other side of this house on other occasions,

on the attempt that has been made in recent weeks in the Commons to approach, at least, a balanced budget.

I usually agree with the honourable senator from Churchill (Hon. Mr. Crerar). He is my old friend. I often agree with him in his economy addresses. They have been wonderful addresses, but in this instance I say, with very great respect and with some diffidence, that I think the honourable senator was not quite realistic. He and I have had long experience in public life, and in consequence we run the risk of living in the past. Senator Crerar questioned the expansion involved in the creation of the new Department of Industry—

Hon. Mr. Pearson: Maybe he was holding back on the breechings too.

Hon. Mr. Roebuck: Perhaps he was. He agrees with you in this instance.

Hon. Mr. Choquette: He was not whipped in line by your Whip.

Hon. Mr. Roebuck: No, our Whip does not whip anyone into line. That operation, honourable senators, is confined to your side of the house.

Hon. Mr. Aseltine: Nonsense.

Hon. Mr. Brooks: We know more about our side than you do about your own side.

Hon. Mr. Roebuck: Senator Crerar said that in 1939, just before the commencement of World War II, there were 16 ministers in the Canadian cabinet, and in 1963 there are 26. That, of course, is an impressive increase in the number of ministers. Shortly stated, this is calculated to astonish, but honourable senators, the Canada of today is not the Canada of 1939. In 1939 the population of Canada was 11,267,000—in round figures, 11 million. You will find that figure in the *Canada Year Book* of 1956 at page 1237. The population of Canada in 1962, according to the latest figures which you will find at page 1204 of the *Canada Year Book* of that year, was 18,570,000, and it is expected that before the conclusion of this year the population will exceed 19 million.

On the basis of the latest figures I have, those for 1962, which show that Canada then had a population of 18 million odd, honourable senators will note that the increase in the population of that year over 1939 was 64 per cent. How does that compare with the cabinet increase of from 16 members to 26, which troubles the senator from Churchill (Hon. Mr. Crerar) and which is seized upon by the members opposite?

Hon. Mr. Horner: What about Great Britain? She had an increase in population.

Hon. Mr. Roebuck: We are talking about Canada now, not Great Britain.

Hon. Mr. Hollett: How many cabinet ministers are there in Great Britain?

Hon. Mr. Roebuck: One of these increases is almost the exact equivalent of the other. The population increase during those years of 64 per cent is slightly more than the cabinet increase of 62.5 per cent.

Hon. Mr. Thorvaldson: May I ask the honourable senator a question? If his argument has validity, how does he account for the fact that the United States with a population of 180 million has a cabinet of only 10 or 12?

Hon. Mr. Roebuck: The constitution of the United States is quite different from that of the Dominion of Canada. To begin with, the ministers to whom my friend refers do not have seats in either the House of Representatives or the Senate of the United States. They are mere assistants to the President, and are selected by the President, and have no direct responsibility to the elected houses. You cannot compare the Canadian ministry with the United States ministry.

On the percentage basis only, I suggest that the comparison of the increase in population with the increase in the members of the Government is little ground for my friends' alarm. But the comparison between the increase in the members of the Government and the increase in the population is by no means the whole story. In 1939 Canada was predominantly an agricultural country. According to the 1941 census the rural population of Canada at that time totalled 5,234,000.

Hon. Mr. Drouin: In what year?

Hon. Mr. Roebuck: 1941. That is the nearest census year to 1939. The rural population in 1941 was 5 million odd, while the total urban population was 6,252,000. Thus, the urban population exceeded the rural population at that time by about one million persons.

If honourable senators will turn to the census of 1961, they will find that the rural population in that year was 5,537,000—it had remained stationary, or very nearly so—but by 1961 the urban population had risen to 12,700,000 people. During those 10 years the urban population more than doubled while the rural population remained almost stationary.

Let me express the same figures in percentages. In 1941 the rural population was 46 per cent of the total population, while the urban population was 54 per cent; in 1961 the rural population was 30 per cent of the total population, and the urban population was 70 per cent.

Hon. Mr. Horner: What has that to do with the point?

Hon. Mr. Roebuck: If the honourable senator will listen and think it over he will see the point.

That is to say, in 20 years the rural population decreased from 46 per cent to 30 per cent of the total population while the urban population increased from 54 per cent to 70 per cent of the total population.

But even this does not tell the whole story. The growth of industrial Canada has far exceeded in these past years the growth in our population. In 1939 when we had 16 ministers the gross national product at market prices was $5,636,000,000, and in 1962 it was $40,401,000,000. In a period of 23 years the monetary value of the gross national product had multiplied seven-fold. Reckoned in constant dollars, that increase would of course be somewhat less, but still magnificently spectacular.

Hon. Mr. Thorvaldson: This is due to the last Government.

Hon. Mr. Roebuck: Yes, we had good government in former years.

In 1939 rural Canada had a separate Department of Agriculture, but urban Canada had no separate Department of Industry. I would not, of course, deprive the agricultural community of its Department of Agriculture—

Hon. Mr. McCutcheon: They are going to have two ministers.

Hon. Mr. Roebuck: I would not for one moment think of changing the relationship between the towns and cities and the country, but what excuse can there be under the circumstances for refusing urban Canada a separate Department of Industry?

Hon. Mr. McCutcheon: The excuse that it is unnecessary.

Hon. Mr. Brooks: And the excuse that it is already provided for.

Hon. Mr. Roebuck: It was unnecessary from the Conservative standpoint in the last five years. In the view of the do-nothing Government of that time, so far as unemployment was concerned it was not necessary to do anything but to sit in their seats and let 500,000 people starve, or nearly so.

Hon. Mr. Horner: You put them to work. Let us see you do it.

Hon. Mr. Roebuck: That is what we are going to do. That is the purpose of this bill.

Hon. Mr. Choquette: You are off to a good start.

Hon. Mr. McCutcheon: That was the purpose of the budget.

Hon. Mr. Roebuck: No, it was not the entire purpose of the budget. The main purpose of the budget was to supply some extra revenue to satisfy the financial mess in which the Diefenbaker Government left this country.

Hon. Mr. Drouin: So you messed up the mess?

Hon. Mr. Roebuck: Now, honourable senators, I did not interrupt a single honourable senator on the other side of the house—

Hon. Mr. Drouin: This is because we like you.

Hon. Mr. Brooks: We did not say the things you are saying.

Hon. Mr. Roebuck: What you said did not hurt me but what I said evidently hurts you. At the same time this is the Senate of Canada, where we exercise a certain decorum in the conduct of debate, even when we do not like what is said.

Let me point this out: the employers and employees have their Department of Labour; the railways, the truckers and the aviation people have their Department of Transport; the returned soldiers have the Department of Veterans Affairs; the medicoes the Department of Health; the lumberjacks, the Department of Forestry—thanks to the gentlemen opposite who, when that department was constituted did not object to that increase in government expenditure. The fishermen have their Department of Fisheries; and the farmers, as I say, have their Department of Agriculture.

Hon. Mr. Willis: With two ministers.

Hon. Mr. Roebuck: But the vast secondary industry of manufacturing, the great employment agency of the towns and cities, is expected, according to my friends opposite, to remain an adjunct of the Department of Trade and Commerce.

Honourable senators opposite talk rather glibly about the additional expense of a separate Department of Industry. However, looking through *Hansard of* 1960 I did not observe any such outcry when a separate Department of Forestry was created by the Government of that day. As a matter of fact, the bill to create it was supported by the Opposition of that time; and the present Prime Minister, then Leader of the Opposition, spoke in favour of the measure. Such an outcry would have been more justified against that bill than it is against this one which we have before us. In 1960 when that bill was passed, employment in the forestry industry was 350,000 persons. I refer honourable senators to *Hansard* of 1960, page 1069. Employment in

the manufacturing industry in Canada at the present time is 1,500,000 persons. That is a tremendous contrast. There are more than four times as many people engaged in industry today than there were in forestry in 1960.

Hon. Mr. McCutcheon: Does that include the newsprint industry?

Hon. Mr. Roebuck: It does. Those who are protesting now about a separate Department of Industry were silent at that time, when the forestry industry employed less than one-quarter of the number of employees involved in industry affected by this bill.

The net output of the forestry industry in 1960 was $2,200,000,000—and I think that includes newsprint—but the manufacturing output of the year 1959, at factory evaluation, was $23,311,000,000. That means $2¼ billion as compared with $23¼ billion.

Hon. Mr. McCutcheon: Are those profits or sales?

Hon. Mr. Roebuck: That was the production, the manufacturing output at factory evaluation.

Hon. Mr. McCutcheon: Yes. I agree.

Hon. Mr. Horner: And all without a department of industry—they did very well.

Hon. Mr. Roebuck: They did, in view of the handicap under which they were working. They will do better than that if this bill is passed, and they get the encouragement that will come to them from the new minister, the new staff and the new set-up.

My friends talk as though secondary industry were a small matter. It is nothing of the kind. The figures in regard to this kind of industry are almost astronomical.

The total value of all imports into Canada in 1959 was $5,509,000,000. Those figures had grown in 1962 to $6,258,000,000. Those are the Department of Trade and Commerce figures of total imports. The magnitude of the imports does not frighten me in the slightest, because the total exports are in comparable figures.

In 1959 the value of our total export of goods was $5,140,000,000. That figure had grown in 1962 to $6,348,000,000.

There was a difference of only $9 million between our exports and our imports in 1962. That was what my friends across the aisle would call a favourable balance of $9 million.

Hon. Mr. McCutcheon: The balance was over $100 million.

Hon. Mr. Roebuck: I trust honourable senators will hold these overall figures in mind—that our exports and our imports are very large and that one about balances the other, within a few dollars. At the moment we are interested especially in manufactured goods, their import and export.

According to latest figures, our imports of fully or chiefly manufactured goods in 1959 were $4,262,000,000. Our exports of the same class of goods—that is, fully or chiefly manufactured goods—in the same year 1959 amounted to $1,861,000,000. That is given in the *Canada Year Book* for 1962. My friends can look at these figures and see if I am accurate.

Hon. Mr. McCutcheon: I would prefer to take the figures of the Dominion Bureau of Statistics.

Hon. Mr. Roebuck: In 1962, in manufactured goods we imported two and one-third times what we exported, while in the case of our general imports and exports one balanced the other. I suggest to this house that there is no ground for the complacency with which the Leader of the Opposition faces this problem of the excess of importation of manufactured goods, which are so out of balance as compared with the general figures.

That is a serious situation, which was tolerated by the previous Government but which the present Government hopes and expects, as I do, at least to improve.

Hon. Mr. Haig: Would you consider imposing tariffs to keep imports out?

Hon. Mr. Roebuck: I did not hear that remark.

Now my friend the honourable senator from Blaine Lake (Hon. Mr. Horner) loves to interrupt me when I am speaking, but I will agree with him on this occasion. He says that the key to industrial enterprise is the sale of the product.

Hon. Mr. Horner: There is no use manufacturing if you cannot sell.

Hon. Mr. Roebuck: I agree with that. Is that not also the key to the agricultural industry, the sale of the products?

Hon. Mr. Horner: Of agricultural products.

Hon. Mr. Roebuck: Yes. My friend should understand that the sale of the industrial product is much the same in principle as the sale of the agricultural product. Would he ask the Senate to make the Department of Agriculture a branch of the Department of Trade and Commerce?

Hon. Mr. Pearson: That is what the present Government has done.

Hon. Mr. Roebuck: Why oppose making industry a separate department, just as Agriculture is separate from Trade and Commerce?

Hon. Mr. Horner: I am satisfied that that is what is taking place.

Hon. Mr. Roebuck: The Department of Agriculture is not a part of the Department of Trade and Commerce.

Hon. Mr. Macdonald (Brantford): Certainly not.

Hon. Mr. Roebuck: My friend has been reading fiction.

The honourable Senator O'Leary, whom I see smiling at me from the other side of the house, sees something almost sacrilegious in young men in grey flannel suits, carrying brief cases, telling the great captains of industry how to run their business. I hope that no one in this chamber is wearing a grey flannel suit. My friend sees something suspicious about the carrying of a brief case. Well, I suppose it is very presumptuous, no doubt, on the part of these young men to tell the great captains of industry how to run their business. However, the farmers in this country are less intellectually arrogant; so far as I know, they have never objected to good advice and assistance from the Department of Agriculture, even when it has been given by young men in grey flannel suits.

Hon. Mr. Blois: They are scientists.

Hon. Mr. Choquette: Yes, they are scientists. How can you compare—

Hon. Mr. Roebuck: Are you asking a question?

Hon. Mr. Choquette: Yes. Scientists, who are developing new methods in agriculture, and have become advisers to the Government, are not to be compared with these young men in grey flannel suits referred to by Senator O'Leary. Are you trying to convince us that scientists can be compared with these young men in grey flannel suits who presume to advise top-notchers in industry?

Hon. Mr. Roebuck: Why not?

Hon. Mr. Choquette: Well, I won't believe it.

Hon. Mr. Roebuck: I am not trying to convince my friends opposite. There is an old saying "Convince a man against his will —he's of the same opinion still". I expect that my hearers across the aisle will remain of the same opinion still.

However, I should like to point out to the house what has been accomplished by these men in grey flannel suits in the Department of Agriculture, as, for instance, the development of rust-resistant wheat. I believe I can say without contradiction that agriculture in Canada would be poorer today, both intellectually and financially, had it not been for the Department of Agriculture. I suggest that industry will be poorer in future years without the assistance of a special Department of Industry, such as we are proposing to establish.

Honourable senators, I have a keen regard, of course, for the captains of industry to whom the senator from Carleton (Hon. Mr. O'Leary) referred with such eloquence. However, may I ask, and, of course, with respect and humility, why it is, with all these wonderful men commanding industry, as described by the honourable senator, that last winter we had over half a million men and women unemployed—over 9 per cent of our entire labour force?

Hon. Mr. Thorvaldson: Is that the present figure?

Hon. Mr. Roebuck: That is the figure given by the Leader of the Government in this house last week. I think you will agree with me that the unemployment that we endured at that time was not for lack of resources to be developed. Canada's resources are as fine as any in the world, if not the finest.

Hon. Mr. McCutcheon: You are going to regret that statement a year from now.

Hon. Mr. Roebuck: Speak up; I cannot hear you while I am speaking. In this chamber we usually have only one speaker at a time.

I am sure that the failure of industry last year to employ the entire labour force that was available will not be blamed by the gentlemen opposite on the government of that day. In the face of these facts, my friends opposite would argue that all is well and that nothing should be done in the way of promoting industry and employing the unemployed. I wonder if these great men, before whom the member from Carleton (Hon. Mr. O'Leary) bows down and worships and the Tories generally grovel, have so managed the industrial affairs of the nation that our natural resources are all developed and our wonderful human resources are all so employed that nothing is left to be desired and no change is required from the blank despair of the last winter. I am quite sure the captains of industry, of whom the senator from Carleton speaks with bated breath, would not adopt such an arrogant attitude. If a *laissez faire* attitude had been adopted in the past, as advocated by the gentleman opposite, had there been government neglect, which he sees as industrial freedom, had industrial management not been inspired and our human and material resources not been marshalled by the late C. D. Howe, we would not have achieved the industrial organization that won us the admiration of the whole

western world. Had we not promoted organization of that kind, no doubt by men in flannel suits—I don't know how they were dressed, but I know they carried brief cases—had these men not organized industrial Canada at that time, we might have lost the war instead of winning it. With such an illustration in recent memory of what progress can be made by industrial leadership, why this attempt on the part of the Opposition to block the wheels of progress?

I know that for a long time the Diefenbaker administration refused to admit the existence of the unemployment problem, and even yet the honourable gentlemen opposite would sweep the subject under the rug. I do not share the complacency of the Leader of the Opposition (Hon. Mr. Brooks) who gave us statistics with a view to wiping from the slate the unemployment of the Diefenbaker era.

The Government leader told us that during the past calendar year the unemployed of Canada ranged from 260,000 in the summer months to 583,000 in the winter months. That is 3.9 per cent to 9.1 per cent of the entire labour force. In addition to that, as he pointed out, there is an anticipated increase in the Canadian labour force in each year of the next few years of about 260,000 persons, most of them young people.

In the face of those appalling facts, you have the strident oratory of the Opposition speakers in an attempt to block a sincere attempt to alleviate the cruelties of a situation which the previous administration so shamefully neglected.

As I stated before, and as the honourable member from Blaine Lake (Hon. Mr. Horner) well said, the key to industrial activity is the sale of the product, and that goes, I take it, for both home and abroad. That is where the previous administration fell down most disastrously. I am told that the Honourable Mr. Hees, then Minister of Trade and Commerce, had something over 1,000 men ranging the markets of the world, coaxing people to buy Canadian products.

Hon. Mr. Pearson: He did a good job too.

Hon. Mr. Roebuck: He did a good enough job, yes. I have no criticism of that at all. At least, it would have been a good job if the other ministers who stayed at home had not done everything in their power to prevent our customers from paying us for the commodities which they purchased. Trade is not a one-way street.

Hon. Mr. Thorvaldson: Give examples.

Hon. Mr. Roebuck: The money sent to Canada for investment, or brought here by tourist traffic, is used by us to purchase goods abroad. The reverse is also true, if we invest abroad, or spend money abroad, they use that money to pay for the goods that are bought from us. That is elementary. The only other way possible in which our customers can obtain Canadian exchange is by selling something to us, that is, by Canada purchasing goods from its customers abroad, which we can use either in production or for the benefit of the people generally, increasing our standard of living.

The Government Leader (Hon. Mr. Macdonald, Brantford) suggested that some of the things that we import might be made in this country. I agree with that, but I hope that no one will understand that statement to mean the officials of this new department will be messenger boys for pressure groups seeking special privileges and by hiding behind tariff walls to charge extortionate prices to a hog-tied population. That is not the idea at all; rather, it will be the function of the staff of the new department to determine the classes of production in which the Canadian people have a natural advantage, such as proximity to raw materials, favourable climate, the skill of the workers, the know-how, the established organizations, and many other such natural advantages. The duties of this new department will be to furnish information, organize research and generally give leadership towards the improving of our competitive position and to this end, as I understand it, a survey will be made of the industry of Canada to determine a number of things: (1) The natural resources that may be available for development for the furnishing of raw materials—it is very important to make them available. (2) Such improvements as are possible in methods of production. (3) The marshalling of commodities for sale, or potentially for sale, both locally and foreign, to be brought to the attention of the salesmen of the Department of Industry. That is a big job, but in a situation such as this, in a country such as ours, with the magnificent proportions of the industries in our towns and cities, it can be a most beneficial job.

As important as sales abroad are purchases abroad. Let me illustrate. There was speculation at one time about promoting trade with the newly-created nations of North Africa, but I read in one of the magazines or newspapers that, while the desire of these countries for Canadian products was very great, they lacked the money with which to buy. Of course, we had bought little or nothing from them and they did not have the exchange with which to buy from us.

It is to our interest to discover what others have that we can use to our own advantage, and by buying something from them make

it possible for them to buy something from us. That is the way a great trading nation is developed. The way to sell something is to buy something.

Modern trade, although it is carried out now with money, is essentially a barter. You give us something and we will give you something in return. I know that is heresy to the protectionists to whom buying abroad is a sin and selling abroad is a virtue.

I am in receipt of a message from Tory headquarters in Toronto, addressed to me as an elector of one of the ridings of Toronto, from which I will quote a paragraph.

It is stated here that:

> We Canadians, as individuals, are the world's largest importers of manufactured goods. In fact, we spend an average of $235 per person per year on imports of manufactured goods.

The letter goes on to say:

> Generally, $10,000 spent upon manufactured goods produces one job for one man. If we, in this province, can reduce our manufactured imports by $100 per person a year ($600 million) and replace those imported goods, by goods manufactured in Ontario or Canada, we would provide 60,000 new jobs in our economy.

Hon. Mr. Pearson: Is that not what the bill is supposed to do?

Hon. Mr. Roebuck: Now, honourable senators, is that not a simple solution to our problem? But, it seems to me that the writer of this letter has not gone far enough or has gone too far, because, if $100 in purchases from abroad were changed to Canada it would create 60,000 jobs, why not make it $200 and create 120,000 jobs? Or indeed, cut out foreign trade altogether and then we would all be employed and happy and everything would be lovely. Of course that is foolish. If we would sell we must also buy.

Thus, honourable gentlemen, the new nations of North Africa did not buy from us because we did not buy from them, and they had no exchange with which to purchase.

It is to our interest, I suggest, to discover what people abroad can make that will contribute to our economy, to our production, or to the comfort of our homes and then, at the same time, find out what we can make that they can enjoy and in that way bring about a great trading nation.

Had we reduced our foreign purchases as this foolish letter advises, or abolished them altogether, will somebody please tell me how we would be paid for these outstanding exports of ours, such as the iron ore from Ungava that we ship from Sept Iles to the coast states, the forest products of Ontario and Quebec and British Columbia that we ship abroad in huge quantities, the silver, gold and nickel of Ontario, the livestock, the field crops of all Canada that we ship abroad, including the oil of Alberta or the aluminum of British Columbia? How are we going to be paid for them unless we buy as well as sell? Or should we give away these commodities, or allow our customers to owe us in perpetuity?

I suggest it will be the function of the new Department of Industry and the Department of Trade and Commerce to inform us as to what we can buy abroad as well as what we can sell abroad to our own advantage.

Honourable senators, I look upon this proposed new Department of Industry as a great service agency. If it is vigorously administered it will promote industrial activity in our towns and cities; it will help to absorb the unemployed and it will add to the wealth and well-being of Canada generally.

Hon. Norman P. Lambert: Honourable senators, on account of the lateness of the hour, I move the adjournment of the debate.

Hon. Mr. Croll: If the honourable senator is not prepared to go on tonight, I am. In view of the short day tomorrow, I think we should get on with the debate, but it is up to the Leader of the Government.

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

PRIVATE BILL

THE CANADIAN MANUFACTURERS' ASSOCIATION—SECOND READING

Hon. Paul H. Bouffard moved the second reading of Bill S-31, respecting The Canadian Manufacturers' Association.

He said: Honourable senators, I am going to be brief in dealing with this bill, which concerns only the use by The Canadian Manufacturers' Association of its English name and its French equivalent. The translation of the English name seems to be perfect as it is: L'Association des manufacturiers canadiens.

This association has existed for 92 years, and was federally incorporated in 1902. Its membership consists of about 6,000 manufacturers in Canada, located in 600 communities, and it covers about 75 per cent of manufactured products. It is a very active association. Its officials frequently communicate with the members of the association; they follow legislation; and though the head office is in Toronto they hold their meetings in most of the principal cities of Canada. As a matter of fact, not long ago they held meetings in Montreal and Quebec City.

The association has for a long time produced publications in French, and would now

like to be able to sign its name in French. It is to be congratulated on recognizing its fellow citizens of French Canada and for seeking authority to sign its name in French, or in both English and French, in the province of Quebec.

Honourable senators, I believe there is nothing further I need add in explanation of this bill, many similar measures have already been passed. If this bill receives second reading I will move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

DOCUMENTS TABLED

Leave having been given to revert to motions.

Hon. W. Ross Macdonald tabled:

Report of the Canada Council, including the Auditor General's report on the financial statements of the Council, for the year ended March 31, 1963, pursuant to section 23 of the Canada Council Act, chapter 3, Statutes of Canada, 1957. (English and French texts).

Report on the Technical and Vocational Training Assistance Act, for the year ended March 31, 1963, pursuant to section 13 of the said act, chapter 6, Statutes of Canada, 1960-61. (English text).

Report on supply for the year ended March 31, 1963. (English and French texts).

Report of proceedings under the Atlantic Provinces Power Development Act for the year ended March 31, 1962, pursuant to section 6 of the said act, chapter 25, Statutes of Canada, 1957-58. (English text).

Report of proceedings under the Atlantic Provinces Power Development Act for the year ended March 31, 1963, pursuant to section 6 of the said act, chapter 25, Statutes of Canada, 1957-58. (English text).

Report of the Northern Canada Power Commission, including its accounts and financial statements certified by the Auditor General, for the year ended March 31, 1963, pursuant to section 24 of the Northern Canada Power Commission Act, chapter 196, R.S.C., 1952, as amended by chapter 42, Statutes of Canada, 1956, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English text).

Capital budget of the Northern Canada Power Commission for the year ending March 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with copy of Order in Council P.C. 1963-917, dated June 13, 1963, approving same. (English text).

Report of the Board of Trustees of the Queen Elizabeth II Canadian Fund to Aid in Research on the Diseases of Children, including the Auditor General's Report on the financial statements of the board, for the year ended March 31, 1963, pursuant to section 15 of the Queen Elizabeth II Canadian Research Fund Act, chapter 33, Statutes of Canada, 1959. (English and French texts).

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 17, 1963

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

Prayers.

PRIVATE BILL

THE CANADA ACCIDENT AND FIRE ASSURANCE COMPANY—FIRST READING

Hon. L. M. Gouin presented Bill S-33, respecting The Canada Accident and Fire Assurance Company.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Order in Council P.C. 1963-1040, dated July 9, 1963, authorizing the Export Credits Insurance Corporation to agree to a change in the terms of payment under the contract of sale between Canadair Limited, Montreal, and Seaboard World Airlines Inc., New York, U.S.A., for the purchase of 5 CL-44D-4 swing-tail freighter aircraft, including engines, propellers and ancillary equipment, which was authorized by Order in Council P.C. 1959-747, dated June 11, 1959, under section 21A of the Export Credits Insurance Act, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended by chapter 33 of the Statutes of 1960-61. (English text).

Order in Council P.C. 1963-1056, dated July 11, 1963, authorizing, under section 21 of the Export Credits Insurance Act, a contract of insurance by the Export Credits Insurance Corporation for shipment of wheat to Poland prior to December 31, 1963, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended by chapter 33 of the Statutes of 1960-61. (English text).

Report of Industrial Inquiry Commission on the Disruption of Shipping—Honourable T. G. Norris, Commissioner. (English text).

Copy of a letter, dated July 12, 1963, addressed by the Prime Minister of Canada to all provincial premiers containing a proposal for a Federal-Provincial Conference to consider the subjects of pensions and of loans to municipalities for capital works programs. (English and French texts).

Copy of a letter addressed by the Premier of Quebec to the Prime Minister of Canada, dated July 11, 1963, together with a copy of a resolution adopted by the Quebec Legislative Assembly, dated June 26, 1963, concerning Bill C-76: "The Municipal Development and Loan Act". (English and French texts).

FEDERAL-PROVINCIAL RELATIONS

LETTER FROM PRIME MINISTER TO PROVINCIAL PREMIERS RESPECTING CONFERENCE, PRINTED AS APPENDIX

Hon. Mr. Macdonald (Brantford): Honourable senators, with respect to the last two documents tabled, I have two motions. First, I would move, with leave, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

> That the copy of a letter, dated July 12, 1963, addressed by the Prime Minister of Canada to all provincial premiers containing a proposal for a Federal-Provincial Conference to consider the subjects of pensions and of loans to municipalities for capital works programs, tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Motion agreed to.

For text of letter see appendix "A", p. 291.

LETTER FROM PREMIER OF QUEBEC TO THE PRIME MINISTER, RESPECTING BILL C-76, PRINTED AS APPENDIX

Hon. Mr. Macdonald (Brantford): Secondly, I move, with leave, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

> That the copy of a letter addressed by the Premier of Quebec to the Prime Minister of Canada, dated July 11, 1963, together with a copy of a resolution adopted by the Quebec Legislative Assembly, dated June 26, 1963, concerning Bill C-76, "The Municipal Development and Loan Act", tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Hon. A. J. Brooks: May I ask the honourable Leader if replies have been received from all the provincial premiers, or have some not yet replied?

Hon. Mr. Macdonald (Brantford): I believe the letters which were received from the provincial premiers appeared as an appendix to the *Debates of the Senate* several days ago.

Hon. Mr. Brooks: I do not think the list included one from Mr. Bennett, the Premier of British Columbia.

Hon. Mr. Macdonald (Brantford): I shall make inquiries and if a reply has been received I shall endeavour to obtain copies.

Motion agreed to.

For text of letter see appendix "B", p. 292.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING—REPORT OF COMMITTEE ADOPTED

Hon. Thomas Vien, Chairman of the Standing Committee on Standing Orders, presented the committee's first report:

> The committee recommend that the time limited for filing petitions for private bills (other than petitions for bills of divorce) which expired on June 27, 1963, be extended to Friday, August 2, 1963.

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

Hon. Mr. Vien: Honourable senators, in view of the stage we have reached in this session I move, with leave of the Senate, that this report be concurred in now.

Report adopted.

DEPARTMENT OF INDUSTRY BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Macdonald (Brantford) for the second reading of Bill C-74, respecting the Department of Industry.

Hon. Norman P. Lambert: Honourable senators, this is the first opportunity I have had to address myself formally to His Honour the Speaker, and to congratulate him upon his elevation to the important office of Speaker of this chamber. I should like to associate myself with all the compliments and good wishes that accompanied this great event earlier in the session, and I wish for His Honour the best possible developments in the future.

May I also associate myself with the remarks addressed to the leaders on both sides of this house, and include in that association the most complimentary references that were made to the mover and seconder of the motion for an address in reply to the Speech from the Throne, both of whom made an outstanding contribution to the debates of the house.

I would also like to add my word of welcome to the new members of the Senate, and to express the hope that they will enjoy their period here and that it may be long extended. I hope that they will experience some shorter and less verbose sessions than some of us have had to endure here in the past. At any rate, I am sure that they will enjoy their experience and contribute to the proceedings as we progress.

At the outset of my remarks on Bill C-74 I submit the proposition that it should be regarded as an honest effort on the part of the Government of the day to improve industrial and economic conditions of this country.

I almost imagine I hear the remarks of my honourable friend from Carleton (Hon. Mr. O'Leary) that good intentions are not enough to meet the situation at this time, and that the road to perdition too often is paved with good intentions. In that case, if my assumption is correct, I have the logical impression that he may still vote for second reading of this bill on the basis that he would at least glimpse, in the downward trend, the primrose path to the nether regions.

I wish to refer to the remark made yesterday by my friend from Gormley (Hon. Mr. McCutcheon) when he described the bill as an impulsive promise arising out of the recent election campaign. The fact of the matter is that this particular subject was presented in an authoritative statement of Liberal policy in October 1962 and was incorporated in the official appeal to the country during the election campaign in April of this year. Therefore, to be fair, it can be said that it was not an impulsive promise arising out of the election campaign alone.

Certain aspects of this bill, such as possible bureaucratic domination, have been emphasized by critics of the bill, but doubts of its efficacy, based on that thought alone, I submit are scarcely justifiable at this time.

This proposed legislation represents in reality an implementation of an undertaking given by the Leader of the Government in the last election campaign and prior to it. So it may fairly and reasonably be regarded as a response to a mandate from the Canadian electorate.

From that point of view, repeated representations have been made in this chamber by many of its distinguished leaders in years gone by to the effect that the Senate should give such Government measures a fair trial.

In this connection, the opinion of the late Right Honourable Arthur Meighen, expressed while he was a leader here, has often been quoted. His view was:

> Where there is a mandate for legislation which comes before the Senate, where such legislation was clearly discussed and placed on the platform of the successful party in an election, then only in most exceptional cases should there be any attempt or desire on the part

of the Upper House to refuse to implement a mandate by its concurring imprimatur.

Another point of view which is worthy of emphasis in connection with this bill is the need of stimulation of private initiative, private enterprise and industry.

It is assumed by opponents of this bill that the work of the new department will be run by academic eggheads, with the employment of regimentation by order in council and the expenditure of needless sums of money. I submit it is unfair to draw that conclusion so soon.

One might remind honourable senators that this country has not yet by any means completely emerged from a period of 10 to 15 years of regimentation, subsidies and quotas, which characterized the Canadian economy during the years of war and post-war reconstruction. During that time much of our industry walked with the aid of sticks, supplied by government in the form of prices and wage controls and self-denying ordinances of many varieties. Like the athlete who has been denied regular training on the track and in the field for too long a period, industry, with a few marked exceptions—and later I expect to refer to those exceptions—has not yet regained full competitive strength and initiative. All too great a tendency to seek the aid and protection of government is still apparent. This certainly applies to agriculture and primary industry, as well as manufacturing. The Honourable George Hees, Minister of Trade and Commerce in the last government, made a commendable effort to arouse greater initiative amongst industrialists and his trade commissioners from abroad in regaining lost markets and developing new ones. Unfortunately for his effort, he was not supported by good measures of trade policy.

If such a new department as the one proposed can stimulate renewed effort in the fields of production and distribution in primary as well as in secondary industry, it will be well worth while, but it will still have to be supported by progressive trade policies which will promote competition and salesmanship. This is where co-operation with the Department of Trade and Commerce and the tariff-making departments of finance and revenue will be vitally important. Expanded trade abroad in this connection means expanded trade and employment at home.

In dealing with that aspect of the question, I should like to refer to an address that was delivered a few days ago in Regina by the Honourable Mitchell Sharp. His address was delivered before an audience composed largely of people interested in grain production and in grain markets. He spoke of primary industry which still, in spite of the growth of secondary industry and a marked increase in urban population, is a large and important factor in the export trade of this country. Mr. Sharp said:

> As efficient producers we must have terms of access to markets which permit us to compete on fair and reasonable terms against other exporters and against domestic production in importing countries.
>
> Where competition based on productive efficiency, is allowed to give way to a world-managed market and artificially high prices, we would lose the distinction between those who produce and those who do not.

Mr. Sharp concluded by saying:

> Trade expansion is particularly important this year in view of the excellent crop that seems to be in prospect, perhaps the largest ever produced, and far more than has ever been disposed of in a single year.

One can hardly think about this proposed Department of Industry without reference to the administrative organization of its outstanding predecessor, the Department of Munitions and Supply, under the direction of the late Right Honourable C. D. Howe. If ever there was a successful department of industry in this country, that was one. It should be remembered and emphasized that the Department of Munitions and Supply, and later of Reconstruction and Supply, was a result of the co-operative effort of a great minister and the staff of able executive lieutenants drawn from representative private industry throughout the country. Many people will say now, "Oh, but that was during a time of war and an immediate post-war period, when public opinion was willing to accept strong measures."

But with full allowance for the existence of the War Measures Act and its effective discipline in those days, is it not possible to do as great a creative work in peacetime as was done by that department during the war years and immediate post-war years? Why not? The new minister who is to have charge of this department is a man of experience and proven ability in the public service as well as in the field of private business. He and available leading men of business in this younger generation may well duplicate with voluntary effort in these promising days of peace the accomplishments of Howe and his associates twenty years ago. At any rate, they should be given an opportunity of doing so.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. Lambert: I referred a moment ago to outstanding exceptions in Canada's industrial performance where enterprise and initiative and managerial ability had accomplished great things apart from favoured treatment by government. Last week Senator Burchill speaking on this bill, had he been less diffident and less modest than he is, would have referred to one of these exceptions in connection with his own business in New Brunswick and now under the able management of his son. George Burchill and Sons at South Nelson is a century-old family business in lumbering and wood manufacturing. Last year this firm opened up the first fir plywood mill to be located east of the Rocky Mountains and is successfully meeting competition from well-known and established producers of British Columbia, thus helping to enrich the economy of the eastern Maritime area.

One might also take the liberty of referring to another industry, one of the oldest and most widely known institutions in Canada and abroad, The Massey-Harris Company —now known as Massey-Ferguson—manufacturers of farm machinery, whose development and progress during the war and in the years following have made it one of the world's foremost manufacturers of agricultural implements.

Following the removal years ago of its last vestige of tariff protection, and as a result of able management and initiative, combined with what proved to be sound fiscal policy at that time, that institution achieved an outstanding international development. It is only fair to say that this firm had its beginnings in Ontario, before Confederation, and early in its history had its sights set upon expansion abroad. As early as 1929 it had acquired plants in the United States, in Germany and in France. In addition to its home plant, which is now located in Brantford, it has factories not only in the United States, France and Germany but also in Great Britain, Australia and South Africa. From annual total sales of $50 million in the early 1940's, an increase to $600 million was recorded in 1962. In the past 12 years its employees have increased from 20,000 to 40,000 people.

Other examples of industrial adaptability and progress during the post-war years could, I am sure, be cited in such fields as steel, motor vehicles, aluminum, pulp and paper and possibly other fields as well, if one wanted to record them.

Suffice it to say now with respect to this bill we may sincerely hope this new legislation will tend to stimulate rather than hamper the ability and experience of those who have been actually responsible for the conduct and progress of this country's industry and commerce to date. There is no good reason why it should not do that. Competitive effort in meeting demands of increased world trade will be the test of Canada's capacity to regain an improved economic position. The road to full employment lies indisputably in that direction.

I have in my hand a statistical statement supplied to me by the Dominion Bureau of Statistics showing the growth of manufacturing in Canada between the years 1946 and 1960, giving the number of establishments, the number of employees, the amount of salaries and wages paid, the cost at plant of materials used, the value added by manufacture, and the amount of the gross value of products. With the consent of honourable senators, I should like to have this table incorporated in the official report of today's proceedings.

Hon. Senators: Agreed.

See p. 275.

Hon. Mr. Lambert: This table shows a reasonable increase in the number of establishments during those years, and an increase in gross value of products from $8 billion in 1946 to $24 billion in 1960. That growth was undoubtedly due in large measure to individual initiative and to successful co-operation between Government policy and industry, especially in the case of the exceptions to which reference has been made.

One of the aims of this bill is to add to these outstanding accomplishments by extending new industrial activities in areas of the country where, for economic and social reasons, they are needed. In identifying such areas and such assistance, great business discrimination and judgment will be required, and all the ability and brains that the Government and the Parliament of Canada can supply.

Therefore, I submit that this bill should be referred to the Standing Committee on Banking and Commerce for a thorough discussion of the ways and means to be employed in the operation of the Department of Industry, and, if possible, for enlightenment in some detail on the prospective size and cost of its organization.

Hon. Mr. Horner: Honourable senators, the honourable senator who has just resumed his seat made a statement which I am sure he would not mind my correcting. He said that the Burchill plywood plant was the first to be established east of the Rockies. That is not correct. I personally know of one that has been in existence in Kirkland Lake for many years.

Hon. Mr. Lambert: I may say this to my honourable friend by way of enlightenment,

See p. 274.

MANUFACTURING INDUSTRIES

Year	Establishments	Capital	Employees	Salaries and wages	Cost at plant of materials used	Value added by manufacture	Gross Value of products
1946....	31,249	Not collected	1,058,156	1,740,687,254	4,358,234,766	3,467,004,980	8,035,692,471
1947....	32,734	"	1,131,750	2,085,925,966	5,534,280,019	4,292,055,802	10,081,026,580
1948....	33,420	"	1,155,721	2,409,368,190	6,632,831,628	4,938,786,981	11,875,169,685
1949[4]...	35,792	"	1,171,207	2,591,890,657	6,843,231,064	5,330,566,434	12,479,593,300
1950[4]...	35,942	"	1,183,297	2,771,267,435	7,538,534,532	5,942,058,229	13,817,526,381
1951[4]...	37,021	"	1,258,375	3,276,280,917	9,074,526,353	6,940,946,783	16,392,187,132
1952[4]...	37,929	"	1,288,382	3,637,620,160	9,146,172,494	7,443,533,199	16,982,687,035
1953[4]...	38,107	"	1,327,451	3,957,018,348	9,380,558,682	7,993,069,351	17,785,416,854
1954[4]...	38,028	"	1,267,966	3,896,687,691	9,241,857,554	7,902,124,137	17,554,527,504
1955[4]...	38,182	"	1,298,461	4,142,409,534	10,338,202,165	8,753,450,496	19,513,933,811
1956[4]...	37,428	"	1,353,020	4,570,692,190	11,721,536,889	9,605,424,579	21,636,748,986
1957[4]...	37,875	"	1,359,061	4,819,627,999	11,900,751,703	9,822,084,726	22,183,594,311
1958[4]...	36,741	"	1,289,602	4,802,496,260	11,821,567,471	9,792,505,931	22,163,186,308
1959[4]...	36,193	"	1,303,956	5,073,073,706	12,552,200,543	10,320,962,881	23,311,601,481
1960*...	36,682	"	1,294,629	5,207,167,393	12,705,070,820	10,533,208,994	23,747,457,083

[4] Newfoundland is included for 1949 and subsequent years, however, figures for the fish processing industry, 1949 and 1950, were not available for this province and therefore, not included.

* Subject to revision.

that my authority for that statement is Senator Burchill himself, who pointed out that while there were distributing plants farther west, this is the first actual plywood manufacturing plant with a full complement of new machinery that has been erected east of the Rockies. If that statement is incorrect, I will leave it to my colleague, Senator Burchill, to correct.

Hon. Calvert C. Pratt: Honourable senators, may I be permitted to speak for just a few moments on this matter.

I am entirely in accord with the principle of this bill, and I also believe it will have a good, practical application. I know that the Department of Trade and Commerce is a highly efficient organization, that it is doing a splendid job in certain broad fields, and I do not for one moment believe that this bill is any reflection at all on the strength and ability of the department and the assistance that it is giving to trade and industry in Canada. However, we need a body to engage in the field of specific investigation and to come forward with recommendations for various types of assistance. I believe such an organization will prove very useful.

Today we are being confronted with changing conditions in world patterns of trade, and when we think in terms of trade of ten or even five years ago the patterns are outdated. Changes are being made so rapidly that we must keep in touch and adapt ourselves to changing times.

One of the most important aspects of this bill is the effect it should have on the development of manufacturing trade in the various parts of Canada. The Canadian manufacturing industry needs such impetus, and it should be more widespread than at the present time. It is true that certain lines of goods for export can be produced to better advantage in some locations than in others, and this situation requires closer study and more application than it is possible for the individual industry itself to apply. That is, with such help fresh light and a broader view will be developed, and industries will be brought into closer collaboration with each other and government.

I need not develop this theme further for, as all honourable senators know, there is a need for such assistance. It has already been mentioned here in considerable detail, and I do not intend just now to develop the point. I merely wish to express my views on the general principle involved.

Honourable senators, over the past few years I have had the interesting experience of attending international conferences under the auspices of the International Chamber of Commerce, the Commonwealth and Federated Chambers of Commerce, and so on. My travels have taken me to many countries, including Japan, Italy, Australia, the West Indies and Scandinavia. One of the things that strike me everywhere is that industry has a background of official support by governments in some countries that have just as strong feelings with regard to private enterprise as we have. In those countries there are various means, through government channels, by which industry is assisted in its development. While in a general way assistance does exist in this country, and our industrial organizations have progressed, up to now many of the currently changing problems have not been dealt with specifically and definitely, as they have in other countries.

It is amazing how many of these things come to one's attention. Just as an illustration, I remember sitting in on a conference in a far-away country and going through figures which showed that Canadian exports of a certain product had dropped by approximately $1 million. Such a discovery happened to be a piece of good fortune on my part. I ascertained from where that country obtained the balance of its imports of that product, and found that another country had increased its exports of the same product by $1 million. I asked how that came about. It was through a government organization in the exporting country. They had made an arrangement whereby a freight rate was brought down to give them a slight advantage which permitted them to capture what had been Canadian trade.

That is only one of numerous instances that have occurred where government departments are set up for the purpose of sponsoring industry, and not only industry in a general way to promote trade, but to watch the intricacies of industries in such a way that every possible opportunity of obtaining an advantage here or there is sought. I feel that notwithstanding the fine work the Department of Trade and Commerce is doing throughout the world, we do need a department which can concentrate on assisting in the development of industry in full co-operation with the Department of Trade and Commerce.

Honourable senators, as I have said, I am very much in favour of setting up a Department of Industry. I believe it is going to be of valuable assistance to Canadian industry, and it is certainly not going to decrease the initiative in trade and commerce. It is going to assist the initiative of trade. We need a department to carry out that function because time and again in various countries I have heard the question asked: Do you make this product in Canada? And, when the reply is in the affirmative, the next question is: Why is it not offered here? Well, sometimes it is not economical to do so. In so many instances certain industries are operating on a small scale and are taking care of domestic trade under protective tariffs, and do not take the broader issues of export trade into account. That observation does not apply to the larger, well-organized businesses but it does apply to numerous businesses which could possibly, with assistance and co-ordination of effort, introduce us to a much wider field of exports than we have at the present time. With the increasing need for greater domestic trade by a growing population, we certainly need more diversification and more industrial production for local trade.

Honourable senators, I regard money spent in creating such a department, if it functions in line with the opportunities, as a good national investment and not as an unnecessary expense.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I should like to add a few words in the hope of removing the confusion in some minds, because such confusion, if any, is caused by the fact that we are taking a different view of things.

I shall talk to you as a layman and not as a businessman. I know that there are in this house some people who, from a business point of view, may have no need for this legislation, because they are powerful enough financially to hire efficient men to assist them in the development of their businesses.

There are, however, medium-sized and small industries. Small industries are in need of assistance. They cannot afford to pay technicians, as Senator Choquette so ably said yesterday, or scientists to help them increase production.

For instance, let me tell you about an industry with which I am well acquainted and which needed the services of such experts. It is the maple sugar industry. Some forty years ago that industry was on its last legs. We then considered the establishment of a co-operative to co-ordinate the sale of the product. During the first two or three years everything was fine, because we were only receiving a few thousand pounds of syrup, but when eventually we began receiving several million pounds we ran into trouble. We were unable to sell all that syrup within a few days. It took several months. In addition, the quality of the product varied from

year to year. Syrup kept in barrels fermented and some barrels exploded. The syrup lost its fine taste.

We therefore consulted chemists who specialized in the processing of beet and cane sugar. We tried to follow the advice they gave us but it was useless.

I then turned to the government of the province of Quebec and I told them: "Here is a product which has never been manufactured scientifically. It has always been made in an easy-going sort of way and these are the difficulties we encountered.".

I asked the government for the services of a specialist but there was none, so it was decided to train one. Afterwards I discussed my problem with a chemist of the school of sciences of Laval University. He told me that he would be interested in doing research in that field.

Then our former colleague Senator Godbout, who was at the time the Quebec Minister of Agriculture, told me: "Very well, the government will give you a grant to retain the services of a chemist".

After twelve months of research the chemist discovered why our syrup was fermenting and why maple syrup could not be processed the same way as syrup made with cane or beet sugar. The reason is that in addition to the saccharose that one finds in beet and cane sugar, maple syrup contains dextrose and minerals. I did not quite understand what dextrose and saccharose were. For the information of laymen, I can now say that dextrose is an invert sugar which does not crystallize.

After several months of research that man came to see us. Later on we hired more chemists who enabled us to discover new processes which we now utilize to great advantage and which bring us profits. At the outset we did not have the financial means to hire that expert; it is the provincial Departments of Agriculture and Industry who saved the day.

That is how I see the implementation of this bill. I feel that our medium and small enterprises need assistance in order to expand, develop and increase their output.

The commercial agents of our Department of Trade and Commerce do not bother about the expansion of our industry. Their business is rather to sell goods and to increase our trade with foreign countries. On the other hand, the new department's role would be to promote and organize industry and, as our leader put it so well, to develop above all our secondary industry. This would check unemployment and spread prosperity from coast to coast.

The powerful agencies such as those under the direction of our colleague Senator McCutcheon, for example, do not need a department of that type. Those corporations have all the experts they need; but the industries that will benefit from this department are the secondary industries, which are unable to get the help of renowned experts to show them how to produce in the most economical way, and also what to produce and in what particular area of the country.

The handicap which faces our economy, in our democracies, is that powerful organizations having enormous assets can do what they want, while smaller enterprises are often doomed and, unless we give them assistance of some kind, sooner or later what has happened elsewhere will happen in this country, that is, revolution.

If we want to live in peace in a democratic country, all sections of the country must benefit from social welfare measures; they must not be limited to a few large centres. If we are 10 to engage in good works, well and good, but if there are 100 of us, so much the better. The more benefactors there are, the more chance there is to succeed.

I should like to give you another example. Fifty miles from Lévis, there is a small industrialist who, a few years ago, began to manufacture plastic goods. At first he was manufacturing small plastic spoons, toothpicks and other similar goods; his was a very small industry. Then he said to himself: "Why should I not be able to manufacture plastic glasses and other types of plastic kitchenware, etc.? I cannot, because I do not have the necessary knowledge. I can make moulds, but I do not know how to prepare the mix."

I advised him to do as I had done. I went with him to Quebec where we paid a visit to the Department of Trade and Industry. We asked them to place at the disposal of this man a chemist who could advise him on the proper procedure. Another time, we went to the Science school of Laval university and today, this man operates a flourishing industry.

We heard a while ago of the mills of New Brunswick, those of our colleague Senator Burchill, but I can tell you that in that area, 50 miles from Quebec city, in a very small village isolated in the mountains where they used to employ 5 or 10 men, they now employ 100. Moreover, those workers stay in their village instead of going to Montreal or elsewhere to swell the number of unemployed.

That is the way I imagine, honourable senators, this legislation will be implemented.

A few weeks ago, I spent three days with Mr. Lamour the man who, in France, has been working for ten years in the planning of French industry and agriculture. Here is what he told me about our country with which he is very familiar: "You have in your country the same shortcomings we had in France for too many years. Consider especially the province of Quebec; you have a great drawing centre, Montreal and its suburbs; and elsewhere, what do you have? Not much, in the final analysis. As a matter of fact, people come to Montreal from all over the province; villages and small towns are losing their inhabitants; tomorrow one place will be overcrowded and the rest will be empty." And he added: "In France the same thing was true for many years; everybody was going to Paris. All our small industries were disappearing and there was unemployment in many parts of the country. And yet, today, after ten years of work, we are beginning to see the results of our efforts. For instance, in the south of France, on the Mediterranean where in the past wine-making was the only industry because people thought nothing but wine could be produced there—and the government had to buy the surplus, turning it into alcohol and losing 60 to 70 per cent of the initial purchasing price—today, thanks to our economists and our engineers, irrigation projects have been completed and vineyards are no longer the only industry. By making agriculture more prosperous, we developed secondary industries, and to such an extent that, at the present time, near Toulouse we are building another city almost as large as the first, that is to say, it will have a population of 25,000 to 35,000 inhabitants. Our people work at home now, Paris will be able to breathe a little easier, and prosperity will be spread all over France." And he went on: "Try and make it possible for medium industry to produce more economically, to produce and sell near home. Thus, you will do as we did; today, people in the south of France, on the Mediterranean, in Marseille, Toulouse and throughout that region, have stopped going to Paris in the last three years because they can earn a living at home; we have developed local industries and the people can live as they like to". "Finally", said he—and I have the proof here —"on June 1st of this year, there were in all of France 20,900 unemployed drawing unemployment insurance benefits. All those things do not happen overnight; our plan has been in operation for 10 years."

Seeing how successful it had been in France, Belgium adopted similar legislation. So did Italy.

If it succeeded elsewhere, why not in Canada?

When I read why this bill was presented, it seemed to me that we could obtain the same results here, with the help and assistance of the government because, let us not forget it, the government must not do everything but, in a democratic country, it must be there to help, to show how things should be done, to make suggestions. Finally, it is said that the Department of Trade and Commerce could do the same thing. No, the Department of Trade and Commerce could not do that work because it is not equipped to do so; it lacks experts to develop industry, but it can co-operate with the Department of Industry.

Dear colleagues, if only this great truth could be understood and followed with respect to co-operation: to co-operate, to do something with and not against someone, to co-operate with all the provinces because, in the end, our Canada is the union of ten provinces that must work together and work closely.

Our country is so spread out that if there is no co-operation, division will prevail and it will lead almost to the destruction of all.

Centralization of big industries in large centres is not only an industrial problem, it is also a moral problem. The big cities with their large industries may create some economic and social disturbances much more serious than if the industries were spread out all over the country.

In fact, in spreading out over the country, industries become diversified and crises are less serious; social agitation is less dangerous.

Let us be cautious so we shall not see in our country what is happening now in Africa. When we want to correct an evil, often the aftermath is worse than the evil which was intended to be corrected, and then it is anarchy.

This bill, in my opinon, is worthwhile. I am glad to support it. I take pleasure also in saying that this new department will not create division but that it will co-operate with the other departments and give them assistance; therefore, the nation will be better off.

(Text):

Hon. David A. Croll: Honourable senators, this morning's radio blared out news which was confirmed somewhat later by the press, that we in Canada have the highest percentage of unemployment of any industrialized nation, that ours is the worst record in the western world. Those of us who have seen the Dominion Bureau of Statistics' figures issued today by the Department of Labour were struck by the part which read:

> For the second consecutive year, there was an unusually large increase in unemployment among teenagers.

These statements, honourable senators, made responsibly, should shake all of us into action, for unemployment has become a Canadian plague. It is time we did something about it. I am not too sure that this is the only thing we can do, but it is one thing we can do, and I am certain it is better than doing nothing.

Before I get into the main body of my speech, may I say how intrigued I was by the statement made by Senator Grattan O'Leary —I want to differ with only one O'Leary at a time—and which he repeated in what I thought was a belittling sort of fashion, about the boys in the grey flannel suits carrying brief cases. For a while I wondered who these faceless people were, and then in the course of the honourable senator's speech I thought he let the cat out of the bag—

Hon. Mr. O'Leary (Carleton): They helped to write the budget.

Hon. Mr. Croll: No, not at all. Those were not the people you had reference to.

Hon. Mr. O'Leary (Carleton): Oh, yes, they were.

Hon. Mr. Croll: In the course of his speech Senator O'Leary, asked: Are any of these people going to tell Bill Scully how to run The Steel Company of Canada? Well, I never thought that anyone should tell Bill Scully how to run The Steel Company of Canada, but then it struck me that Bill Scully at one time was one of the boys in grey flannel suits with brief cases. I remember his being here. I then started to recall some of the boys in grey flannel suits carrying brief cases in my time—and I have been around here for a few years. I thought of Mac Mackenzie, President of the Canadian Chemical Company; I thought of T. N. Beaupre, President of B.C. Forest Products Limited.

Hon. Mr. McCutcheon: You should have kept all of them.

Hon. Mr. Croll: Dave Golden was another. He took another job for a time and then they asked him to come back to be Deputy Minister of the new Department of Industry. These were not dollar-a-year men; they were all civil servants. There was Harvey Perry, who is with the Canadian Tax Foundation; Charlie Gavsie, who sits on many industrial boards in Montreal; Thor Stephenson, President of United Aircraft of Canada; John Lessard, President of Quebec Hydro; and Bill Bennett, Executive Vice-President of the Iron Ore Company of Canada. These were all boys in grey flannel suits with brief cases.

Hon. Mr. Thorvaldson: Nonsense; they were nothing of the sort.

Hon. Mr. Croll: I do not mind the honourable senator's interrupting, but would he please speak loudly and clearly so that I am able to answer him. If he does not do that I miss the interruptions.

Hon. Mr. Thorvaldson: All I said was that you were away off the beam.

Hon. Mr. Croll: All right; let us get on with it and see who they were.

On top of it all there are two other men who once wore grey flannel suits and who now happen to be sitting on the front benches in the other house. I am referring, of course, to the Honourable Mitchell Sharp and to the Honourable C. M. Drury.

If these were the whirling dervishes of other days they were not angry young men, but they were certainly busy young men who answer the description of my honourable friend.

What we are attempting to do, as I understand it, is to send out to the country their modern equivalent, and perhaps we should describe them as boys in the Ivy League suits with attaché cases. That is a more modern expression than "boys in the grey flannel suits".

Those men to whom I have referred who were civil servants who helped to build up industrial Canada, did well for Canada. They did well for themselves and they are shining lights in the business world of today. So, with this new department, under one of the boys in the grey flannel suits who is now Minister of the Department of Defence Production, the sooner we start these people hurrying out, contacting, addressing, encouraging and assisting the establishment of secondary industries, the better it will be.

As I heard the speeches here yesterday, the objections raised were five or six in number. I will deal with a few of them.

There were arguments that the facilities are available at present in the Department of Trade and Commerce, that this method is

too expensive, that it will not do the job, that the wrong people will be in charge, and that it means too much government.

Then came the lollapalooza of all—somebody said it was unconstitutional.

Whenever you run out of objections you can always fall back on unconstitutionality. If you say it once, it fogs the issue; if you repeat the argument, you becloud the issue.

On the other hand, Senator Grosart gave us six reasons. Senator O'Leary went one better; he gave us seven reasons. They are both reasonable men when not politically motivated.

Senator O'Leary said something about the Glassco Report. The Glassco Report is not for quick reading. There are five pretty heavy volumes. Though Glassco's name appears on the report, there were many excellent and brilliant minds at work in making up the report. In fact there were more than 100 people concerned in its compilation. It is useful reference material.

I compare that, as I will compare some other reports, with the Gordon report which in another day was a guidepost for us, and in time we read it, understood it and applied it. In another day we had the Archambault Report on penal reform, which is vibrant even today and points to our shortcomings in a field which has been horribly neglected.

But the Glassco Report cannot make an impact; it is an impersonal sort of thing; it does not project and it does not register on first reading. It needs study. I will indicate to you what I mean in comparing these three reports with a couple of others that come to my attention.

Let me take the O'Leary Report. That was not a composite document. When you read it, it was all O'Leary and what it had to say was in the O'Leary fashion. I agree that you will enjoy the report. It had character to it. It was something immediate: you could read it, or you could put it aside if you wished, but you could not ignore it, no more than you could the Norris Report, because it is positive and is immediate; it is all Norris and is full of character. It is easy to read and it is interesting. Nevertheless, we must not be carried away with its recommendations.

An honourable senator said yesterday that in the United States of America there are fewer cabinet ministers than in Canada. The honourable senator who said that just does not understand what is going on. He does not appreciate the American system, which is a fundamentally different system from ours. There the ministers do not sit in the House of Representatives, as ours sit in the House of Commons, subject to questions for an hour or an hour and a half each day. They are not under the gun, morning, noon and night. The impact is not there; the responsibility is not there. When one talks of the comparable opposite number in the United States ministry one has to relate it to the undersecretary, and each department has oodles of them. They get them from business, from labour, from universities—Harvard preferred—from wherever they can, and they are experts in their own business when they are brought in. Washington has more under secretaries of State than Carter has pills—and it is time we knew it.

Hon. Mr. McCutcheon: They are about as useful.

Hon. Mr. Croll: The Americans seem to be able to get along pretty well.

Hon. Mr. Hayden: It is a very good testimonial.

Hon. Mr. Croll: I think this bill has possibilities, because it is geared to the needs of secondary industries.

As far back as I can remember, when I first came into politics many years ago, and ever since, I have heard talk about establishing in this country secondary industries, but nobody has done anything about it that has been effective, and I have lived through governments of all political shades—that is, all that count.

I need hardly tell you, for it is absolutely true, that secondary industries are the Achilles' heel of Canadian economy. I remember when I was younger people used to say that the answer to the problem was tariffs. Well, I came into political life at a time when "tariff" became a nasty word. The only time you could talk about tariffs was when you said "lower the tariffs". Then someone would listen to you. The wisdom and the mood of the world today is not for tariffs. So we must forget about them. If we are to have an audience interested in secondary industries we must talk about the things they understand. For that reason, this bill, and what has been said about it, is in the language of today. It talks of incentives, of tax forgiveness, of accelerated depreciation, and of capital assistance.

Hon. Mr. McCutcheon: Is that in the bill?

Hon. Mr. Croll: No, it is not in the bill, but if you read what many have said about it, that is what they have in mind.

There cannot be any question at all that the purpose of the bill is to establish in small cities and towns, more particularly in distressed and back areas, small industries which will have a present and a future. This will help employment; it will provide jobs;

it will create stability for the community and an opportunity for the individuals.

In Canada we have unused manpower. Under this bill we will try to find out how we can use that manpower. We may need to provide capital, we may need to give some inducements, we may even have to provide some personnel to aid in planning, and to give further assistance we may have to do some planning; but it will always be cheaper than having half a million people walking aimlessly up and down the streets of this country.

As in another day, what they did yesterday we can do today. We will send across this country, wherever they have to be sent, the boys with the Ivy League suits, with attaché cases, by plane and by jet if possible —travelling economy, because we are trying to save money—to make a start on small local industries operating all year round, equipped with the most modern facilities, to provide not only for the home market but for the export market.

We are not attempting to put government in business; we are attempting to put business in goverment.

Canada is a country endowed with national resources, with a capable labour force, with ample technical know-how, with a reasonable amount of wealth, and with thousands of unemployed suffering varying degrees of privation, and with billions of dollars worth of unemployed productive capacity.

So, if this costs us money, it is worth it. If it is an experiment, it is a worthwhile experiment. So long as we spend money on social capital, on goods and services in Canada, we are doing what is in the interests of Canada.

As I see the purpose of this bill, it is to create jobs and employment, and it is a step in the direction of establishing secondary industries in the small towns and villages and in the dark areas of this country. We cannot possibly lose. All we are venturing are some dollars. Some good is bound to come from it, perhaps not all that we hope for, but certainly within any reasonable length of time we shall have better conditions in this country, as a result of the effort of this department, than we have at the present time.

Honourable senators, I support the bill.

Hon. W. Ross Macdonald: Honourable senators—

The Hon. the Speaker: Before the honourable senator speaks, may I remind the house that if he speaks now it will have the effect of closing the debate.

Hon. Mr. Macdonald (Brantford): Honourable senators, I am sure you are all pleased that the debate is being closed, although you must agree with me that it has been a most interesting and informative discussion. At times politics has raised its interesting head. However, I do not object to a little politics in the Senate, as long as we do not get too much, for it adds a little spirit and spice to debate, and makes the afternoons more interesting. Those of us who have been in the Senate for some time have come to realize that when a speech is too political less attention is paid to it. In this debate we have had no speeches of that type.

Hon. Mr. Horner: Oh!

Hon. Mr. Macdonald (Brantford): Perhaps I should say, at least from the other side of the house. I am accustomed to politics, and it did not appear to me that the speeches were too partisan. In fact, I thought most of them were helpful and informative. They were all good speeches and they have left me with little to say.

I do not intend to make a second speech on this bill. I am fortunate to be surrounded by such able and eloquent senators that once I make an opening speech they carry the ball right along, as they did most ably on this occasion.

Hon. Mr. Aseltine: They didn't score many touchdowns.

Hon. Mr. Macdonald (Brantford): Well, I thought they scored a little too often, indeed, so often that they made the game a bit uninteresting on this side.

I do not intend to be political, but I did think that some of the speeches made on the other side were too much in the nature of the "stand pat" type of olden days. That observation is not political. I thought we might have had more enthusiastic speeches from the members on the other side of the house as to what might be done to relieve the conditions we all deplore. However, nothing was expressed of a positive nature, only of a negative nature. I suppose that is what we should expect from the Opposition, and possibly that is the attitude I took when I was on the other side of the house.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Macdonald (Brantford): In any event, I feel that the bill before us is a positive measure and one which will be most helpful to Canadians generally. I think we all admit, and there can be no denial of this fact, that we must do something to overcome the distressing problem of unemployment. The Government has a mandate to do that. If the former Government had remained in power, it would also have had a mandate to do so. We all agree with the aim.

The honourable Senator Croll stated that he was shocked when he awakened this morning at eight o'clock—probably he had been up much longer—to hear over the radio a report on the unemployment situation in Canada. I was so shocked with the statement that I got a copy of what was said over the C.B.C., so that I could read part of it to the house. Imagine hearing this as you get out of bed at eight o'clock in the morning—

Hon. Mr. Hayden: It serves you right for getting up so late.

Hon. Mr. McCutcheon: You should have stayed there.

Hon. Mr. Macdonald (Brantford): Perhaps tomorrow I should wait until 8.15. This is what I heard on the radio:

> The National Industrial Conference Board says that Canada continues to be plagued with virtually the highest unemployment rate of any major industrial nation.

The report went on to say:

> The board notes that the Canadian unemployment percentage rate in recent years has been higher than that of the United States, Italy and Britain. It says the coastal provinces are Canada's biggest areas of joblessness, with unemployment running to nearly 11 per cent in the Atlantic provinces and close to 7 per cent in British Columbia.

Hon. Mr. McCutcheon: May I interrupt the Leader of the Government to make this observation? I know the National Industrial Conference Board well. When comparing unemployment statistics it is perfectly proper to compare our statistics with those of the United States and, I believe, with those of Japan. These are the three countries which, as I understand at the moment, collect statistics on the basis recommended by the international labour office. When you start comparing our statistics with those of Italy, Germany, France, The Netherlands, Belgium and the United Kingdom, then you are comparing oranges and apples. I merely say that so that we shall not denigrate ourselves too much in this house.

Hon. Mr. Macdonald (Brantford): I thank the honourable gentleman. I do not know if that lessens the seriousness of the statement that was heard over the air this morning.

Hon. Mr. McCutcheon: I am not suggesting it does.

Hon. Mr. Macdonald (Brantford): The statement was that the Canadian unemployment percentage rate in recent years has been higher than that of the United States—

Hon. Mr. McCutcheon: That may well be.

Hon. Mr. Macdonald (Brantford): —Italy and Britain.

Hon. Mr. McCutcheon: I do not accept the comparison with Italy, Britain and France.

Hon. Mr. Macdonald (Brantford): I do not know. In any event, I should not think that we could argue too strenuously against that statement, because at any rate it shows that conditions are very bad in Canada in so far as unemployment is concerned in relation to some other countries. However, I will not delay further on that. As I have said, the statement shocked me, as I am sure it shocked most honourable members of this house who heard it.

Another problem which strikes me as very serious is the immediate future in Canada for our young people. Honourable senators have heard often in the past few days that during the next few years 250,000 young people will come annually to the labour market. That refers to Canada. We do not know what is happening in Japan, Germany, Italy or Britain. I am talking only about Canada now. Surely, it is the duty of all of us to do what we can to make conditions such that those young people can find employment. That is one of the purposes of this bill.

From what we have heard here during this debate, I think we all agree now that most of these young people will have to find employment in secondary industry. Last evening we had a discussion here as to where secondary industry products come in our exports. I put them down as thirteenth on the list. I said that the largest exportation of manufactured articles came from the agricultural industry. I was corrected, because apparently there is a much larger exportation of newsprint. I believe I excepted newsprint from that statement; it is not wholly manufactured, but is very close to the forest products which produce newsprint. Therefore, excepting newsprint, agricultural implements with an exportation last year of about $100 million was the largest exportation of all manufactured articles from Canada, and stands at about thirteenth on our list.

Now, honourable senators, I feel that we must make every effort to improve our methods of manufacturing products of the secondary industries for greater exportation. That is where the market is, and if we can produce more in Canada we will have more employment.

Honourable senators, that is one of the purposes of this bill and that is one of the reasons I am asking that it be referred to committee. I agree that there is a lot to be learned about how this department is going

to operate. All cannot be told in the debate on second reading; it will have to go before the committee.

Someone has asked how much it is going to cost. That too we can find out in committee; we can also find out how many jobs will be created; and who is going to benefit. All that information can be obtained in committee.

Honourable senators, it has been said that industry itself can do this work, that industry does not need this help. Well, I will agree that some of these large companies such as the Massey-Harris Company—

Hon. Mr. McCutcheon: Massey-Ferguson.

Hon. Mr. Macdonald (Brantford): I was brought up in the Massey-Harris days.

Hon. Mr. McCutcheon: You are from Brantford.

Hon. Mr. Macdonald (Brantford): The Massey-Ferguson Company of today can employ experts who can do all the necessary research. But what about the smaller companies that are coming along? They are the ones that will need help; they will require the benefits of all these technological advances that are taking place. At least some of these smaller companies are going to need this help. Surely, honourable senators, no one would deny the smaller companies the benefit of the great scientific advances that are taking place, so that they too can produce goods which can be sold on the markets of the world.

Honourable senators, I am not going to delay you further by arguing as between the Department of Trade and Commerce and the Department of Industry, or whether there should be one or two departments. That has been answered several times. Of course the Department of Trade and Commerce will go along effectively, as it has in the past. I want to join with those who have already paid tribute to the heads of this department, and I include in that complimentary statement our own Senator McCutcheon, who headed that department for a time. He, like his successors, did very well indeed.

Hon. Mr. Grosart: His predecessors, you mean?

Hon. Mr. Macdonald (Brantford): Yes, and like his immediate successor. And we can go back, as someone has said, to the days of the late Right Honourable C. D. Howe.

Hon. Mr. Brooks: I would like to ask the honourable Leader of the Government a question. Did the late Right Honourable C. D. Howe, in making such a great success of the Department of Trade and Commerce, as we heard and as we in this country know, have a Department of Industry? Did he not do it under the Department of Trade and Commerce? I think if Mr. Howe were living today he would be the first one to object to this bill for the setting up of a new department.

Hon. Mr. Macdonald (Brantford): I can inform the honourable Leader of the Opposition that Mr. Howe did set up the Department of Munitions and Supply, which dealt with industry; he also set up the Department of Reconstruction and Supply and the Department of Defence Production.

Hon. Mr. Brooks: Yes, but he did not set up a Department of Industry.

Hon. Mr. Macdonald (Brantford): The Department of Defence Production specializes in a certain branch of industry. He did set up all these departments.

Someone has said that this will detract from the present Minister of Trade and Commerce. Honourable senators, the present Minister of Trade and Commerce endorses this bill; he wants it to go through. He does not oppose it; he admits that the activities of this branch of his department should be taken into a separate department.

Hon. Mr. McCutcheon: Did he speak in favour of the bill in the House of Commons?

Hon. Mr. Macdonald (Brantford): Yes, he spoke in favour of it.

Hon. Mr. Grosart: After some prodding at length.

Hon. Mr. Macdonald (Brantford): No prodding at length. He is enthusiastic about it. I do hope honourable senators are also enthusiastic about it, at least a little more than they were when this debate started.

When I am speaking about the honourable senator being the former Minister of Trade and Commerce, let us not forget that for a number of years we had in this house a member who took an active part in the debates, one of the most prominent members, in the person of the late Honourable W. D. Euler, who headed that department for a number of years.

Hon. Mr. Brooks: And he never suggested a Department of Industry.

Hon. Mr. Macdonald (Brantford): He headed the department before 1940. I do not know what he was thinking about in those days, but I am confident that if he were here today he would support this bill.

Hon. Mr. Grosart: Does the honourable Leader expect this new department to last longer than the Department of Munitions and Supply, or will it suffer the same fate?

Hon. Mr. Macdonald (Brantford): I am all for progress and, as time goes on, if it is found necessary that the Department of Trade and Commerce should be changed, I would go along with it. But I cannot forecast the future. We must be progressive; we must be prepared to go forward. There are great changes taking place in the world today; this we have to realize, and if it is necessary to make a change let us not hesitate to do so.

Hon. Mr. Thorvaldson: A change can be made for the worse.

Hon. Mr. Macdonald (Brantford): It has been suggested that this department is going to run business. I do not think it is necessary for me to deal longer with that point because that suggestion has been disposed of. I do not believe any honourable senator thinks that the Government or this department is going to endeavour to run anybody's business. It is going to endeavour to assist businesses that want assistance, and it is very necessary that assistance be made available to them.

Honourable senators, there is one branch of this bill with which I believe we are all in favour, and that is the branch which provides for area development. It has been said that the coastal provinces are Canada's biggest areas of joblessness, of unemployment, running to nearly 11 per cent in the Maritime provinces and close to 7 per cent in British Columbia. This department will assist those provinces, with no question of provincial rights being invaded.

Hon. Mr. Drouin: Are the provinces asking for this department?

Hon. Mr. Macdonald (Brantford): The provinces are enthusiastic about it.

Hon. Mr. Drouin: And industry too?

Hon. Mr. Macdonald (Brantford): I will come to that point right away. The provinces will welcome this legislation. The Government is pleased to co-operate in a study of the problems of these depressed areas which must be improved.

Senator Vaillancourt this afternoon told us what is being done along this line in other countries, and I myself saw what is being done in Great Britain. What is being done in those countries can and should be done in Canada.

Hon. Mr. Thorvaldson: Done by governments?

Hon. Mr. Macdonald (Brantford): Yes, with the assistance of governments. My friend, the former honourable Speaker, (Hon. Mr. Drouin) asked, "Is industry asking for this legislation?" I do not say that all industries have asked for it, but I know of no industry that is objecting to it.

I have with me a pamphlet entitled, "Parliament of Canadian Industry" issued by the Canadian Manufacturers' Association. It is the ninety-second annual report and is dated June 3, 1963. On page 13 of the report I read these words:

> The association notes with approval that all political parties recognize the role which manufacturing industry must play as a most important and most promising source of productive jobs for Canada's growing population.

I ask honourable senators to pay particular attention to this.

> This role amply justifies the Government proposal to establish a full cabinet voice for the manufacturing industry through the designation of a Minister and Department of Industry.

Hon. Mr. Brooks: Did the association not afterwards withdraw that statement?

Hon. Mr. Macdonald (Brantford): This report is dated June 3, and they have not had much time.

Also, I would like to draw honourable senators' attention to an article which I read in the Toronto *Globe and Mail* of Monday, July 15, last. It probably appeared in the Ottawa *Journal* as well, but I was away that day and did not have an opportunity of reading that paper, as is my custom. However, in the *Globe and Mail* the article has a three-column heading which reads:

> Canada Must Automate or Lag, Domtar Tells Nipigon Chamber.
>
> This northwestern Ontario centre last week staged Domtar Day to stress the interdependence of the community....
>
> W. N. Hall of Montreal—

Hon. Mr. McCutcheon: Of Dominion Tar.

Hon. Mr. Macdonald (Brantford): Did someone say he is quite a Tory? Well, some members can boast of that. However, I am not referring to his political persuasions.

> W. N. Hall of Montreal, president of Dominion Tar and Chemical Co. Ltd., argued in favour of the introduction of new methods and machines.

I am not going to read the whole report, but further on it says:

> The problems of dealing with the impact of automation clearly are beyond the capacity of labour, management or governments alone. What is required is a concentrated planning effort and program involving the three groups, Mr. Hall said.

Honourable senators, I feel that is an endorsement of this bill; at least, it is sufficient endorsement that we should send it to committee and find out some more about it. I have no doubt that you will send it to the committee. I can assure you that when it goes to the committee the young man who is to head this department, to whom Senator Lambert referred a moment ago, a man with both business and Government experience—as we know, he is a businessman from Montreal and was Deputy Minister of National Defence—will attend the committee meeting and I am sure will answer all your questions. At least, we will then obtain all the information that we should have before giving the bill third reading. Therefore, I trust the bill will be sent to committee, so that we can give it clause-by-clause consideration at the earliest opportunity.

Hon. A. J. Brooks: Honourable senators, I do not wish to make any extended remarks, but the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) has said that the Canadian Manufacturers' Association approved of the setting up of this department. Mr. Churchill, at page 1701 of House of Commons *Hansard*, quoted Mr. J. C. Whitelaw, Q.C., as follows:

> This role amply justifies the government proposal to establish a full cabinet voice for the manufacturing industry through the designation of a minister and department of industry.
>
> At the same time, the association has made it clear that it does not advocate the creation of yet another ministry and department, believing that the appropriate ends could be accomplished by reorganization and re-emphasis of existing facilities.

Hon. Mr. Macdonald (Brantford): It is certainly a very confused statement.

Hon. Mr. Brooks: That is my point; there is nothing definite about it.

Hon. Mr. Macdonald (Brantford): In one case the Honourable Mr. Churchill quotes the man as saying he is in favour of it, and in the next sentence he does not appear to be.

I question the right to quote from the *Hansard* of the other place, and I should have objected to the honourable leader doing so. I quoted from the actual document, and perhaps the honourable gentleman would like me to quote from it again.

Some Hon. Senators: No, no.

Hon. Mr. Macdonald (Brantford): It is definitely embodied in this document, which is an account of the speech, as I have said.

Hon. Mr. McCutcheon: You may provoke me to interrupt, if you continue.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Brantford), bill referred to the Standing Committee on Banking and Commerce.

ATLANTIC DEVELOPMENT BOARD ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Austin C. Taylor moved the second reading of Bill C-80, to amend the Atlantic Development Board Act.

He said: Honourable senators, in moving second reading of Bill C-80, which provides for certain amendments to the Atlantic Development Board Act, may I repeat what I stated on previous occasions, that all legislation, no matter how good it may be when originally passed, needs to be amended from time to time. In other words, no piece of legislation is ever perfect, even when it is amended.

Hon. Mr. Thorvaldson: Particularly if it is politically appropriate.

Hon. Mr. Taylor (Westmorland): Therefore, as changes inevitably take place, as circumstances warrant and as the need arises, amendments are introduced in order that the legislation may be improved. This, honourable senators, is the purpose of the bill now before us.

You will recall that when the original bill to set up the Atlantic Development Board was before the Senate during the last session, I indicated my full support of the principle of the bill, but questioned whether the bill, when enacted, would perform the function for which it was originally intended. In order to indicate my position at that time I would like to quote a passage from my earlier remarks:

> It would appear to me, honourable senators, that there is no opposition to the principle of the bill now before us, but there is some difference of opinion as to its value as a means of improving the economic position of the Atlantic area.
>
> In studying this bill, and viewing it in relation to the intent, I feel that the purpose is good, but, like some others, I question whether or not it is to perform the function that some honourable members believe it will.

As a matter of fact, you will also recall that at the time I disagreed heartily with the then Minister of National Revenue when he stated:

> I consider that the proposed legislation to set up an Atlantic Development Board is the most forward step ever taken in my lifetime for the benefit of the Atlantic Provinces.

You will recall also that I stated I was not alone in my analysis of the bill, and I quoted an editorial from the *Globe and Mail* of December 7, 1962. Again, I should like to quote a part of that editorial for the record:

> It is difficult to share Mr. Flemming's enthusiasm. The legislation which he outlined will set up yet another organization to investigate the economic problems of the Maritimes, seek solutions, and make recommendations to the federal Government. It will, apparently have no executive authority and no funds to invest. If this sort of action could solve the difficulties of the Atlantic Provinces, Maritimers would have been prosperous years ago. If there is one thing they have not lacked in the past it has been investigation and advice.

Further on the editorial says:

> A wisely planned and administered program of federal investment in the area could create new jobs on private payrolls and swell the tax revenues of the provincial governments. This could bring about a real increase in Canada's production of wealth and a future saving in the federal government's expenses in the area. This is the type of action needed in the Maritimes. Fine words are not enough.

Then, again, may I repeat part of a statement made on December 16, 1962 by Mr. Richard Gwynn of Time News Service:

> A job needing to be done, certainly, and a promise to do something about it. Unhappily, performance turns out to be quite different from promise, and the Atlantic Development Board is quite probably the least competent piece of legislation offered to Parliament this year.
>
> Its terms of reference, the jargon for saying what it is supposed to do, its responsibilities, the methods it will go about meeting them, all are hopelessly ill-defined.

You will recall, honourable senators, that before I closed my remarks I stated as follows:

> —while I believe the bill is lacking in many respects, particularly since no provision is made for any reports that the board may come up with on capital projects recommended for approval, yet I support the bill, and at the same time I express the hope that there will be no conflict of interests between the National Economic Development Board, the National Productivity Council, and the board to be set up under this legislation.
>
> May I emphasize, honourable senators, that I am not one of those who believe the board to be set up by this legislation should be granted authority to spend money, but I do say that the Government should immediately introduce legislation complementary to this bill authorizing the establishment of a crown corporation or agency, such as an Atlantic Projects Commission or an Atlantic Provinces Development Bank or some similar institution, to bring into being and finance projects already found feasible, together with additional programs or projects that may be recommended by the board to be set up under this bill from time to time.

Honourable senators, it is because the bill now before us meets the objections I had to the original bill that I support fully the amendments incorporated in the bill we are dealing with now.

I shall take only a few minutes to refer to the various clauses of the bill itself. It appears to me that little explanation is needed because it is framed in language that is quite easily understood. Therefore, it is my intention to refer only briefly to the various clauses which I think are most important.

Clause 1 of the bill, which is the interpretation clause, provides for a new subclause to which is added the word "fund", which of course means the Atlantic Development fund.

Clause 3 provides for the establishment of the board, together with a provision that the membership of the board be increased. It will be noted that the bill provides for eleven members instead of the five provided for in the original act.

I support this amendment fully, first by reason of the fact that a membership of five does not, in my opinion, give proper area representation and, what is more important, it does not allow for some important segments of the Atlantic industrial enterprises to be represented. This amendment will permit the appointment of representatives of our three main industries in the Atlantic area, namely, forestry, agriculture and fisheries, all of which are not represented on the present board. It will also allow for labour representation.

The new section 4 in clause 2 of the bill provides for the appointment of the members of the board and sets out their terms of office. While the membership of the board has been increased, provision still exists for staggering the terms of office of the members,

guaranteeing that the board will always have in its membership men of experience in its operation.

Honourable senators, I personally am happy to know the present members of the board are to be continued in office and that they are all eligible for reappointment for a second term. I confess frankly, I am not acquainted with any of them personally except the present chairman, and while he and I have not agreed on some matters in the past, and probably will not do so in the future, we do agree on the great need for industrial development in the Atlantic region and on some avenues of approach to these problems. I am sure he will continue to serve the board with distinction and with all the energy and ability he possesses, and that, honourable senators, is in no small measure.

Clause 4 of the bill adds a new section to the act immediately following section 8, to be known as 8A. This section provides that the board shall become an agent of Her Majesty. It also provides that, subject to the approval of the Governor in Council, the board may enter into agreements or contracts either in the name of the board or in the name of Her Majesty. It also provides that any property acquired by the board becomes as well the property of Her Majesty. Section 8A also gives directions in relation to legal proceedings in the event any action is taken against the board.

Clause 5 of the bill repeals section 9 of the present act and substitutes a new section therefor. While much of the original section remains in the new section, the principal difference is found in the objectives and powers. The first major change is found in section 1 of the new section, having to do with the board's recommendation to the minister regarding programs and projects involving the use of the fund as well as programs and projects not involving the use of the fund. This provision is new because in the original act no fund was provided.

Paragraph (a) of subsection 1 is a new provision which permits the board, in consultation with the Economic Council of Canada, to prepare an overall plan for the economic growth of the Atlantic area. The main provision, however, is found in paragraph (d) of subsection 1, which provides that the board may,

> with approval of the Governor in Council, enter into agreements with
>
> (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
>
> (ii) any other person, respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

It will also be noted that the board shall, at all times and to the greatest possible extent, co-operate with existing powers, departments, or agencies, having similar aims and objects to those related to the board.

Clause 6 of the bill repeals section 16 of the act and substitutes therefor an entirely new section. This, in my opinion, is the key section of the act. It provides for the establishment of the Atlantic Development Fund, determining first how the fund is to be established, and the purposes for which it can be used in the development of the Atlantic area. It provides for the establishment of a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund. It also provides that no payment may be made by the Minister of Finance to the board under subsection 1, unless approved by the Governor in Council.

The final provision of clause 6, which becomes subsection 4 of the new section 16, provides that the total amount that may be paid to the board under subsection 1 and credited to the Atlantic Development Fund is $100 million.

Honourable senators, there has been some criticism from certain quarters that this amount is not sufficient to meet the needs of the Atlantic area and is only a drop in the bucket compared to what is needed to get our economy going. I agree that, in the long run, much larger sums may be needed, and in that case I am sure the Government will provide additional sums as needed.

This procedure has been followed by every government—I only need to refer to the Farm Credit Act, by way of example. I should like to point out too that the amount provided under this bill is 100 million times greater than that provided under the original act.

It has been stated in some quarters that the present bill did not need a special provision for the allocation of federal funds to assist in the development of the Atlantic area, but that all the resources of the nation were behind the original act. While this may be true to a degree, honourable senators, surely we must realize that no federal funds can be used for any capital projects without legislation authorizing the Government to so invest, and certainly a provision of this character was not and is not now in the present act. For that reason I consider this to be the most important clause of the bill.

Clause 7 repeals section 17 of the act and substitutes therefor a new section which provides that all expenditures under this act, except any amounts described in subsection 1 of section 16, shall be paid out of moneys appropriated by Parliament.

Honourable senators, there are two major developments in the Atlantic area to which I am sure you would expect me to refer. They are the Chignecto Canal and the Prince Edward Island Causeway. While I would not expect these vast projects would be carried out under this legislation, I would anticipate, because of their national importance and the magnitude of the undertaking, that the board would support the need for immediate action in relation to them. Though the construction of the Prince Edward Island Causeway has been declared feasible, I believe surveys are continuing even at this time. I think you will recall that some questions were asked during the last session in relation to investigations and surveys then continuing after an announcement had been made to the effect that it was feasible. I believe those surveys have continued since that time. I read in the press only a few days ago that soundings are still being taken across the strait to locate the best possible site for the causeway. However, once all doubts regarding its feasibility are removed I urge that prompt action be taken.

With respect to the Chignecto Canal, so far as I am aware, all surveys—and there have been many—declared its feasibility from a combined transportation and power development standpoint. I urge the Government to give immediate consideration to it because, as I have said on many occasions, the St. Lawrence Seaway will never be completed until the Chignecto Canal is an accomplished development.

Hon. Mr. Isnor: May I inquire of the honourable senator how many surveys have been made?

Hon. Mr. Taylor (Westmorland): I think there have been about 16. Each one of them has reported that it is a feasible project. I refer to a statement made by the President of The Foundation Company of Canada in Saint John a few years ago when he reiterated the same statement that was incorporated in the last report.

Incidentally, honourable senators, I would like to say at this point that I have in mind the development of the Chignecto Canal will be of tremendous importance to the farmers of the Atlantic area. I am thinking in terms of the Freight Assistance on Western Feed Grains plan that is now in effect, and has been since 1941, under which many millions of tons of grain have been shipped to the Atlantic area from western Canada.

I should also say that the western farmers have supported that idea and policy. While it is not backed by legislation at the present moment, I hope that it may be soon. I do know that there has been some criticism of it because it has been stated on more than one occasion that the farmers have not received all the benefits of that transportation assistance. I agree to a certain extent because during the closed season of navigation, when there is not sufficient storage for grain in the Atlantic area, some advantage is taken of that condition, prices have gone up, and the farmers have paid more than they should without getting the full benefit of the transportation assistance. I am hopeful, because of the fact that the location of the proposed Chignecto Canal is in the centre of the agricultural areas of the Maritime provinces, that vast elevator space may be provided there as storage for the grain when it is shipped down during the transportation season.

I believe that these two major projects are of the class and character that may well come under the provisions of Part II of the Department of Industry Bill. I am referring to the part which makes provision for area development. It will be noted that this is contained in subclause (b) of clause 10 of the bill, and as well in clause 11. In order to indicate the particular provision I should like now to read from clauses 10 and 11 of the Department of Industry Bill. Clause 10, which is on page 3 of the bill under "Part II. Area Development", reads as follows:

> The powers and duties of the Minister in relation to the Agency referred to in section 12 shall include—

I omit paragraph (a) and read (b):

> (b) the preparing and carrying out of such programs and projects to improve the economic development of designated areas as may be appropriate to the purposes of this Part and that cannot suitably be undertaken by other departments, branches or agencies of the Government of Canada.

Clause 11 of the bill reads:

> Subject to any existing statutory provisions, the Governor in Council may authorize and direct departments, branches and agencies, of the Government of Canada to undertake in the execution of their respective duties and functions such special measures as may be appropriate to facilitate the economic development of any designated area or the adjustment of industry in that area.

Honourable senators, I believe this confirms my analysis of the particular provision I have referred to. I feel confident that the new board after an analysis of all reports to date will recommend an early start on these two major developments.

If I am permitted, I should like to make reference to the Executive Secretary of the Board, Dr. Ernest Weeks. This young man grew up in my home community. The son of a United Church minister, he is a brilliant scholar, a man of ability and integrity, and being a native son of the area and one who is familiar with our needs he will, I am sure, render valuable service to the board.

Honourable senators, I think those of you who know me best will agree when I say that throughout my political career I have placed my country before party politics. I am confident that the honourable senator from Madawaska-Restigouche (Hon. Mr. Fournier) will bear me out in that statement. He will recall on many occasions when he was a member of the government of the province of New Brunswick, and I was the Leader of the Opposition for a short time, that I supported measures which his government introduced and which I felt were in the best interests of the province of New Brunswick. I am sure he will agree with that statement.

I think this also is evidenced by the fact that since my appointment to this honourable house I have supported fully legislation which I believe to be in the interests of the Canadian people. I need only refer to the Agricultural Rehabilitation and Development Act, the Farm Credit Act, and a number of amendments to existing legislation that were introduced by the recent Conservative Government.

Therefore, honourable senators, in concluding my remarks in this debate on second reading of this bill, I solicit in a sincere way the support of all honourable members of this house for the Government's attempt to assist in the development of the economy of the Atlantic area, which it is hoped will have the result that we who live in and love that part of Canada may become equal partners with the other parts of Canada and share in the benefits accruing from the development of the vast natural resources of this nation.

Honourable senators, if this bill is given second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce for further consideration.

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

28906-6—19

NEWFOUNDLAND SAVINGS BANK ACT, 1939

BILL TO REPEAL—SECOND READING—DEBATE ADJOURNED

Hon. Calvert C. Pratt moved the second reading of Bill S-4, to repeal The Newfoundland Savings Bank Act, 1939.

He said: Honourable senators, in moving the second reading of this bill I should say that its purposes are to repeal the Newfoundland Savings Bank Act, 1939, to provide for the payment into the Consolidated Revenue Fund of the Province of Newfoundland of the surplus money received by the Newfoundland Savings Bank from the disposal of its assets and liabilities, and to facilitate the winding up of the bank.

As stated in the explanatory note to the bill, the Bank of Montreal has acquired all the real and personal property and has assumed all of the active deposit accounts of the Newfoundland Savings Bank pursuant to an agreement dated March 30, 1962. The remaining minor and contingent liabilities have been paid by the savings bank or assumed by the province.

The legislation in respect of the Newfoundland Savings Bank appears in the Statutes of Newfoundland, having been continued therein after Union in 1949, but this Parliament may repeal, abolish or alter that statute as the subject of banks is within its exclusive jurisdiction.

The bank has no capital stock, and the surplus money remaining after the disposal of its banking business becomes the property of the province upon the winding up of the bank. The province has stated that all related transactions have been completed and has expressed a wish that the Newfoundland Savings Bank Act be repealed.

It may be of interest to honourable senators for me to mention at this time some of the facts in relation to the establishment and operation of the Newfoundland Savings Bank. The bank was established in 1834, during the period of representative government which came into being in 1830.

All the deposits had been guaranteed by acts of Parliament, introduced first by the representative government, then by responsible government which came into being in 1855, and later by governments in changing forms, namely, dominion government, commission government, and then the provincial government.

It had always been a savings bank, with its assets having been created by the investment of the savings of the people and accrued interest. The operation throughout the years had been conducted by three trustees appointed by the Newfoundland Government.

The bank survived during the period of serious economic conditions in the 1890s which caused the failure of the two commercial banks of Newfoundland in 1894.

The Newfoundland Savings Bank continued in operation until March 30, 1962, when a sale made by the Government of Newfoundland to the Bank of Montreal came into effect. The bank sold to the Bank of Montreal real and personal property valued at approximately $29,600,000, with deposit accounts of approximately $27,800,000. In addition to that, the Bank of Montreal paid approximately $771,000 with, of course, the assumption of liability for deposit accounts.

It will be applicable to point out that in the budget speech which was presented in the provincial house in March 1962, a statement was made that the surplus amounts from this transaction that came to the Government over and above the existing liabilities were not to be retained in the actual Government revenue, but were to be distributed in this way: About three-quarters of a million dollars was to be paid by way of adjustments to the depositors of the savings bank, about $1 million by way of a special endowment fund to the children of Newfoundland, and the balance by way of assistance to fishermen in the acquisition of better fishing gear and in other ways helpful to those engaged in the industry.

One other fact, which I am sure will be of interest, is that under the terms of the transfer the Bank of Montreal had agreed to employ all existing officers and clerks of the savings bank on terms of employment not less favourable than those pertaining to the bank's own officers and employees, with full pension privileges in so far as the by-laws of the Bank of Montreal pension fund allow, as if such officers and clerks had been employed by the bank for the years they served with the savings bank.

Honourable senators, that sums up the general position. I have pleasure in moving the second reading of this bill.

Hon. Mr. Hugessen: May I ask the honourable senator a question? What is the amount of the surplus assets which are to be vested in Her Majesty in the right of Newfoundland, under section 2?

Hon. Mr. Pratt: From the information available to me I would judge that assets approximate $2½ million.

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

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

(*See p. 271*)

FEDERAL-PROVINCIAL RELATIONS

LETTER FROM PRIME MINISTER TO PROVINCIAL PREMIERS RESPECTING CONFERENCE

OFFICE OF THE PRIME MINISTER

Ottawa, July 12th, 1963.

(Copy of letter sent to the Premiers of all the Provinces)

Dear Premier .....

The replies that I have so far received to my letter of June 20th indicate that the Premiers of the Provinces generally look with favour on the suggestion of a federal-provincial conference to discuss matters of mutual interest in the sphere of pensions and related insurance benefits.

It is now expected that the resolution regarding the Canada Pension Plan, which I sent to you with my earlier letter, will be moved in the House of Commons next week. At that time the Minister of National Health and Welfare intends to make a statement fully outlining the Government's proposal. Copies of this statement will be sent to you as soon as it is made.

The Provinces will therefore shortly have before them the information needed in order that there may be useful federal-provincial discussion about pensions. This is already the case in another matter of interest to the Provinces, namely the federal government's proposal to promote increased employment by financial assistance, in the form of loans with provincial approval, to enable municipalities to augment or accelerate their capital works programmes. This proposal has been set out in detail in the Bill which is before the House of Commons.

I think it would be of value to the public, as well as to governments and others directly concerned, if federal-provincial discussions on these two matters were held as soon as possible.

Accordingly, I am now writing to enquire whether you would be able to attend a two-day conference in Ottawa on July 26th and 27th.

In addition to discussing pensions and this assistance to municipalities, such a meeting would provide opportunity for consideration of the procedure and timing of a full federal-provincial conference later in the year.

I would propose that the conference on July 26th and 27th should be held in camera, though of course each of us would be free before or after to make such public statements as he may wish regarding his government's views on the subjects under discussion.

Yours sincerely,
(signed) L. B. Pearson

28906-6—19½

APPENDIX "B"

(*See p. 272*)

(Translation):

LETTER FROM PREMIER LESAGE TO PRIME MINISTER RESPECTING BILL C-76, AND EXTRACT FROM MINUTES OF LEGISLATIVE ASSEMBLY

OFFICE OF THE PREMIER

Province of Quebec

Quebec City, July 11, 1963.

The Right Honourable Lester B. Pearson, P.C.,
Prime Minister of Canada,
House of Commons,
Ottawa, Ontario.

Mr. Prime Minister:

Following my letter to you of June 7, 1963, asking you not to proceed with the establishment of a municipal loans fund until the provincial Premiers have had an opportunity to confer among themselves in the matter early in August, I feel I should formally draw your attention to a resolution that was unanimously agreed to in the Legislative Assembly on June 26.

Herewith is a copy of that document.

I must add that I am sure of expressing the unanimous feeling of the members of the Quebec Legislative Assembly when I say that they consider as a breach of your promise fully to respect provincial rights, in your management of the affairs of this country, the fact of proceeding unilaterally to establish a municipal loans fund which, according to your platform, was to be instituted solely in co-operation with the provinces.

Under the circumstances, your attitude forces me, most regretfully, to table this letter forthwith in the Legislative Assembly.

Please accept, Mr. Prime Minister, the assurance of my regards.

(signed) Jean Lesage

EXTRACT from the minutes of a meeting of the Quebec Legislative Assembly, held June 26, 1963:

"Moved by Mr. Dozois, seconded by Mr. Ducharme:

"That this House feels that bill No. C-76, respecting the "Municipal Development and Loan Act", which was introduced in the House of Commons by the Minister of Finance of Canada, is a serious infringement upon the exclusive jurisdiction and the autonomy of the province of Quebec in matters pertaining to municipal affairs, and requests that the provincial government consider the possibility of establishing a provincial system of municipal credit which would facilitate municipal loans."

"Motion unanimously agreed to."

Certified true copy:
(signed) Antoine Lemieux,
Clerk of the Legislative Assembly.

THE SENATE

Thursday, July 18, 1963

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

Prayers.

DIVORCE

PRESENTATION OF PETITIONS

Hon. Arthur W. Roebuck: Honourable senators, I desire to present 522 petitions in divorce. These petitions all concern cases that have previously been heard and passed by the Senate but have not yet been passed by the Commons.

Hon. A. J. Brooks: May I ask the honourable senator if we are still receiving petitions for divorce?

Hon. Mr. Roebuck: We are still receiving them, yes, but we are simply filing them. The petitions I am now presenting are not those that have come to us in this session. Petitions coming in during this session will, we expect, be attended to when we reassemble in the fall. These are cases which have already been tried by the Senate Divorce Committee, passed by the Senate and sent on to the Commons. I am presenting them now merely as a precaution; I am taking time by the forelock.

Hon. Mr. Brooks: How many petitions have been received this session?

Hon. Mr. Roebuck: At the moment I have not the complete count, but it is something of the order of 500.

Hon. Mr. Choquette: There was an article in the Montreal *Gazette* this morning to the effect that a tribunal or committee was to be set up for the hearing of divorce cases.

Hon. Mr. Aseltine: A commission.

Hon. Mr. Choquette: Yes, a commission. I do not wish to go into details, but will that commission be formed of members of the Senate, or is it to be a commission apart from the Senate?

Hon. Mr. Roebuck: I have no knowledge of such a proposal. I have received no indication of any kind that such is in the wind. I cannot answer for the Government, of course, but I think I would know something about it if such a suggestion were really in the air. I think it is not in the air; it is pure newspaper talk, and no such suggestion has been contemplated.

I should add that, as honourable senators know, there has been a bill before the House of Commons which I, in collaboration with the law officers of both houses and the then Chairman of the Private Bills Committee of the Commons, drew two sessions ago. It is not officially before any body, but it is in the air.

Hon. Mr. Lambert: It is in the offing.

Hon. Mr. Roebuck: Yes, it is in the offing. There is nothing official about it, and the Standing Committee on Divorce, for whom I speak, knows nothing officially. However, I would think there is a good possibility of that bill being passed, otherwise I would not have drafted it. That bill would give us authority to finish the work here, as well as initiating it. In that way the Commons would be relieved of responsibility in the matter.

Hon. Mr. Drouin: These divorce bills would not go to the Commons?

Hon. Mr. Roebuck: No.

Hon. Mr. Drouin: What you are contemplating is that the bills would be handled solely by the Senate?

Hon. Mr. Roebuck: That is what I would advise, that the Senate be empowered to dissolve marriages by resolution. I am speaking now as an individual, of course. I think that is the proper solution to the present situation. We must not change the fundamentals of the judicial procedure which has been in vogue since Confederation. On the other hand, we can do all the work here and thus bring divorce cases to a just conclusion.

Hon. Mr. Drouin: Would it still require a bill, or would it be a mere resolution of the Senate?

Hon. Mr. Roebuck: A resolution.

As I suppose all honourable senators know, and will agree with me, I am not in favour of changing the Constitution of Canada subversively by allowing one of the two houses to consent to a measure and send it to the Governor General and so cause it to become an act of Parliament with the consent of one house only. I am not in favour of that and I think every senator in this house will share that view.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: The Parliament of Canada is a trinity of the two houses and the Crown.

Hon. Mr. Drouin: I would not call it a holy trinity.

Hon. Mr. Connolly (Ottawa West): It is also a mystery.

Hon. Mr. Macdonald (Brantford): It is not unholy.

Hon. Mr. Drouin: Considering those who are in charge of it.

Hon. Mr. Roebuck: It is an arrangement which has worked very well for the people of Canada. We have had an orderly nation since 1867. We have made great progress in a law-abiding and well-organized and happy community. I am not for changing the fundamentals of our procedure. I am not in favour of any suggestion involving the passage of Acts of Parliament consented to by only one of our two houses.

On the other hand, the bill which I advise would provide a practical way of giving the Senate authority not only to do all the work and take all the real responsibility, as we have in the past, but it would let us finish the job as well by resolution. If Parliament makes that arrangement we will carry on this divorce work judicially, as we have in the past, to the very best ability of the many thoroughly experienced members on the Divorce Committee; and I am quite sure that we will in future hear much less about the subject when divorce procedure is carried on in that way.

PRIVATE BILL

THE NATIONAL LIFE ASSURANCE COMPANY—FIRST READING

Hon. Harry A. Willis presented Bill S-34, respecting The National Life Assurance Company.

Bill read first time.

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

Motion agreed to.

DEPARTMENT OF INDUSTRY BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-74, respecting the Department of Industry:

> Your committee recommend that authority be granted for the printing of 600 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the committee had considered Bill C-74, respecting the Department of Industry, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. W. Ross Macdonald: Honourable senators, we had an extended and, I feel, a thorough debate on second reading of this bill. This morning the bill was considered before an excellent and well attended meeting of the Banking and Commerce Committee. The minister designate was present and answered all questions that were put forward. Under the circumstances, may I suggest that the bill receive third reading now?

Some Hon. Senators: Agreed.

Hon. Mr. Macdonald (Brantford): Honourable senators, I move third reading of the bill now.

Motion agreed to and bill read third time and passed.

RIGHTS OF WOMEN

JURY SERVICE IN NORTHWEST TERRITORIES—NOTICE OF INQUIRY

Hon. Muriel McQ. Fergusson: Honourable senators, in the Ottawa *Journal* of July 17 there appears a news item entitled, "Jury Duty out for NWT Women". The item, datelined, "Inuvik, N.W.T.", says:

> The Northwest Territories Council has rejected a bill that would allow women to serve on juries in criminal cases despite an objection by Commissioner B. G. Silvertz.
>
> Mr. Silvertz branded the move as "out of step with the times." He said the north was a pioneer country where women work along with men and that the importance of their work was steadily increasing.
>
> R. B. Olson, legal counsel for the Parliament of the North, recommended that the all-male council continue to exclude women from serving as jurors in murder, rape and comparable cases.
>
> He said women tend to have an emotional and not an intellectual approach needed in such cases.

I shall not read further from the article, honourable senators, but I wish to give notice that on Tuesday, July 23, I will inquire of the Government:

(1) If the statements and a recommendation to continue to exclude women in the Northwest Territories from serving on juries in certain cases, which statements appear in the Ottawa *Journal* of July 17th, were actually made by Mr. Olson, who, it is stated, is Legal Counsel for the Parliament of the North?

(2) If the statements and recommendations were made by Mr. Olson, did he seek or obtain any authority from the Department of Justice or any other department of Government for taking such a position?

(3) If no such authority was obtained, what action will be taken to discipline Mr. Olson for taking this position which is definitely opposed to the rights of women in Canada?

EMPLOYMENT

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM—NOTICE OF INQUIRY

Hon. Allister Grosart: Honourable senators, I give notice of an inquiry which I will make of the Leader of the Government on July 22 next.

Along with other honourable senators, I have received a copy of a memorandum addressed to members of the Senate and the House of Commons dated at Ottawa, July 12, 1963, signed by the Honourable Allan J. MacEachen and written on the letterhead of the Department of Labour, Mr. MacEachen being the Minister of Labour.

First of all, I would like to commend the minister for his action in this respect. To me, it is a rather unusual courtesy. The sending of a copy of this memorandum and a copy of the letter addressed to the provincial premiers, to members of the Senate as well as to members of the other place is an excellent precedent.

The inquiry that I propose to make has direct reference to paragraph 3 of the minister's letter, and is as follows:

> What measures will be taken to enforce the requirement described in paragraph 3 of the letter dated July 12, 1963 signed by Honourable A. J. MacEachen, Minister of Labour?

Honourable senators, as one of the instructions going forward to the provinces and to those who will be administering the winter works program, paragraph 3 reads:

> It is provided that the bulk of those employed under this plan must be persons who are unemployed or persons who would be unemployed if it were not for the employment made available through projects authorized under the program.

The inquiry is simply, what is going to be done to enfore that provision?

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday next, July 22, 1963, at 8 o'clock in the evening.

Motion agreed to.

THE SENATE

ACOUSTICS IN PUBLIC GALLERIES

On the Orders of the Day:

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are proceeded with, may I answer an inquiry of the honourable senator from River Heights (Hon. Mr. Haig) about the acoustics in the galleries of this chamber.

Hon. Mr. Drouin: Would you speak a little louder, please?

Hon. Mr. Connolly (Ottawa West): I did not know my honourable friend was sitting in the gallery.

The Leader of the Government (Hon. Mr. Macdonald, Brantford) has directed me to answer the question.

I say this because I believe it is rather unusual for the chairman of any committee to be answering questions. Inquiries have already been made and an investigation is now under way to improve the acoustics in the galleries of this chamber. It is hoped that by the time Parliament reassembles after the recess a remedy will have been provided.

Hon. Mr. Haig: Honourable senators, may I thank the honourable chairman of the committee for the most efficient and expeditious way in which he made the inquiries.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, before the Orders of the Day are proceeded with, may I say that I have asked honourable Senator Blois, who adjourned the debate on the bill to amend the Atlantic Development Board Act, if he would allow me, with the leave of the Senate, to say a few words in explanation of Order No. 3, a bill to amend the Marriage and Divorce Act. He

has agreed to that course being adopted. I am not to speak more than five or six minutes, and then I shall adjourn the debate until Wednesday next.

Hon. Mr. Bouffard: May I ask when copies of the bill are going to be distributed? None have as yet been received.

Hon. Mr. Pouliot: I am not starting to speak on the bill yet. I am merely telling the Senate that I have asked Senator Blois if I may proceed with Order No. 3 ahead of Order No. 2, for just a few minutes.

The Hon. the Speaker: Is it agreed that Senator Pouliot should proceed with second reading of this bill now?

Hon. Senators: Agreed.

Hon. Mr. Pouliot moved the second reading of Bill S-32, to amend the Marriage and Divorce Act.

He said: Honourable senators, I have been asked a few questions about the scope of this bill. It often happens when a bill is given first reading that the sponsor is asked to make a brief explanation. It is just such a summary explanation that I wish to give today, on the understanding that next week I shall be pleased to answer all questions about the bill.

The bill reads thus:

> Married women shall have the same rights as unmarried women for the sale and alienation of immovable property.

The first question that I have been asked is: How is it that you sponsor that legislation in the Senate when civil rights, according to the Constitution, belong to the provinces? I agree; but there is an exception for the solemnization of marriage, which is under the exclusive jurisdiction of the provinces. Therefore, to understand my first point, I refer you to the British North America Act, sections 91 and 92, which deal with the exclusive jurisdiction, on the one hand, of the Parliament of Canada and, on the other hand, of the provinces. It has been submitted to the courts, and if you want to refer to the jurisprudence in the matter you will find the judgment of the Supreme Court of Canada, covering several hundred pages, in one of the Reports for the year 1912. Then on an appeal to the Privy Council, the judgment of the Supreme Court was confirmed.

Hon. Mr. Roebuck: Have you the reference? What is the case?

Hon. Mr. Pouliot: The case was a reference by the Department of Justice to the Supreme Court of Canada about marriage, and it is so mentioned in the Supreme Court Reports. There are three volumes of Reports for 1912, and it is easy to find the appeal to the Privy Council. As soon as I return to my office I shall send my honourable friend a summary of the Privy Council's judgment.

Hon. Mr. Drouin: What year was the judgment?

Hon. Mr. Pouliot: 1912.

Hon. Mr. Drouin: Was that the judgment of the Supreme Court or of the Privy Council?

Hon. Mr. Pouliot: Both judgments were given in 1912.

Hon. Mr. Drouin: Thank you.

Hon. Mr. Pouliot: The judgment of the Privy Council was read by Lord Haldane, and is summarized as follows in Appeal Cases (1912) at page 880, and is also found in one of Plaxton's books.

Hon. Mr. Monette: Would the honourable senator permit me a question? Do I understand him to say that the passage he wishes to quote is a summary of the decision? I would prefer to have the exact text. This is a delicate matter, and if he has the text of the Privy Council's decision on that point I would prefer it to a summary.

Hon. Mr. Pouliot: Well, I am quite embarrassed: I asked for five minutes and to read the full decision would take me an hour. I gave the reference to my honourable colleague: Appeal Cases (1912) page 880. My honourable friend will have the summary and the text which he can read over if he wishes, but I wonder if honourable senators are interested in hearing the summary. It is not long, just a few lines.

Hon. Mr. Bouffard: Go ahead with the summary.

Hon. Mr. Aseltine: Who made the summary?

Hon. Mr. Pouliot: It is the reporter for the Appeal Cases in London.

Hon. Mr. Aseltine: You did not make the summary yourself?

Hon. Mr. Pouliot: It would have taken me some time and I could not have done it as well as the one who did it. It is 51 years ago.

Hon. Mr. Drouin: Read it.

Hon. Mr. Pouliot: The headnote is—they call it headnote in England; and we call it *juge*—

Hon. Mr. Drouin: Here we call it footnote.

Hon. Mr. Pouliot: It reads as follows:

> Under sections 91 and 92 of the British North America Act, 1867, the exclusive power conferred on the provincial legislature to make laws relating to the solemnization of marriage in the province

> operates by way of exception to the exclusive jurisdiction as to its validity conferred upon the Dominion and enables the provincial legislature to enact conditions as to solemnization, and in particular as to the right to perform the ceremony which may affect the validity of the contract.

I am not the author of that quotation, but I have made a translation in French and I may read it or I may dispense with it. The language in the headnote is very clear, provided that one takes the trouble to read it twice—then there could be no difficulty in understanding it. But it is one of those things that deserves—

Hon. Mr. Choquette: Cogitation?

Hon. Mr. Pouliot: Cogitation and concentration.

Hon. Mr. Roebuck: May I ask the honourable senator a question? I caught the drift of the language while he was reading. Does the case refer in any way to the subject of property and civil rights?

Hon. Mr. Pouliot: It touches civil rights in the sense that civil rights are supposed to be under the exclusive jurisdiction of the provinces, and an exception is made in section 91 of the B.N.A. Act to take it from the provinces and give marriage and divorce to the Parliament of Canada. Even then, it is not done very generously; they take part of it, the solemnization, and give it to the provinces to be under their exclusive jurisdiction.

I should like to be able to pass it now to my honourable friend, but I have had so much trouble recently that I want to send the text first to *Hansard*, and then I will send him another copy as soon as I return to my office. I hope that will be satisfactory.

Today I would ask my honourable colleagues not to ask me too many questions, but on Wednesday next I shall be at their entire disposal to answer all questions, and I will bring the books with me, because I think I owe you that. You are so generous to me that I must show some consideration to you, sir, and to my colleagues.

Now you know the source of the authority: it is the B.N.A. Act, and not even the whole of the B.N.A. Act but sections 91 and 92 of it, and then not the whole of those sections but one paragraph in each section. This is the source of the power, and if you act within the power conferred upon the legislative body, then you pass valid legislation. If you go beyond that, you encroach upon other legislative powers and the legislation is invalid. This seems to be clear.

When it was submitted to the Supreme Court and to the Privy Council it was submitted in reverse. It was about the validity of legislation concerning solemnization, and the Privy Council decided that that act was invalid because Ottawa did not have the right to pass legislation about the solemnization of marriage. Do you follow me? It means that all the rest beyond the solemnization belonged to the Parliament of Canada.

I will quote precedents. Honourable senators will find the precedents in the question that was put first on March 28, 1962. At first it was not answered. Parliament was dissolved. It was asked again in the fall, and my genial colleague, the honourable Senator Choquette, answered it, as I had done before. I was not a mind reader, but I knew the facts. He gave me a reply to my question.

My question, to summarize it and leaving aside all the previous considerations, was very simply:

> As the provinces did not have any jurisdiction concerning marriage except for the solemnization of it, did anyone ask the Government of Canada for the transfer of the exclusive legislative power on marriage from Ottawa to the provinces?

It means that the British North America Act should have been amended by the Imperial Parliament at London. The answer was "No". Nobody had asked anything. That was the answer on October 31 of last year.

My second question was:

> Did anyone ask the Government of Canada to use the jurisdiction of the Parliament of Canada to enact legislation about marriage?

The answer was "No". This covered the period from March 28, 1962, when the first question was put, until October 31, 1962.

Then I asked the same question, which can be found in the *Debates of the Senate* of July 11 last, to cover the period from November 1, 1962 until that date. The answer of the honourable Leader of the Government was the same as that given by honourable Senator Choquette, that nobody had asked the Government of Canada to take the necessary steps to have the Constitution changed in order that the exclusive powers of the Parliament of Canada with respect to marriage should be transferred to the provinces. Nobody had asked for it.

The second point is that nobody had asked the Government to pass legislation to remedy a situation about which so many complain. Now, that is that. The Parliament of Canada has full jurisdiction. In order to stop the complaints about the province of Quebec being such a backward province, that women do not have the rights they should have, the only thing to do is to unite and use our

right to pass legislation to give married women the same rights that spinsters, widows and married or unmarried men have. It is that simple.

But, give them rights with respect to what? It is with respect to the power to sell or alienate immovable property, or real estate. That is the first step.

There are precedents of such federal legislation which have been cited in the question that was first answered by the honourable Senator Choquette in his capacity as acting Leader of the Government at the time, and later by the present Leader of the Government. You have the reference to the sections and the subsections of the British North America Act with which I have dealt. You have the quotation and the resumé of the judgment of the Privy Council which you can read, if you wish. It is available in the library.

You have also the precedents of federal legislation concerning marriage and civil rights. What was it? In the first place, it dates back to 1880 or 1882 when there was legislation sponsored by a distinguished lawyer of the time, who ended his days as a judge of the Supreme Court of Canada, Mr. Justice Girouard, to legalize the marriage of a brother-in-law to his sister-in-law. Afterwards there were various acts passed to legalize the marriage of a widow to her brother-in-law, or of an aunt to her nephew, or of an uncle to his niece.

It may seem queer to some honourable senators, but it is valid legislation, and it is a contradiction of the Civil Code of Quebec. That does not matter. The Parliament of Canada has passed that legislation which is valid, and today if a widower wishes to marry his sister-in-law then he may do so.

Honourable senators, in order to give my honourable friend (Hon. Mr. Blois), who has been so generous, an opportunity to proceed with his legislation, I am willing to continue this debate on Wednesday next.

Hon. Mr. Dupuis: May I ask the honourable senator if during the recess he will find out whether Mr. Justice Mignault, one of our most eminent jurists, was in favour of the legislation he proposes to the Senate today? Does the honourable senator know his opinion in the matter?

Hon. Mr. Pouliot: If my honourable friend is asking a question, then I will say it is very interesting but it would take me a long time to answer it. If honourable senators wish me to answer it now—

Hon. Mr. Aseltine: Answer it next week. Adjourn the debate.

Hon. Mr. Pouliot: Very well, I will move the adjournment of the debate until Wednesday of next week. I do it with regret, but I must follow the rules of sportsmanship. I express my thanks to the honourable Senator Blois and to all my honourable colleagues.

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

ATLANTIC DEVELOPMENT BOARD ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Taylor (Westmorland) for the second reading of Bill C-80, to amend the Atlantic Development Board Act.

Hon. Fred M. Blois: Honourable senators, this is the first opportunity I have had to speak this session in this chamber and to congratulate His Honour the Speaker on the high and honourable office he holds. I assure you, sir, that even though my commendation may be late it is nonetheless sincere.

I wish also at this time to extend a word of greeting to the new senators who have taken their seats during this session.

Honourable senators will recall that on the evening of February 5 last I started to make a speech but, due to great interest in the proceedings of the other place, I adjourned the debate and Parliament was dissolved the following day. I have not yet had an opportunity of making that speech. I do not intend to burden you with it today, but I should like to say that I intended at that time to make a report on the activities of the Canadian delegation to the Seventeenth Session of the General Assembly of the United Nations in New York, similar to the report I made during the session of 1960. It was my intention at that time to pay tribute to two other senators who attended that session as observers. Perhaps I might be allowed just to mention them now, because I may not have another opportunity for some time.

Honourable Senator McLean was there for the first part of the session and, unfortunately for us, it was at a time when there was a general debate going on in the Assembly. We had not got down to real work in the committees and, for that reason we lost considerable of the advice we might have had from a man with the business training of Senator McLean. However, he had a number of friends in the secretariat and around New York and in the Canadian Club. I met them with him, and these people were of considerable service to me later on during the Assembly meetings.

Also, following Senator McLean, Senator Fergusson attended the Assembly and she stayed on for the rest of the time. Being there as an observer and not attached to any one committee, she was able to be in attendance at any of the six committees. I must say that she did an excellent job. She seemed to know just when exciting events were going to take place and she was on the job. I know that she attended many meetings of my Committee No. 2 on social and economic affairs. I think I have already expressed the thought to some of the members of the house that I believe Senator Fergusson left the General Assembly with a broader general knowledge of what went on during that session than perhaps any of the rest of us.

I trust that the present Prime Minister, the Right Honourable L. B. Pearson, will recognize her knowledge and ability for the next session of the General Assembly coming up this September.

I would like to compliment Senator Taylor (Westmorland) on his very able presentation on second reading of Bill C-80. We on this side of the Senate always listen with attention whenever Senator Taylor speaks. That of course does not mean we always agree with all he says, although at times we do on certain points.

Hon. Mr. Choquette: We very seldom do.

Hon. Mr. Blois: The Atlantic Development Board Act was discussed at some length both in the other place and in the Senate in December of last year. We have now before us Bill C-80, which is an act to amend the Atlantic Development Board Act. The original act was designed to study and recommend to the Government ways and means of giving aid to the Atlantic provinces, so that those provinces would have a standard of living more in line with the rest of Canada.

It is not necessary for me to go into details of the reasons for the present conditions in the Atlantic provinces. There are many such reasons, and a recital of them at this time would probably accomplish nothing. I do believe, however, that all of the other provinces of Canada realize that we do have many problems. I believe further that the other provinces are ready and willing to assist us. I know that all of Canada recognizes the fact that we in the Atlantic provinces have a special situation, deserving of special attention, special consideration and prompt action.

When Bill C-94 was introduced in the other place at the last session, the press of the Atlantic provinces gave headlines to the event to such an extent that some of our citizens thought that this would be a cure-all for our problems. However, after careful thought, our people realized that the problems which had been building up ever since Confederation could not be removed at one stroke or by adopting some simple formula. To bring about any worthwhile improvement in the Atlantic economy will take time and will require most painstaking negotiations between the federal Government and the provinces, as well as the co-operation of the presently existing bodies which are doing much to improve the situation there.

None of us from the Atlantic provinces expected this board to solve all our problems immediately, but, as Senator Connolly (Halifax North), speaking in this chamber on December 13 of last year, said:

> In its intent this bill at least offers some little hope.

Later in his remarks, Senator Connolly said:

> . . . it is the only tangible gesture in more than thirty-five years . . . that has been offered to the people of the Atlantic provinces.

The honourable senator in his fluent style had much more to say, with some of which I could not agree. I am sorry Senator Connolly is not in his seat at the moment when I am referring to him. It may not be surprising that we do not always agree. Since our days of the late 1930's in the Nova Scotia Legislature we have agreed and we have disagreed but, I am happy to say, we have remained close friends.

I am not one of those who expected the Atlantic Development Board to be a cure-all for our problems. However I think it had excellent possibilities.

In my opinion, the five-member board was composed of men who had extensive knowledge of our problems and doubtless would come up with some worthwhile suggestions for our betterment. These men, along with the executive director, a native of the Atlantic provinces, Dr. E. P. Weeks, in my opinion were in a position to do much for the Atlantic provinces.

With regard to Bill C-80 now before us, I am not going to suggest that it is a bad bill, or that it should be killed in this chamber. On the other hand, I think it is unnecessary, and I cannot see that the amendment it proposes will accomplish anything which could not be accomplished under Bill C-94. In my opinion, increasing the membership of the board from five to 11 will not improve it. I have always been in favour of small boards with as few members as is practical—I emphasize those words, "as is practical".

Honourable senators, I should like to quote further from what honourable Senator Connolly (Halifax North) said during the last session:

> Questions were asked in another place about the size of this board. It was said on one occasion that the board should be enlarged to 15. To me such a number would be a nuisance, and would simply nullify or seriously impede the work of the organization.

Once again I can agree to a large extent with Senator Connolly.

It has been said in certain quarters that the enlargement of the board is for political control. In my opinion this is much too important to the Atlantic provinces to have politics enter into it.

Another section of the amendment deals with the setting up of a fund of $100 million. Many of us would have preferred to leave this open, without any definite amount being set for any definite time. As you will recall, this $100 million is for a period of five years. $100 million does seem like a lot of money, but when we consider that there are four provinces and it is to be spent over a period of five years on a pro rata basis, it means $5 million per year for each province. To those who know anything about industry, such a sum of money will accomplish little. However we in the Atlantic provinces are thankful for small mercies. If it is necessary, there may be some way of raising more money.

Hon. Mr. Taylor (Westmorland): May I ask the honourable senator where he gets the idea that it is to be for only five years?

Hon. Mr. Blois: I think the act says that, if I have read it correctly.

Hon. Mr. Taylor (Westmorland): I do not think so.

Hon. Mr. Blois: It says, up to 1969.

Hon. Mr. Taylor (Westmorland): No, that was not in the bill that was passed.

Hon. Mr. Macdonald (Brantford): I believe it was in the original bill submitted in the other place, but there was an amendment.

Hon. Mr. Blois: There was a change in the date.

Hon. Mr. Taylor (Westmorland): That has been deleted in the bill now before us.

Hon. Mr. Blois: You are probably correct, and I may be wrong. However, it is not a large amount. There is no time limit now. It may run up to 50 years, which would be still worse. The amount is fixed.

Hon. Mr. Taylor (Westmorland): It is $100 million more than provided for in the previous bill.

Hon. Mr. Blois: No, there was no limit in the previous bill. Obviously there is no point in passing a bill unless you can spend money under it.

Hon. Mr. Taylor (Westmorland): Where is it in the bill? My friend knows better than that.

Hon. Mr. Macdonald (Brantford): The restriction to five years was taken out of the bill at the request of the Opposition in the other house.

Hon. Mr. Blois: I am glad it was taken out. I agree it should be out.

Hon. Mr. Macdonald (Brantford): Oh, I thought you were in disagreement with it.

Hon. Mr. Blois: Honourable senators, while admitting we have serious problems in the Atlantic provinces, I am not one of those who believe that everything is going to the dogs. We do have some depressed areas, but we also have some very bright spots, and I am proud of the fact that there has been substantial development in the past few years. I have always been an optimist. I refuse to be a pessimist. Perhaps my reason for having faith in my province of Nova Scotia is the fact that I have been connected with a firm there for 46 years. I refer to Stanfields Limited, which for over 80 years has been manufacturing in Nova Scotia and shipping its goods to every section of Canada. I believe what one firm can do could be duplicated by others.

The success of this firm has not been due to any government intervention, but to good management, up-to-date equipment, a study of market conditions, manufacturing quality goods and having a working force of men and women second to none on the American continent.

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Blois: I am proud to say this company is giving employment to 700 persons. I do not think I am being partisan when I say the best thing that has ever happened to Nova Scotia was the election of the Stanfield government in 1956. The improvement in our overall economy since that time, while perhaps not dramatic, has been steady and has continued, and I firmly believe it will continue as long as the present government of Nova Scotia remains in office.

A great deal of research has been carried out by the four provinces themselves and by the Atlantic Provinces Economic Council. It is

my intention to refer particularly to the economy in Nova Scotia, as no doubt other senators will speak for their own provinces.

As I have already mentioned, the Atlantic Provinces Economic Council is doing a splendid job for the four provinces, and my province works closely with them. In return, they co-operate with all our industrial and tourist committees.

Then we have the Nova Scotia Research Foundation, under the able direction of its president, Dr. H. D. Smith, which is doing considerable research work for various industries interested in locating in the province. One survey has extended over a period of nearly five years and, working closely with other government boards, has resulted in a new industry which will spend some $12 million in plant and equipment. In addition the foundation places the services of its technical staff to assist industry already established.

One of the first accomplishments of the Stanfield government was to set up a Crown corporation known as Industrial Estates Limited, which operates to attract industry to the province. It does this by offering to build and lease on long and favourable terms whatever buildings may be necessary. This is done only after the most thorough study of the product to be produced, the financial standing of the interested party and, perhaps most important of all, the proposed management.

Industrial Estates Limited, as I have mentioned, is a Crown company financed by the Nova Scotia government. It works quietly, without any government interference. It is composed of a 12-man board of directors and a six-man advisory council. The president, Frank H. Sobey, is a prominent and successful businessman. The I.E.L. works closely with the Nova Scotia Department of Trade and Industry, the Atlantic Provinces Economic Council and the Nova Scotia Research Foundation.

Since Industrial Estates was set up some six years ago, it has assisted in the establishment of more than 30 new industries, seven or eight of which have been established since the first of this year. Time does not permit the naming of all of these, but I might mention some very recent ones: Volvo, a Swedish automobile manufacturer. In this industry credit must be given to the co-operation of the Honourable George Nowlan, who was Minister of Finance at the time. Another great advantage that the establishment of a company like Volvo carries is that usually it does not manufacture all the component parts of the car. The company inserts advertisements in the newspapers inviting various industries to supply parts that are needed. As one instance, we have a small battery factory in Nova Scotia which has been successful in getting a contract with Volvo, and will now require additional buildings and an enlargement of its staff.

At Brookfield, eight miles from my home town of Truro, the Canada Cement Company is to build a $12 million plant which will have an annual production of five million bags of cement. Also, in my home town a carpet industry is under way, a joint venture of an old-established English carpet company and an old American carpet company.

On Saturday of last week the *Chronicle-Herald* of Halifax published the announcement that an agreement had been reached between the government of Nova Scotia and Acadia Fisheries of Mulgrave, whereby the Nova Scotia government would loan the company $1½ million toward the re-establishment of a $3 million fish plant at Canso.

Honourable senators, may I be permitted to read an editorial from the *Chronicle-Herald*, dated July 16:

> No part of Nova Scotia has suffered from economic stagnation for a longer period than the Strait of Canso area.
>
> The first indication of an upturn in the fortunes of this picturesque but unemployment-ridden section of the province came with the establishment by Nova Scotia Pulp Limited of a $40 million pulp mill at Point Tupper. Unfortunately, few of the benefits from this huge industry have accrued to the town of Canso or its immediate environs.
>
> All Nova Scotians, therefore, will rejoice in the announcement that Acadia Fisheries Limited is to build a new $3 million fish processing plant at Canso. Not only will the move mean expansion in the fisheries, with particular advantages for hard-pressed inshore fishermen, it will reverse the decline in population which has been the result of a stagnant economy.
>
> In 1921, for example, Canso had a population of 1,626. Since then the decline has been gradual but steady so that by 1961 the town had only 1,151 people, a drop of thirty per cent in four decades.
>
> In the words of Mayor James E. Hanlon, the weekend announcement was "the best thing for Canso in the last half century."
>
> In all, employment will be provided for about 775 persons.

The editorial goes on to state:

> Some 30 million pounds of fish annually will be required to supply the operation.

The article continues:

> Other benefits will flow from establishment of the processing plant. New trawlers will be needed; and, with the aid of federal subsidies, there is a good chance some of these will be built in Nova Scotia. Negotiations are also underway with the federal government for the provision of new and improved wharves and other harbour facilities.
>
> Perhaps most important, the people of Canso have shown they are prepared to shoulder the financial responsibilities entailed in expansion. Only last night they ratified an earlier informal decision to install a water utility needed to service the plant.
>
> New schools, churches and businesses are sure to follow.
>
> Canso's participation in Nova Scotia's burgeoning economic development is doubly pleasing. It means the revitalizing of a long-dormant area; and it will add something to the prosperity of every Nova Scotian.

The editorial also referred to the $40 million pulp plant on the Strait of Canso that was put into operation some three years ago and has become a tremendous enterprise.

Another problem of serious concern to Nova Scotia has been the tourist industry. The difficulty in Nova Scotia has been lack of accommodation and the scarcity of good restaurants.

Hon. Mr. Isnor: Would the honourable gentleman repeat that last statement?

Hon. Mr. Blois: I said that the problem in Nova Scotia had been the lack of accommodation and scarcity of good restaurants. These were the two main factors that impeded the tourist trade. The Nova Scotia government is actively supporting those who build motels, by lending up to 60 per cent of the cost of construction and allowing the owner up to 18 years to pay off the loan.

The Nova Scotia Government has been so concerned about the economic situation in the province that over a year ago it set up a new department under the able guidance of the Honourable G. I. Smith, as Provincial Minister of Economics and Finance. At a recent meeting Honourable Mr. Smith said that Nova Scotia has embarked on a systematic program of voluntary planning. He defined voluntary planning in this way:

> It is the mobilization by mutual action of the knowledge, skill, energy and creativeness of all our people in a planned voluntary and determined effort to increase our rate of economic growth.

Honourable senators, we have been doing fairly well in our manufacturing. In 1962 the sales value of factory shipments in Nova Scotia was up over the previous year by 8.6 per cent, and the all-Canadian increase was 8.3 per cent. So, for once we are beginning to average with other sections of Canada. On a per capita basis, the wage rate in Nova Scotia from 1956 to 1961 rose by 17 per cent, against an 11 per cent rise in the Canadian average.

I have mentioned these facts and figures to show that Nova Scotia is doing much for herself. Perhaps Premier Stanfield stated it rather well the other day at the first voluntary planning conference when he said:

> We have so many prophets of gloom wailing in the wilderness today that some of us overlook the progress our economy in Nova Scotia has made.

I have mentioned the many things Nova Scotia is doing for herself, but our limited financial resources do not allow the province to do as much as is needed. Therefore, we welcome the advent of the Atlantic Development Board Act and the Department of Industry Act. We welcome their assistance in the so-called distressed areas; we trust and believe they will work in close harmony with our present boards, and that in a reasonable time the Atlantic provinces will have an economy comparable with that of the other provinces of Canada.

Last week I had the honour and pleasure of taking part in the Tenth Annual United Nations Seminar held at Mount Allison University, Sackville, New Brunswick. Close to 150 senior high school students from the four Atlantic provinces were in attendance. They represented the various member nations of the United Nations. They conducted a regular United Nations General Assembly, and I can assure you that the speeches made by those young people would do credit to the regular delegates to the General Assembly at New York. I know my good friend Senator Isnor will agree with me that the future of the Atlantic provinces is in good hands. That is the feeling I left there with, and I was extremely proud that I could claim to be from one of those provinces.

Hon. Muriel McQ. Fergusson: Honourable senators, like the senator who immediately preceded me in this debate, I would like to welcome you, Mr. Speaker, to this house, to congratulate you on your elevation to your high office, and to extend to you my best wishes. I also extend good wishes to the Leader of the Government (Hon. Mr. Macdonald, Brantford) and to the Leader of the Opposition (Hon. Mr. Brooks), both of whom have shown that they are fully capable of carrying on the responsibility that devolved

upon them. Also I would extend warm and sincere good wishes to all new senators.

I should like to thank the honourable Senator Blois for his kind reference to my attendance at the General Assembly of the United Nations last year, an experience which I enjoyed immensely and concerning which I hope to be able to speak to honourable senators later on in the session. I was greatly impressed by the work of the honourable Senator Blois at the General Assembly which I attended.

Honourable senators, I was not in Canada when the Atlantic Development Board Act was passed by the last Parliament. Had I been here I would doubtless have spoken on it, because while I was happy that the board had been set up I was deeply disappointed that no money had been set aside for carrying on its work, and I also felt at that time that there should be more members on the board. For these reasons I certainly welcome the amendments now before us.

It is my opinion that the Maritime provinces, with some assistance such as we hope to secure through the amended Atlantic Development Board Act, can become as thriving a part of this country as we all know they were before Confederation in 1867. I also believe that such assistance will greatly help the economy of Newfoundland.

It seems to me that in those provinces we need to give more attention to the development of electric power, for power is essential to cheap electrical rates and cheap electrical rates are essential for progress.

In New Brunswick, where I come from, we are making strides in technical training, but I believe that even more attention should be given to it so that in our eastern coastal provinces, which have always supplied a great deal of the human resources that have enriched much of Canada, we can build up a pool of machinists, chemists, and many other technical trainees needed to carry on secondary industries. Cheap power and the availability of a large pool of technically trained people will undoubtedly bring to the Atlantic provinces the much-needed secondary industries, without which we cannot hope to compete with other provinces.

Honourable senators, I welcome the addition of members to the board. I have much admiration for the present members, but I do not think they represent a sufficiently wide diversity of interests.

When I was fortunate enough to be a member of the New Brunswick Regional Reconstruction Council in 1945, I remember that there were 10 members on that board, drawn from all walks of life. There were representatives of manufacturing, labour, industry, agriculture, lumbering, fishing, coal mining and others, as well as a representative of the women of the province, and they all contributed a great deal to our deliberations.

I believe the membership of the Atlantic Development Board should have as broad a base as the Reconstruction Council had, and I trust that at least one woman will be included among the members, for women make up almost 50 per cent of the population of the Atlantic provinces.

Hon. Malcolm Hollett: Honourable senators, I hesitate to say I will not be more than five or six minutes because I recently witnessed one senator get up for five or six minutes and sit down twenty minutes later.

It is indeed a privilege to have an opportunity to say a few words in this house on this amended version of the Atlantic Development Board Act. I do not intend to enter into a debate relative to the need, or otherwise, of this amendment, except to say that it was perhaps a smart political move. But knowing politics as I do, I realize how important it was for the present administration to look to the future.

If this board makes a success of fulfilling its objects and powers—and I pray that it will—then naturally the Liberals will endeavour to take the credit, and I don't blame them. If, however, the desired success is not forthcoming, then the originators of the act will undoubtedly get some blame.

Personally, I have no strong objection to the increase in the board membership. Political arguments aside, the board's usefulness in assisting the Atlantic provinces will depend, first, on their individual qualifications and vision, secondly, upon the degree of assistance, financial and otherwise, of the federal Government and, thirdly, upon the co-operation of each of the four provinces concerned.

The one item in this amendment I do not approve of is the limitation in the amount of expenditures to $100 million.

I cannot speak with certainty for any of the other three provinces concerned, but for Newfoundland, where I have lived all my life, I feel I can speak with some measure of accuracy.

Our per capita income in Newfoundland is only about 57 per cent of the national average and only 81 per cent of the average in the Maritimes. On the other hand, our cost of living there is approximately 20 per cent higher. These figures are taken from recent statistics.

We came late into Confederation and, in consequence, our social capital expenditures up to that time were small compared to mainland Canada and, since 1949, they are only

about 60 per cent of the national average. Our public services are likewise low, compared to the rest of Canada.

Naturally, in a large measure these conditions can be attributed to our low level of industrial development; and this in turn, to some extent, is caused by our position in the Atlantic Ocean, being so far removed from the great centres of population in North America and Europe. We can hope only for successful secondary industries in relation to the raw materials we possess, which I think are in abundance. We have fish of all kinds; we have minerals—lead, zinc, copper, iron, and so on; and we have our forests, not to mention our water power. Around these must be built new and secondary industries, if our people are to prosper and continue to live on the island and have equal opportunities with the rest of Canada.

Our fisheries and our fishermen have been neglected—there is no question about that; they have been overlooked and, I regret to say, in my opinion have been exploited unfairly for so long that an all-out effort will be necessary if we are to convince them that being a Canadian is really something of which to be proud.

Honourable senators, I want to quote a few sentences from an economic survey which was made by the Newfoundland Board of Trade in 1961, in proof of some of the things I have said:

> While this development has been quite significant in itself, it has not yet been able to bring us within hailing distance of the Mainland. On a per capita basis, our holdings of social capital—housing, roads, public buildings, etc.—undoubtedly are lower than those of any other Canadian province or state of the American Union. In fact, the Canadian or American average must be several times that of Newfoundland. This provides a direct indication of our inferior level of material welfare. In addition, our holdings of industrial capital are of a low order by comparison to North American standards. This reflects adversely on the present productivity of our economy and on its capacity to generate a higher level of output from its internal resources.

Further it says:

> Yet, we are hard put to find profitable employment for the present labour force of the province. This is, indeed, our most crucial problem.

I believe this is the problem, to some extent, all across Canada.

> It stems from the fact that our economy rests too exclusively on the exploitation of a narrow range of resources—

It says, "a narrow range of resources", but I do not agree with that.

> —requiring a limited labour force in their processing. Unfortunately, efforts to bring what diversification we may to our economy will be hampered by the unpreparedness of our workers.

Of course, this has been taken care of to a certain extent, and will be taken care of in the future to a larger extent by the vocational training schools which have been set up.

Honourable senators, in the mail this morning there came to my office the APEC *Newsletter* of July 1963. It contains an interesting article which is headed:

> APEC looks at European Regional Development.

In case any honourable senator does not remember the exact meaning of APEC, it is the Atlantic Provinces Economic Council. APEC has been looking at the economic conditions in the Atlantic provinces, and, as a matter of fact, looking at them quite extensively, in my opinion. The article begins:

> In April and May this year, Nelson Mann, APEC's Executive Vice-President, visited England, Scotland, Northern Ireland, Eire and the Netherlands and contacted senior government and business officials and university professors and consultants. This is the first in a series of two articles in which he tells what these countries are doing for regional development.
>
> Briefly, the highlights for the attraction of industry to "slow growth" areas or regions are: in England, Scotland and Wales, the Government will give an outright grant of up to 25 per cent for new plant plus 10 per cent for machinery, and these capital assets can be depreciated at the rate the owners wish; in Northern Ireland new industry establishing may receive 33⅓ per cent grant against its capital needs (plant and machinery) or rental of factory space at attractive rates (lower than 25c per sq. ft.); in Eire the Government will pay a grant of up to 66⅔ per cent of the cost of the fixed assets for factories built in Western Eire, and up to 50 per cent in all other areas; in the Netherlands the Government grants paid amount to approximately $1 per sq. ft. for space under 20,000 sq. ft. with larger plants being eligible for grants up to $2 per sq. ft.

Then the article makes some comments about the promotion of "slow growth" regions in the Netherlands. I commend the reading of this *Newsletter* to all honourable senators.

Hon. Mr. Macdonald (Brantford): To the new Minister of the Department of Industry?

Hon. Mr. Hollett: Mr. Mann?

Hon. Mr. Macdonald (Brantford): No, I was suggesting you might commend the reading of that article to the new Minister of the Department of Industry.

Hon. Mr. Hollett: I would leave that to the honourable Leader of the Government, who is more familiar with the new minister than I am—at least, I hope so. It is a good article and has reference to things which definitely apply, if not to the whole of Canada, to the Atlantic provinces.

Hon. Mr. Macdonald (Brantford): I will be glad to bring it to the minister's attention.

Hon. Mr. Hollett: I thank the honourable Leader.

Getting back to the Atlantic provinces, from statistics released by the Atlantic Provinces Economic Council the following facts are of interest in connection with my own province: In 1961, 406 million pounds of cod fish—and I am getting right back to Newfoundland now—netted Newfoundland fishermen $10\frac{1}{3}$ million, or $2\frac{2}{5}$ cents per pound. In that same year, 101 million pounds of cod netted Nova Scotia fishermen nearly $3\frac{1}{2}$ million or $3\frac{2}{5}$ cents per pound; that is, one cent per pound more than was paid to Newfoundland fishermen.

Hon. Mr. Blois: Better fish!

Hon. Mr. Hollett: My honourable friend from Nova Scotia says, "better fish". Most of our fish comes from the Grand Banks off Newfoundland, and it must be of the best quality.

Hon. Mr. Brooks: Everything from Nova Scotia is the best.

Hon. Mr. Hollett: Newfoundland fishermen caught nearly 26 million pounds of haddock in 1961, which fetched less than $600,000, or $2\frac{3}{10}$ cents per pound. On the other hand, Nova Scotia fishermen that same year caught and sold 63 million pounds of haddock for $\$2\frac{3}{4}$ million, or $4\frac{2}{5}$ cents per pound. In other words, the Nova Scotia fishermen received $2\frac{1}{10}$ cents per pound more for their haddock than did the Newfoundland fishermen.

Hon. Mr. Brooks: What year was that?

Hon. Mr. Hollett: 1961.

There are certain reasons why there should be some difference between the price obtained by the Nova Scotia fishermen and our own, but to my mind $2\frac{1}{10}$ cents per pound is rather a big difference. I am talking in pounds, not 100 pounds.

Then again, Newfoundland lobster netted the fishermen there 32 cents per pound, whilst Nova Scotia lobster brought 39 cents, or a difference of 7 cents per pound. They may be good fishermen in Nova Scotia, but the lobsters are not any better.

Hon. Mr. Macdonald (Brantford): Can the honourable gentleman say why there is this price differential?

Hon. Mr. Hollett: I hinted at some of the reasons, but I shall come to that later.

Hon. Mr. Brooks: Was the retail price the same as in Nova Scotia?

Hon. Mr. Hollett: I do not know, because I have taken the average amount of fish caught and the amount of money that came in and have worked it out at so much per pound.

Hon. Mr. Pratt: Does the honourable senator know that most of the fish to which he refers is sold at these prices on the Canadian market? From the plants in Nova Scotia it is loaded on cars and dispatched directly to consumer interests or distributors, while from Newfoundland it is sent by steamer to warehouses, which is the only way it can be done, and is then redistributed and the resultant cost means that you have practically no Canadian market.

Hon. Mr. Hollett: That is just an excuse.

Hon. Mr. Pratt: If you knew the entire case you would not make such an emphatic statement.

Hon. Mr. Hollett: If the honourable senator would wait until I finish he would not be so caustic in his remarks. The honourable senator is interested in fishing; at least, he has knowledge of concerns that are interested in fish.

Let us take for a moment the case of salt bulk codfish.

Hon. Mr. Pratt: Salt bulk codfish is not the correct term, in the circumstances.

Hon. Mr. Hollett: Heavy salted fish. We do not have any filleted heavy salted fish, do we? I never heard of it.

After that slight interruption I scarcely know where I left off. I was talking about lobsters.

Again, primary fishery employment in Newfoundland brought in $15 million—that is the catching and curing of fish in the first instance—to 18,291 fishermen, while in Nova Scotia 12,780 fishermen earned $26 million. If you include those employed in processing, we find that 21,346 workers in the Newfoundland fisheries received $\$33\frac{3}{4}$ million, which

works out at some $1,580 per worker. Nova Scotia, however, has some 17,167 workers in their fisheries earning 51¾ million dollars, or $3,000 per worker. That is practically twice the amount earned by the similar Newfoundland worker on fisheries. In New Brunswick they were even better, with an average of $3,670. Nova Scotia has taken second place there, at any rate.

I want to point out these figures and ask why the Newfoundland fisherman, who works as hard as the New Brunswick or Nova Scotia fisherman, if not harder, gets $1,580, whereas the Nova Scotia fisherman gets $3,000. It is not his fault. I also point that out to show that it is necessary to do something special with regard to the fisheries in Newfoundland.

Hon. Mr. Horner: May I ask if you have any figures on what the fish dealers in Newfoundland get in comparison with those of other provinces?

Hon. Mr. Hollett: I am sorry, I did not hear the question.

Hon. Mr. Horner: The question is, have you any figures as to what the fish dealer gets? It may be that the fisherman is being exploited by the fish dealer.

Hon. Mr. Hollett: They have been exploited for 300 years now.

Hon. Mr. Lambert: May I ask my honourable friend what price the fisherman receives for his fish, as contrasted with the 59 cents a pound which we pay here in general stores for fish sticks or similar products?

Hon. Mr. Hollett: That is heavy salted fish. I do not think they would get any more than, say, $15 per quintal. Perhaps the honourable Senator Pratt could tell me what the fishermen are paid for heavy salted cod.

Hon. Mr. Pratt: What you speak of is a cut-up product.

Hon. Mr. Hollett: What does the fisherman get for a quintal, which is 112 pounds?

Hon. Mr. Pratt: It is quite complicated; it depends on the grades.

Hon. Mr. Macdonald (Brantford): Who is answering this question?

Hon. Mr. Hollett: I will find out and give the answer later.

Hon. Mr. Pratt: I understand the answer is $15 per quintal. May I ask if the fish referred to earlier was from Nova Scotia?

Hon. Mr. Hollett: Yes, that was from Nova Scotia. I do not think we could get that much per pound.

Hon. Mr. Isnor: Does my honourable friend realize it takes three or four pounds of fresh fish to make the one pound of fillet he mentions?

Hon. Mr. Hollett: I am not sure about that. I fished when I was a youngster, but we did not make fillets then; we split the fish open, salted them, dried them and sent them to Oporto and the European markets. I have been in touch with fish since I was born, and I know how much it takes to make a pound of filleted fish. I am glad that there are some other honourable senators here who know something about fish.

Hon. Mr. Macdonald (Brantford): We are very interested in them. Senator Aseltine, to my knowledge, is one of the best fishermen here.

Hon. Mr. Hollett: I believe Senator Aseltine is one of the best filleters of fish I have ever seen. He can take a fish, cut it and clean it and you have the nicest bit of fish you can get.

I mention these things to point out how important it is to have something special done in regard to fisheries. I have pointed out that the cost of living in Newfoundland is 20 per cent higher and the returns from our labour in the fisheries are nearly 100 per cent less than in Nova Scotia, our nearest neighbour province. If cost of transportation is the cause of these differences, then one of the steps to be taken is fairly obvious. I believe this is what the honourable Senator Pratt has been telling us.

An hon. Senator: Why don't you buy all your fish from Nova Scotia?

Hon. Mr. Hollett: No, no; I am suggesting that it is necessary to lower the cost of transporting Newfoundland fish to markets elsewhere in Canada and in the United States. Until we can get something done in regard to this I am quite sure our fishermen are not going to get the price they should. The cost of transportation of wheat and all types of grain has been subsidized, I believe. I do not see why the same thing cannot be applied in some form to our fishery products.

To limit the amount of expenditure to $100 million, as set out in the bill, seems to me to be a bit short-sighted. We too have a liberally-minded premier. Honourable Senator Blois spoke with respect of his premier, Premier Stanfield, and I do so now of ours. He has already suggested an ambitious new plan for the fisheries in our province alone, which he estimates will cost $75 million over the next five years, and he is asking the federal Government to supply $50 million

of that. At that rate, how far is the federal Government going to get with this $100 million set aside in this bill?

We have huge supplies of wood in Newfoundland and Labrador, and in 1961 our loggers cut 787,000 cords. Most of this was turned into newsprint for export, which is as it should be, but a considerable amount of wood is exported as pulpwood.

I am quite sure all honourable senators will agree with me that there ought to be some way found to turn that pulpwood into articles which can be sold on the mainland of Canada, in Newfoundland, or in the United States, instead of shipping the raw wood across the Atlantic Ocean. I think we should be able to find some way of utilizing it to more advantage.

All our minerals such as iron ore, lead, zinc and copper, are exported as ore. Surely, there must be room for various secondary industries in these fields.

I am just passing out a few suggestions which I know the honourable Leader of the Government in this house (Hon. Mr. Macdonald, Brantford) will pass on to this board which is a liberally-minded board.

We had hoped for a pelletizing plant in Newfoundland-Labrador to upgrade the ore in the Wabush area but, alas, even our imperturbable premier had to yield when big business and Premier Lesage wanted it built in Quebec.

Suppose my honourable friend from Nova Scotia (Hon. Mr. Blois), had discovered iron ore in his province. Would he consent to having a pelletizing plant erected in New Brunswick for the processing of all that ore? I do not think so. Of course our premier was very much against it being done, as he said, "No; it will never be built in Quebec, except over my dead body".

It is regrettable, honourable senators, that this pelletizing plant has been snatched so suddenly from the people of Newfoundland. Such a plant would have cost $70 million to build, and would have given much needed employment to Newfoundlanders, both in its building and in its operation. It seems that, as always—as ever before Confederation—Newfoundland's natural resources are for others than Newfoundlanders.

Even our electric power potential from Hamilton Falls is now destined to enrich the coffers of Quebec Hydro. Honourable senators will have heard the story of the power at Hamilton Falls. I believe 7.5 million kilowatts of power is going to be generated there. Quebec has definitely consented to allow us in Newfoundland to have what we need. I am sure honourable senators from Quebec are glad to hear this, if they have not heard it before. I see my honourable friend, Senator Quart, looking at me with a critical eye. However, Quebec Hydro has the right to buy and export that power across the border to the United States and elsewhere.

As far as the tenth province is concerned, I am sure the board, as finally set up under this act—we are not sure of how it will be set up; we are not even sure about the budget yet—will have unlimited scope wherein to report to the minister upon programs and projects for fostering its economic growth and development, and that of the other Atlantic provinces.

We have the raw materials in Newfoundland, and the other provinces have them as well. We have the manpower. I told you a few days ago about unemployment in our little province. Given the will and determination of the federal Government and the provincial Government, I feel sure the Atlantic Development Board will be able to suggest—and I quote from the bill:

> —appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development.

I certainly support the bill, and I have no great objection to the proposed amendments contained in it.

On motion of Hon. Mrs. Inman, debate adjourned.

NEWFOUNDLAND SAVINGS BANK ACT, 1939

BILL TO REPEAL—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Pratt for the second reading of Bill S-4, to repeal The Newfoundland Savings Bank Act, 1939.

Hon. Malcolm Hollett: Honourable senators, I should like to say that last year I was asked to introduce this bill, and at that time I put these few remarks together. I hesitate to proceed today but I shall be as brief as possible.

Hon. Mr. Brooks: You may adjourn the debate, if you wish.

Hon. Mr. Hollett: If honourable senators will bear with me I will proceed as quickly as possible so that the bill may be read the second time today.

As I have mentioned, I was asked to say something in introducing a similar bill during the last session, but owing to certain events it could not be proceeded with. This bill was introduced at the beginning of this session.

I was very much interested to hear what Senator Pratt had to say about it yesterday, and I should like to add these few remarks.

It is with somewhat mixed feelings that I speak on this bill. It is brief and to the point, and with only three sections it repeals The Newfoundland Savings Bank Act of 1939; indeed, it dissolves a bank around which could be written some 129 years of Newfoundland's history.

Prior to the establishment of the Newfoundland Savings Bank, no other bank existed or did business in Newfoundland. Each merchant, in a sense, was his own banker, and he held the necessary goods and currency with which to supply his customers. It was on June 12 in the fourth year of the reign of King William IV that an act for the establishment of a savings bank in Newfoundland was passed. This was just two years after representative government was granted to the colony. By the way, representative government was granted to the colony in 1832. I believe Senator Pratt made a slight error yesterday when he said it was granted in 1834.

Honourable senators will not object, I am sure, if I quote a part of the preamble to show what in those days was considered the proper functions of a bank. Do not forget that this was 129 years ago.

> Whereas the establishment of a Bank for savings in Newfoundland will greatly tend to encourage and promote habits of industry, economy and sobriety among the poor and labouring classes of the community by affording them a safe place—

and so it goes on. I read that to demonstrate the reason why any bank should be established.

The Receiver General of the public revenues of Newfoundland and the depositors were constituted a body corporate under the name and style of The Newfoundland Savings Bank. The members of Her Majesty's Executive Council and an equal number of the members of the House of Assembly, including the Speaker, were the governors of the bank. All deposits were to be paid into the Colonial Treasury, which was to take care of any losses through default of the treasurer. Interest of 3 per cent was to be paid on all deposits over 20 shillings and less than £50 sterling. If a person had anything over £50, there was no use putting it in that bank.

Sir Thomas Cochrane, the Governor of the colony, in referring to this bill at the time, described it as an institution

> —which has in other countries tended greatly to the improvement of the condition of the lower orders of society—

and which, in his view:

> was peculiarly adapted to the state of the inhabitants of this island—

Hon. Mr. Horner: It did not hurt the higher orders either.

Hon. Mr. Hollett: No; there were none. He went on to say that the earnings of the inhabitants of the island when industrious,

> —exceed in one year those of most other countries—

We have taken a fall since then.

> —but which, being received in large payments—

Imagine fishermen being paid large payments 129 years ago.

> —are too often improvidently spent.

That inducement, said the governor, to dissipate "will now no longer exist".

Then, the honourable Judge Brenton in 1834 in his address to the Grand Jury referred to the bank as a means of,

> encouraging and promoting habits of industry and economy among our lower classes—

We had lower classes in Newfoundland in those days.

> —and of inducing them to lay up against the day of adversity and for the support of their families, those sums which are now so improvidently squandered in the dram-shops to the ruin of both soul and body.

So they had their troubles 129 years ago.

Incidentally, the bank was to be opened for deposits only on Mondays between one and two o'clock, at the office of the treasurer of the colony. So there could not have been many people making deposits at that time.

Now, 129 years ago the means of communication between St. John's, Newfoundland and, say, New York or London were few and far between. Ottawa as such did not exist. There were two small villages known as Upper Town and Lower Town, separated by a wooded section now known as Parliament Hill, comprising a lumbering centre. This area was incorporated as a town in 1827, known as Bytown, and had a population of 5,000 people. This town became the city of Ottawa on January 1, 1855—which incidentally is the year we got responsible Government in Newfoundland—and in 1857 it was chosen by Queen Victoria as the capital of Canada. However, that is old news for many honourable senators.

Gradually, the bank won public confidence and by the end of 1836 the deposits amounted

to over £3,000. By 1840 the deposits were up to £7,000, and six years later they had reached £48,000. That was a lot of money in those days. In 1853 the total amount on deposit was £88,000, and by 1855, when Newfoundland secured responsible government, the total deposits were £370,000.

Some honourable senators will have heard that Newfoundland in the 1890's passed through very difficult times in a financial way. I believe my honourable friend Senator Pratt referred to that yesterday. Although two of the banks at that time closed their doors, the Newfoundland Savings Bank carried on successfully, but on one occasion it was saved from default only by the fact that the then premier—and I hesitate to say this, in a sense, because he was a Liberal—Sir Robert Bond, pledged his own personal fortune to the extent of $150,000 to save the bank. We had some good Liberal premiers—at least one, and perhaps two or three.

In 1892 it was decreed by the Government that profits then existing and "as they shall accrue from time to time" were constituted a "sinking fund" for the liquidation of the public debt. It is worthwhile noting too that at that time, 1892, it was also ordered that the total of all salaries and incidental expenses of the bank were not to exceed the sum of $8,000. So they were not paid very much. In 1912 there were seven branches of the Newfoundland Savings Bank throughout the island.

In the year 1934, under commission of government, an amendment was made to the act whereby only the profits were paid into the consolidated revenue fund. Again, in 1937, it was decreed that the profits were to be paid into a general reserve fund, this fund to be invested by the Crown agents. When the reserve fund reached an amount equal to 20 per cent of the deposits in the bank, then all other amounts over the 20 per cent went into the consolidated revenue fund.

The act of 1939, which made only slight amendments to the original act, provided that Newfoundland was to be liable for all money deposited in the Newfoundland Savings Bank and for the interest thereon, and a general reserve fund of the Newfoundland Savings Bank was created from the profits of the bank, but any amounts over this 20 per cent were to be paid into the consolidated revenue fund. The bank was forbidden to invest in bonds and debentures of the Government of Newfoundland—they did not trust Government in those days—unless such bonds were guaranteed by the Government of Great Britain.

Much more could be said about the history of this old bank and, as I have already said, a good portion of our history is tied in with the growth of this bank.

The general purposes of this bill are to repeal the Newfoundland Savings Bank Act, 1939, and to provide for other matters which I do not need to go into now as my honourable friend (Hon. Mr. Pratt) has mentioned them.

I should like to say a word about the Bank of Montreal, which last April entered into an agreement with the Newfoundland Government and the said Newfoundland Savings Bank for the taking over of the said bank. I would say that the history of Canada itself, in large measure, could be tied in with the activities of the Bank of Montreal which as you know was established in the year 1817. Speaking as a Newfoundlander, the only satisfaction which I get from the sale of the said savings bank assets is the fact that they have been taken over by the Bank of Montreal which has carried on business in Canada for the past 146 years.

This great Bank of Montreal has more than 900 offices throughout the 10 provinces, as well as offices in the United States of America, England, France, Germany and Japan. It is noteworthy too that it has operated in Newfoundland for the past 67 years and now has some 22 branches there.

Until 1894 regular banking service had been provided by two local banks but they discontinued business in December of that year and Newfoundland was left without regular banking facilities. The Government of that day intervened and invited the Bank of Montreal to provide services in St. John's, that is, when these two local banks failed. Then the Bank of Montreal opened for business in the same Duckworth Street premises which had been occupied by the Newfoundland Savings Bank. These premises had formerly been used by one of the original local banks.

Since the 1895 opening, the Bank of Montreal representation in Newfoundland has grown to a network of 22 branches in widely varied locations ranging from the Memorial University of Newfoundland in St. John's to the Wabush Lake iron ore development in Labrador.

The Bank of Montreal has served as banker to the Government of Newfoundland for more than 60 years, and that, honourable senators, as I may remind you, has not always been an easy task.

Many Newfoundlanders are serving with the Bank of Montreal in all parts of Canada. Senior of these is Arthur C. Jensen, chairman of the board of directors, who was born at Harbour Breton on the southwest coast of Newfoundland and who has been a banker since 1914. Harbour Breton is a little fishing village on the southwest coast of the island, and I am quite sure that not only this little fishing village but the whole

of Newfoundland is proud of this gentleman Arthur C. Jensen, proud of the position which he holds and proud of him for the work which he has done with the Bank of Montreal. As I say, he is now chairman of the board of directors.

Sir Leonard Outerbridge, a former Lieutenant Governor, is a Newfoundland representative on the board with Mr. Jensen, having been elected to membership at the bank's 144th annual meeting in December 1961.

The entire staff of the Newfoundland Savings Bank was transferred to the Bank of Montreal after the merger on April 1, 1962, including the Honourable R. F. Sparkes, former Speaker of the House of Assembly, who had been manager of the Newfoundland Savings Bank for the last five years. Since the amalgamation, Mr. Sparkes has become a special representative of the Bank of Montreal in Newfoundland. To quote Mr. Sparkes:

> The Bank of Montreal is no stranger to the people of Newfoundland and is well established in the public confidence. To it, the Newfoundland Savings Bank brings its good will, the confidence of its depositors and its 128 years of Newfoundland experience and history.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

The Senate adjourned until Monday, July 22, at 8 p.m.

THE SENATE

Monday, July 22, 1963

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

Prayers.

ROYAL ASSENT

NOTICE

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

Government House
Ottawa

22nd July, 1963

Sir,

I have the honour to inform you that the Hon. Gerald Fauteux, Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 22nd July, at 9.45 p.m., for the purpose of giving Royal Assent to certain bills.

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

The Honourable
The Speaker of the Senate.

PRIVATE BILL

UKRAINIAN NATIONAL FEDERATION OF CANADA—COMMONS AMENDMENTS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-12, respecting Ukrainian National Federation of Canada and acquainting the Senate that they have passed this bill with the following amendments, to which they desire the concurrence of the Senate:

1. Page 2. Line 2. After the word "corporate" insert the following words:
"known as Ukrainian National Federation of Canada with the name of the municipality in which the Branch is located affixed thereto in brackets and";

2. Page 2. Line 2. Delete the word "name" and the comma after the word "such";

3. Page 2. Line 23. After the word "Canada" insert the following words:
"and cause the same to be published in The *Canada Gazette* forthwith."

4. Page 2. Immediately after subsection (3) add the following subsection (4):
"(4) Subsection (3) of section 147 of The Companies Act shall be applicable to any such body corporate established."

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

Hon. John M. Macdonald: On behalf of the honourable senator from Saskatoon (Hon. Mr. Hnatyshyn), who sponsored this bill, I move, with leave, that the amendments be taken into consideration now.

Senator Hnatyshyn is unable to be present this evening, and has asked me if I would inform the Senate that these amendments proposed by the other house are not matters of substance, but rather have the effect of clarifying the bill. The sponsors are quite agreeable that the amendments be concurred in by this house. Therefore I move, on behalf of the sponsor of the bill, that these amendments be concurred in now.

Hon. Mr. Hugessen: May I ask the honourable senator if he can explain what is meant by section 147 of the Companies Act being made applicable to this corporation?

Hon. Mr. Macdonald (Cape Breton): I was afraid that I might be asked that question. I did not have time to look at the Companies Act, but I think the honourable senator has better knowledge of the Companies Act than I have.

Hon. Mr. Hugessen: In fairness to the house, consideration of the amendments should be adjourned until tomorrow, when no doubt the honourable senator could answer my question.

Hon. Mr. Macdonald (Cape Breton): That is quite agreeable.

The Hon. the Speaker: Consideration next sitting.

CUSTOMS TARIFF

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-87, an act to amend the Customs Tariff.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

TABLE OF RATES OF DUTY PRINTED AS AN APPENDIX TO MINUTES OF PROCEEDINGS OF SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, I present a table setting out the rates of duty provided for in Bill C-87, intituled an act to amend the Customs Tariff and the corresponding rates in effect prior to the 1963 budget.

Honourable senators, with leave of the Senate, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks), that this table be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent record of this house.

The Leader of the Opposition has already consulted me about this, and we feel that it would be helpful to honourable senators if this table were before them when the bill is considered on second reading tomorrow.

Motion agreed to.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Statement, dated July 18, 1963, made by the Minister of National Health and Welfare, respecting The Canada Pension Plan. (English and French texts).

CANADA PENSION PLAN

STATEMENT OF MINISTER OF NATIONAL HEALTH AND WELFARE PRINTED AS APPENDIX TO DEBATES OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, with leave of the Senate, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks), that the statement dated July 18, 1963 which was made by the Minister of National Health and Welfare, respecting The Canada Pension Plan, tabled this day, be printed as an appendix to the *Debates of the Senate*.

Motion agreed to.

For text of statement see appendix, pp. 322-7.

DIVORCE

PRESENTATION OF PETITIONS

Hon. Arthur W. Roebuck: Honourable senators, on Thursday last I presented a number of petitions in divorce. On that occasion I was asked whether further petitions were being received by us, and I answered that they were and that they were being filed. The thought passed through my mind as to whether we were dealing properly with them under all the circumstances by simply leaving them in the files or whether they should be presented here. So, in collaboration with the law officer of the Senate, I made some inquiries as to what the picture really is with regard to petitions.

I have always held the impression that the subject has the right to petition the Crown, and that no one may stand between him and the Crown. Now I find that the subject was specifically referred to in the Bill of Rights of William and Mary in the year 1689. This right of the subject was presented by Parliament to the Crown at that time. Of course the division of authority between Parliament and the Crown has changed greatly in the years that have followed. Today the administration is the Queen in Parliament, so that what was directed by Parliament to the Crown of that time is now directed towards ourselves. The Bill of Rights of William and Mary of 1689 says this:

> That it is the right of the subjects to petition the king and all commitments and prosecutions for such petitioning are illegal.

The line to which I call attention is:

> It is the right of the subjects to petition the king...

Well, honourable senators, under those circumstances I thought it was proper for me to bring the petitions that have been filed with the Senate and present them, which I propose to do tonight.

I followed the subject further, of course, and I found something in the last edition of our own constitutional authority, *Beauchesne*, Fourth Edition, citation 456, at page 336, which reads in part as follows:

> The ancient rule as to petitioners for private legislation was laid down by Mr. Francis Palgrave before a Special Committee of the British House on the 22nd of June, 1832. The principle was, said he, that no person should come before Parliament as a suitor, or trouble it, if, on the face of his petition, he could have his right at home.

It is in accordance with that principle that when a suitor from, say, the province of Ontario, or any of the provinces which enjoy the luxury of divorce court, comes to this Parliament for divorce we tell that suitor to go to the courts of his own province, because there is where he may obtain justice at home. But as far as the two provinces are concerned, where there is no divorce court, the following applies—and I read on from *Beauchesne*, at the page I have already cited:

> If there were any other mode of obtaining redress, he was not to apply to Parliament, but, if from the insufficiency of the law or any other similar cause,

he could not obtain redress, then the Supreme Court of Parliament was to give him a speedy—

I repeat the word "speedy".

—and effectual remedy.

That is the parliamentary law of this country, as it is the law of Great Britain, because we follow the law of traditions of Great Britain. When there is no method of obtaining justice at home, to use the ancient words, then the subject has the right to come to the Parliament of Canada, and it is our duty to give him a "speedy and effectual remedy".

When Palgrave laid down these ancient principles before a special committee of the British house, he no doubt was referring to ancient law. I find in the Magna Carta this very significant statement:

To no one will we sell, to no one will we refuse or delay—

Note the word "delay".

—right or justice.

I will read it again:

To no one will we sell, to no one will we refuse or delay, right or justice.

Commenting on that statement, I find in the commentaries of *McKechnie on "Magna Carta"*, at page 398, this paragraph:

...it has been interpreted as a universal guarantee of impartial justice to high and low; and because, when so interpreted, it has become in the hands of patriots in many ages a powerful weapon in the cause of constitutional freedom.

I repeat the words of the Magna Carta:

...to no one will we refuse or delay, right or justice.

So, honourable senators, I thought it my duty to not leave these petitions in the files of the Senate but to bring them here and present them to the Senate of Canada in open session.

I have in my hand for presentation 540 petitions. These, together with the 522 petitions presented last week make a total of some 1,062 petitions actually presented. There are some further petitions just received and being processed in the Committees Branch, which raise the total number that are before the Senate to over 1,100 petitions.

I now present these petitions.

Hon. Mr. Choquette: Might I ask a question of the honourable senator? A lot of people are wondering how it is that two, three, or more, persons are able to stop the progress through the other house of the divorce bills under all these petitions. I would like to know, once and for all, under what law or procedure this delay is being effected.

Hon. Mr. Roebuck: I should like to know, too, how any two men can hold up for two long years and more effective action of the whole Parliament of Canada. I cannot answer that question, except to say that by the rules of the House of Commons delay can be achieved by simply talking out a private bill. These Senate private bills are, of course, "sitting ducks" because all a member has to do to waste time is to read the evidence. The rules of the Commons are such that private bills have an hour only at varying times during the week, so it is very easy to talk them out. That has been the method adopted. How it is possible to do such a thing to the Parliament of Canada I cannot answer.

An Hon. Senator: It is illegal.

Hon. Mr. Burchill: May I ask the honourable Senator Roebuck if the 1,062 petitions mentioned by him are in addition to the bills that are being held up in the House of Commons?

Hon. Mr. Roebuck: There are no bills in the House of Commons at the moment. When a bill goes from this house to the Commons and is not passed there before the session concludes, it dies on the Order Paper. During the past two sessions the Senate sent bills to the House of Commons which had died once previously on the Order Paper. There are no divorce bills on the Order Paper of the Commons at the moment. There are no divorce bills anywhere at the moment.

Hon. Mr. Choquette: I think the question from Senator Burchill is as to how many of the total that went over became "dead ducks".

Hon. Mr. Roebuck: Approximately half of them have been studied by us; the evidence has been heard and the parties have been adjudged entitled to divorce so far as we have power to determine. The bills which were passed by this house and sent to the Commons are about one-half of the 1,062 petitions which I have now presented.

Hon. Thomas Vien: What happened to them?

Hon. Mr. Roebuck: Nothing happened; they died on the Commons Order Paper.

Hon. Mr. Vien: But what happened this year?

Hon. Mr. Roebuck: This year the Senate Committee on Divorce decided it was futile and dishonest to induce litigants to hire lawyers, to subpoena witnesses and to come to Ottawa with all the paraphernalia of a lawsuit for the purpose of asking the Senate for something to which they may be legally entitled, but which we may be powerless to grant. Therefore ,I announced on behalf of

the committee in the early stages of the present session that we would not hear cases until assurance was forthcoming that they would be carried to a successful conclusion when, on the evidence, it was right that they should be carried to a conclusion.

The Commons, of course, has as much right to pass on these applications as we have. If the Commons decide against a bill, it does not become law even though it may have passed here. So, without interfering in any way with the right of the Commons to exercise its jurisdiction in these matters, we decided that until we had some assurance a proper adjudication would take place, we would not encourage people to incur the considerable expense and trouble of coming before us. The Divorce Committee has not been sitting, and it is not sitting now, although it will meet tomorrow morning to consider the situation as we now find it.

Hon. Mr. Vien: But as regards such cases as were heard last year, could not the committee again recommend to the Senate the passage of a bill in each case, which we would in turn send to the other place?

Hon. Mr. Roebuck: That is the very question we discussed.

Hon. Mr. Vien: This could be done simply on the strength of the printed evidence, without hearing the witnesses again.

Hon. Mr. Roebuck: That is what we have already done twice. The last session and the session before that we did not ask these poor people to come before us again to present their cases. In each case we accepted the evidence of the previous hearing. What we shall now do, the circumstances at present prevailing, will be considered by the committee tomorrow morning.

Hon. Mr. Vien: Honourable senators, this question of divorce and the procedure leading to petitions for divorce being brought to the Senate and passed by both houses has been the subject of discussion for many years. It is a troublesome question.

I have the highest admiration for the members of the Standing Committee on Divorce, who have sat day in and day out, who have given of their best in studying the applications that have been submitted to the Senate, and have dealt with them under the terms and conditions of the Constitution with great public spirit.

I think the answer to the question put by the honourable senator from Ottawa East (Hon. Mr. Choquette) is a simple one. It is embarrassing for all concerned to discuss the attitude adopted in the other place, and I do not wish to pursue it except to say that one obvious fact is that they want to rid Parliament of the obligation of having to deal with divorce cases. That is an opinion in the other place that has been stated more than once, and there is a lot to be said for it.

When I consider the time and effort given to divorce cases that honourable senators could devote to other legislation and to other public business, it seems to me indeed a pity that they should be compelled by the circumstances and the rules presently applicable to sit day in and day out to hear and consider divorce cases. Their time and effort spent on divorce should be made available to this house and to the country at large for something more worthwhile. I have suggested informally to members of the Divorce Committee in previous years that we could easily relieve them of much of the arduous discussion which absorbs their time.

In view of the fact that public opinion in Quebec and in Newfoundland will not allow divorce courts in those provinces—I am quite satisfied that I speak the mind of the vast majority of the people of Quebec when I state that public opinion in that province is against the institution of divorce courts—there must be another way of doing the job.

It is said that there is no public law on the statute books which allows divorce. Marriage, at present, is perpetual and cannot be dissolved. When a bill of divorce is passed by Parliament it becomes a law of exception and, therefore, the general principle that divorce is not part and parcel of the law of the country is maintained. We make a law of exception with respect to each of these particular applications.

I must concede that I am a bit confused about that reasoning, but that is what presently prevails, and I think it is accepted by the vast majority of the people of my province.

If that is the case, would it not be possible for the Senate within its powers, and without any special legislation, to adopt a procedure whereby a divorce court is created, a court which would be within the Senate itself? It could be composed of retired members of the bench, or members of the bar who would be willing to accept the task. Such a committee could be composed of five or six, or 10 or 12, men who understand the problem and who would sit the year round to hear witnesses.

If such a court were established the procedure would be as follows: An applicant would send in his or her application to the Senate. After the application had been examined by officers of the Senate to ascertain that all public notices had been given and that the regulations had been complied with, it would be referred to the divorce court. That

court would hear the witnesses. It would examine all oral and documentary evidence, and then report to the committee of the Senate. The committee would examine the proceedings, and if they were right and proper the committee would recommend to the Senate, as it does now, that a bill of divorce be presented. In due course the bill would be read the first, second, and third times, and then sent to the House of Commons. The House of Commons would have the satisfaction of knowing that a body of legal men of ability and experience had examined the case, had heard the witnesses, and had reported to the Standing Committee on Divorce of the Senate which had reviewed the evidence and had ascertained that everything had been carried out according to the Senate's rules respecting divorce, and had so reported to the Senate.

Such a procedure would relieve the members of the committee of the arduous and exceedingly onerous work of listening to the parties and all the witnesses. By this procedure the principle of each case being made the subject of a private bill, a law of exception would be maintained, and the members of the Divorce Committee of the Senate would be relieved of the onerous task of hearing the witnesses.

To summarize, the evidence would be printed, as it is now, and it would be referred to the Divorce Committee which would examine it and refer it to the Senate with a recommendation that a bill be introduced, read the first, second and third times, and then sent to the House of Commons.

Hon. Mr. Choquette: To be blocked again, probably, by the same people in the House of Commons. Has not the honourable senator something in his plan by which a divorce bill could be passed without having to be referred to the House of Commons? If we had a plan whereby the Senate could deal with divorce from beginning to end, we would not be in the position of having to send these bills to the other house to be blocked.

Hon. Mr. Vien: There is a very serious problem in the suggestion made by the honourable senator. It implies that a bill once passed by the Senate should go to the Governor General and, having received royal assent, become law.

I concur in the remarks which the honourable Chairman of the Standing Committee on Divorce (Hon. Mr. Roebuck) made the other day. A basic principle of the Constitution is to the effect that a law must be passed by both Houses of Parliament. To cause divorce bills to become acts of Parliament without reference to the House of Commons would be the thin edge of the wedge, and if we once allow it with respect to this basic principle we do not know when the House of Commons might suggest that some particular legislation should be passed by that house without the sanction of the Senate. It is a danger that I would wish to avoid.

I agree with the honourable Senator Roebuck that we are governed by the principles of the Mother of Parliaments. I am in favour of that because it has the experience and wisdom of centuries, and I am extremely anxious that we follow the principles which have been tried and adopted there. However, it will be recalled that at one time in the Imperial Parliament the House of Lords refused to sanction certain legislation that had been adopted by the House of Commons. The result was that under Mr. Lloyd George, the powers of the House of Lords were curtailed, and today when a law has passed by the Commons and is refused by the Lords, and is again passed by the Commons it becomes law without any further ado. I do not think that that would be in the interest of a young country like Canada, which has maintained as a basic principle of its constitutional rights that there should be a house of second thought to which should be submitted all laws introduced in Parliament before they are submitted for royal assent. I think that principle should be maintained here. It is my opinion, therefore, that if we adopt the principle that a bill of divorce passed by this house can go to the Governor General for royal assent without having been considered by the House of Commons, then we accept the principle that similar legislation might be passed by the Commons without requiring the consent of the Senate. It is this that I want the Senate to guard against.

Therefore, in answer to the honourable senator from Ottawa East (Hon. Mr. Choquette), I do not believe the House of Commons would have the same objection to a recommendation of the Senate, based on the recommendation of a court of justice constituted as I have mentioned. The Committee on Divorce would appoint a subcommittee or a board of referees, consisting of retired judges or of lawyers willing to accept appointment. They would be retained, paid, and instructed to hear these cases. They would report to the Committee on Divorce, which would in turn report to this house, recommending that a bill be passed in the usual manner.

I think that would answer the objection of the House of Commons, that all these cases should be sent to divorce courts. There is strong objection in Quebec and in Newfoundland to sending these cases to divorce courts. Are we going to force it on them as a law

at this time? I do not believe that it would be advisable for this house, or for Parliament, to run against the will of a majority of public opinion in a province.

My humble suggestion is that we should constitute such a committee of lawyers or judges as I have indicated. By doing so we would have answered the objection of the House of Commons, that these cases be dealt with not by Parliament but by a court of justice. They would be dealt with by a court of justice, and a bill would be passed in the manner that I have outlined.

Hon. Gunnar S. Thorvaldson: Honourable senators, I do not wish to prolong this discussion, but I think it would be wrong if this matter were left as it has been dealt with by the honourable Senator Vien. This is a matter of tremendous importance and is becoming of increasing importance day by day.

My main reason for rising at this time is to give my wholehearted support to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), first, in regard to the substance of his remarks tonight and, secondly, because I think Canada, Parliament, and the Senate owe a tremendous debt of gratitude to him for his selfless devotion and the unselfish work he has done for Parliament as chairman of the Committee on Divorce during the past few years.

Hon. Senators: Hear, hear.

Hon. Mr. Thorvaldson: I speak from knowledge, by virtue of the fact that during my first few years in the Senate I was a member of the Committee on Divorce. Any senator who has served as a member of that committee has to recognize the tremendous amount of work done, and the loyal devotion shown by the honourable Senator Roebuck.

I say this in the light of the fact that in the past two years he and his committee and this Senate have been completely frustrated in the work we have been doing in regard to divorce.

As I say, I do not think this matter should be allowed to stand where it was left by the honourable Senator Vien. He suggested—and he spoke at length on the point—some other system by which this matter should be dealt with. But what are the facts of the case? As I see them, they are these. The Committee on Divorce has listened to hundreds and hundreds of cases, according to the law and the Constitution of this country. Those cases have been approved by the Committee on Divorce and the bills concerning them have been enacted by the Senate. They have been sent over to the other place where their progress has stopped. I say they have not been stopped by the other place as such, but they have been stymied by two men. I would remind honourable senators that these two men are not from Quebec; they are not objecting to this legislation on religious principles or on scruples of that kind. They have just been obdurate and stubborn persons who have said to themselves: We will put the Parliament of Canada in its place. And they have succeeded in doing so.

Honourable senators, these are the facts. Two men have succeeded in blocking approximately 700 bills passed by the Senate of Canada, the passage of which was desired by 263 of the 265 members of the other place. Yet these two men, by virtue of, shall I call it, the perversity of the rules of the other place, have been enabled for some reason to prevent the passage of these bills.

Hon. Mr. Croll: Oh, no.

Hon. Mr. Thorvaldson: Well, perhaps it is not the rules. It is a fact that in the other place one member or two can talk out any private bill which is sent to that house from the Senate.

Honourable senators, it could be a private bill to incorporate a company which would have a far-reaching effect on the prosperity and economy of this country. It could be a private bill which would help to solve the problem of unemployment, or be for other good causes. Yet, under the rules of that house, as I understand them, one or two men can "talk it out" and thereby prevent its passage.

An Hon. Senator: Amend the rules.

Hon. Mr. Thorvaldson: Honourable senators, perhaps we should not say anything about the other place; but, as you know—and I say this advisedly—a lot has been said about reform of the Senate. I am not going to say anything more about that. But perhaps there are other things that should be reformed before the Senate becomes reformed. I say this with the greatest amount of sincerity because the matter of the holding up of the divorce petitions, which have been passed through the Senate, is to my mind a public scandal in this country.

Honourable senators, only a few moments ago there was present in our public gallery Senator Mem de Sã from Brazil. He came to Canada as a representative of the Brazilian group of the Interparliamentary Union. He was a guest of His Honour the Speaker of the Senate at dinner this evening. I make these remarks especially because what we are concerned with in this matter are the rights and powers of Parliament. So where do we go from here?

As the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) said, this goes right back to the Magna Carta. It goes back to the principles enunciated in the Bill of Rights, one of the most important of which is, "Justice delayed is justice denied." Hundreds of people have come to Parliament, which is the only forum entitled to give them justice according to law, and that justice has been denied for two years now. I say that this is a scandal, and that many years from now we shall look back upon this day and ask, "How could this have happened in the Parliament of Canada?" It is no answer for us to say now: Let us abandon this whole procedure and find some other way; let us establish a system of divorce courts or let us hand this over to the Exchequer Court of Canada. Instead, we should find a way to prevent two men in the other place from holding up the legitimate and legal business of Parliament.

Honourable senators, I feel that the honourable senator from Toronto-Trinity has not had enough help and support from this side of the house in regard to these matters. I say that Parliament owes to him a great debt of gratitude.

Hon. Mr. Vien: Will the honourable senator allow me to ask a question? What power have we either to change the rules of the House of Commons or to direct that house to deal with the objections that the honourable senator has raised?

Hon. Mr. Thorvaldson: Of course, we have no power.

Hon. Mr. Vien: What can we do?

Hon. Mr. Thorvaldson: But it is to be hoped that the other house may have listened to some of the things that the honourable senator from Toronto-Trinity has said in this matter, beginning no less than 18 months or 2 years ago, and also what he has said today, regarding the legal and constitutional principles and regarding justice for many of the people of this country. If the people of Canada are not entitled to go to the courts for justice, they are entitled to come to Parliament as a constitutional right, and for two years, in the matter of divorce, justice has been denied. To my mind, it is time that somebody started to deal with this matter, not with kid gloves, but with knuckle-dusters.

Hon. Mr. Vien: Would the honourable senator think that a joint committee of the Senate and the House of Commons might be appointed to study the question and find a remedy to the situation of which we all complain?

Hon. Mr. Thorvaldson: I say to my honourable friend that I think perhaps we can find a solution which is better than the procedure of today, by which people have to come to the Parliament of Canada seeking justice. However, what I am talking about right now is the 700-odd bills of divorce which were passed by the Senate and were held up by the House of Commons because of procedural difficulties there and nothing else.

(Translation):

Hon. Cyrille Vaillancourt: Honorable senators, I have only a few words to say to conclude the debate, I hope.

Everybody knows that when divorce bills are passed in the Senate, there is always someone who says: "On division", which clearly means: "I am against divorce".

The great majority of the people in Quebec are against divorce. In 1867, Quebec accepted the British North America Act. I must say, however, that I do not agree with our colleague from De Lorimier (Hon. Mr. Vien) who is suggesting the establishment of a Senate extrajudicial committee. If we, under a democratic system, accept that other provinces of Canada have their own divorce courts; if we in Quebec, also under a democratic system, submit to the provisions of the B.N.A. Act, we are shocked to find that two members of the Canadian parliament can say to the province of Quebec: "Do this instead of that." We object to that.

I agree with what has just been said by the honourable Senators Roebuck, Thorvaldson and Vien. I suggest it is unthinkable that two individuals could behave in that manner and impose their views on the majority. Is this a new form of democracy? It is dictatorship! Action should be taken to put an end to it as soon as possible.

(Text):

Hon. Gustave Monette: Honourable senators, I should like to add a few words.

I agree with many things that have been said. We are all honestly endeavouring to find a solution to the problem. From what has been said, I deduce that two things should be considered. First, is there a way by which we could put an end to a stubborn decision of two men in the House of Commons not to pass divorce bills which have already been recommended by the Senate Committee on Divorce? I am not familiar with all the rules, but is the Parliament of Canada unable legally to deal with this stubborn opposition by arranging that if the majority in the House of Commons are in favour of the present procedure to hear divorces, then the decision of the majority should be given effect to?

Is there something in the rules that we have inherited that would prevent the other house from deciding upon the matter of divorce? On that point, may I draw attention to the reference made to the Senate passing a law to incorporate a very large company, designed to be highly beneficial to the country. Such a measure, when passed by the Senate, must receive the sanction of the other house. Is it possible for two men in that house to prevent such a bill from passing?

Hon. Mr. Thorvaldson: They have been doing it for two years.

Hon. Mr. Monette: If it is possible for two men to block the incorporation of a company of national interest, then is it not possible for the House of Commons, with our consent, to pass a general law to prevent two men from blocking the passing of a bill? Or, does it stand as a permanent situation that two men can block not only a bill of divorce, but any bill, and that Parliament cannot remedy that situation?

If that is so, we should seek to amend the Constitution; otherwise, measures agreed to by the majority, both in the Senate and House of Commons, will be in the hands of two possible nuisances, and Parliament will have no remedy. I am not qualified to say. If a remedy is impossible, then I submit that this house has the right to find a way by which bills which have passed in the Senate, and so blocked in the other place, can be remedied.

Hon. Mr. Croll: Of course there is a remedy.

Hon. Mr. Monette: I am glad to hear that, because I cannot conceive that there is no remedy.

Honourable senators, I pass now to the second aspect, leaving the first aspect to experts in procedure to determine if a remedy is possible. My next point is this: If we desire that legislation shall not be blocked by two members, or by the House of Commons generally, there is a way by which that can be done. Full and exclusive jurisdiction in matters of marriage and divorce is, by the Constitution, placed in the hands of the Parliament of Canada, which has two houses. I am convinced that Parliament could enact a general law—but I am disposed to listen to other representations—that, with the approval of both houses, in future divorce petitions be dealt with by the Senate only.

A law passed by the two houses determining that in future divorce be dealt with solely by the Senate, without going before the House of Commons, would, I know, appear at first sight to be modifying the Constitution, but to my mind it would not be doing so.

I develop my opinion in this way. The Constitution sets out that matters of marriage and divorce are to be the exclusive legislative resort of the federal Parliament; so, the federal Parliament would have within that jurisdiction exclusive power to deal with marriage and divorce. Is it not in the exercise of that exclusive power that Parliament has decided for Ontario and for other provinces that they will have a law of divorce and will decide the grounds on which the local courts of those provinces will grant divorces? It is in the exercise of that exclusive jurisdiction that the federal Parliament has passed laws for those provinces to give power to the local courts to grant divorces, to institute in some cases new courts of divorce, or perhaps federal courts, such as the Exchequer Court of Canada, as was mentioned.

Could not the federal Parliament in the exercise of that exclusive and most general jurisdiction grant to a particular institution, that could be called an institution for divorce, the power to deal with divorces? If the Parliament of Canada were to create a board or institution to deal with divorce it would be doing it in the exercise of its exclusive and fullest jurisdiction.

I agree with what has been said that Quebec and Newfoundland—Quebec, particularly—do not want to set up divorce courts, and there is a very good reason for that. Will honourable senators permit me to make the following comment, without offence or without appearing to bribe or unduly please the English people who are sitting in this house?

After the conquest of Canada the Parliament of Great Britain maintained for the French people in this country—who had been defeated on the Plains of Abraham, and thus were in the position of a defeated people—the right of Catholics to retain their religion, their civil laws, and other privileges. That was provided for in the capitulation acts and incorporated in the Quebec act.

Hon. Mr. Pouliot: Honourable senators, I rise to a point of order. This discussion has lasted over an hour and twenty-five minutes and there is nothing before the Senate. This is the first time that a discussion has gone on for an hour and twenty-five minutes with nothing before the Chair. My honourable colleagues agreed to listen to the first speaker (Hon. Mr. Roebuck) just by general and unanimous consent. Now I refuse my consent, and I hope that the house will turn to Orders of the Day. There is no longer unanimous consent.

The Hon. the Speaker: Honourable senators, as no honourable senator got up and

raised a point of order until now, I allowed this discussion to take place. Now that one honourable senator has said that he is no longer giving his consent, I cannot do other than rule that the discussion is out of order, however interesting it may be. We shall now carry on with the routine proceedings of the Senate.

Hon. Mr. Monette: Honourable senators, may I ask Senator Pouliot if he will allow me five minutes to finish my speech?

Hon. Mr. Macdonald (Brantford): Honourable senators, might I also appeal to Senator Pouliot. This discussion has gone on so long now, that to cut Senator Monette off so abruptly might be a little unfair. We have only twenty minutes left, so we can scarcely start any other business. I think it be only fair to give Senator Monette, say, another five minutes.

Some Hon. Senators: Hear, hear.

Hon. Mr. Pouliot: I agree, for five minutes.

Hon. Mr. Monette: Thank you, honourable senators.

My suggestion is that it would be within the jurisdiction of Parliament to pass a general law to give to the Senate exclusive and final jurisdiction to deal with divorce petitions, make inquiries, hear the evidence and then decide whether the evidence shows grounds for divorce—which, up to now, is adultery—and having been dealt with by the Senate, all that would be necessary would be to have the sanction of the Governor General. Such a law would enable the Commons to get rid of bills of divorce, because the general law would give jurisdiction to the Senate only. As I said, after Senate approval the bills would require only the assent of the Governor General.

Hon. Mr. Roebuck: Honourable senators, I have a point of order too.

Hon. Mr. Macdonald (Brantford): I wonder, Mr. Speaker, if we could go directly to Orders of the Day so that I could be given the opportunity of explaining the special Appropriation Act for 1963. I had hoped this bill would get second and third readings and be given royal assent tonight. There may still be time, if I have permission of the house.

Hon. Senators: Agreed.

SPECIAL APPROPRIATION BILL 1963

SECOND READING

Hon. Mr. Macdonald (Brantford) moved second reading of Bill C-86, for approving certain expenditures authorized for the public service, and the application of certain amounts in the accounts, for the financial year ended the 31st March, 1963.

He said: This bill, honourable senators, is Bill C-86, and is Order No. 2 on today's Order Paper. Its passage will be more or less a formality.

Honourable senators will recall that when Parliament was dissolved last February the final appropriation bill had not been passed, with the result that the Government of the day was not in funds to enable it to carry on the business of the country during the period of the election. That was not the first time such a situation had arisen. Honourable senators will recall that in 1958 there was a similar situation. When Parliament re-assembled that year, a bill was passed approving the money that had been spent in the meantime. The only difference at the present time is that under an amendment to the Financial Administration Act we are required to pass this bill this session.

Honourable senators will also recall that during the election period the former government obtained what are known as Governor General's Warrants, and the business of the country was carried on in that manner.

Probably you have had an opportunity of perusing the Report on Supply which was tabled in this house on July 16 last. From page 3 of that summary it would appear that there were two Governor General's Warrants issued—one on February 8, 1963 for $239,-143,321, and the other on March 4, 1963 for $402,163,293. The report gives the particulars of how that money was spent.

There were also 36 items of expense in addition to those provided for by the Governor General's Warrants. These payments were actually made last year under the provision of certain statutes, but the money was not placed in the hands of the departments during the last fiscal year, and is properly a charge against the finances of the year 1962-63. Therefore, the total amount provided by this bill is $853,162,680.

Hon. Mr. Roebuck: And it has all been spent.

Hon. Mr. Macdonald (Brantford): And the money has all been spent.

I ask the approval of the house of this bill so that it can receive Royal Assent this evening. As the money has already been spent, I think it well that we give this bill our approval.

Hon. A. J. Brooks: Honourable senators, as the honourable Leader of the Government has just explained, this bill concerns expenditures that have already been made. I am sure the money was well spent—most of it, at least. As far as these 36 additional items are concerned, the honourable Leader of the

Government says they should be charged to the former Government's expenditures. I believe there is some question about that. However, in the limited time available to us tonight we cannot very well argue the matter and I shall not hold up this bill. The matter is settled: the money has all been spent, and we could not change one dollar of it, even if we talked all night. So, I am perfectly in agreement with the suggestion of the honourable Leader of the Government.

Hon. Mr. Hollett: Honourable senators, may I ask the honourable Leader of the Government one question on Vote No. 80, page 32 of the bill, "Newfoundland Ferry and Terminals, $8,180,400"? Could he furnish some information—not now, but at a future date—concerning the progress that has been made on this ferry and when it is likely to come into operation?

Hon. Mr. Macdonald (Brantford): I shall be pleased to obtain the information and let the honourable senator have it at the earliest opportunity.

Hon. Mr. Hollett: Thank you.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Macdonald: Under the circumstances, I move third reading of the bill now.

Motion agreed to and bill read third time and passed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Gerald Fauteux, Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Speaker of the Senate said:

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Gerald Fauteux, Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk Assistant.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act respecting the Department of Industry.

An Act to amend the Export and Import Permits Act.

An Act respecting Canada Permanent Toronto General Trust Company.

An Act respecting Confederation Life Association.

An Act respecting The Great-West Life Assurance Company.

An Act respecting Chartered Trust Company.

An Act to incorporate Baptist Convention of Ontario and Quebec.

An Act respecting The Canada Board of American Missions of The United Lutheran Church in America.

An Act respecting The Evangelical Lutheran Synod of Canada.

An Act respecting The Evangelical Lutheran Synod of Western Canada.

An Act to incorporate Fidelity Mortgage and Savings Corporation.

An Act respecting General Mortgage Service Corporation of Canada.

An Act respecting Quebec Fire Assurance Company.

An Act to incorporate Standard Trust Company.

An Act to incorporate Ukrainian Canadian Foundation of Taras Shevchenko.

An Act to incorporate The Union of Slavic Churches of Evangelical Christians and Slavic Baptists of Canada.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for approving certain expenditures authorized for the public service, and the application of certain amounts in the accounts, for the financial year ended the 31st March, 1963.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 312*)

STATEMENT BY
THE MINISTER OF NATIONAL HEALTH AND WELFARE,
HONOURABLE JUDY LAMARSH,
RESPECTING THE CANADA PENSION PLAN,
JULY 18, 1963

The purpose of the Government's proposed legislation is to ensure that, as soon as is possible in a fair and practical way, all Canadians be able to retire in security and with dignity.

The advantage of a federal plan is that it is the only type of pension plan that can be made available comprehensively to all Canadians. This was recognized in 1951 when the British North America Act was amended. The Canada Pension Plan is comprehensive in this sense. It will mean that a contributory program is available to Canadians to provide for their old age. Coverage will be compulsory for, broadly, all employees; such exceptions as are made will be for those types of employment in which the collection of contributions is not administratively feasible. Most other people having earned incomes—broadly, the self-employed and the majority of employees not covered compulsorily—will be able to belong to the plan voluntarily. If a provincial government wishes, its employees will be covered.

The Canada Pension Plan is *not* intended to be comprehensive in any other sense; it is not designed to provide all the retirement income which many Canadians wish to have. This is a matter of individual choice and, in the Government's view, should properly be left to personal savings and to private pension plans, subject in the latter case to such degree of supervision as the provinces may think appropriate. The recent Ontario legislation is the first example in Canada of an attempt at close supervision of private plans.

The purpose of the Canada Pension Plan is to make reasonable minimum levels of income available to all Canadians at normal retirement ages. There will be scope for the continuation and extension of private pension plans to provide benefits over these minimum levels.

The present minimum provided in Canada is the old age security benefit of $65 a month from age 70. Unfortunately, many people are unable to go on earning until they reach age 70.

Realistic minimum levels of pensions cannot be achieved, in a country like Canada, simply by increasing the flat-rate pension. Living costs vary greatly between town and country, and between different regions of Canada. What people need, in order to make satisfactory provision for retirement, is related in part to the level of earnings to which they have been accustomed. The Canada Pension Plan will therefore both increase the flat-rate benefit and provide new levels of pensions related to previous earnings.

Main Features

The Canada Pension Plan will make these main changes in the provision of pensions:

1. The flat-rate pension will be raised to $75 at age 70 for everyone who meets the residence requirements of the Old Age Security Act.

2. People whose pensions begin after the plan is in operation will receive, if they have made contributions under the plan, a further pension in proportion to the earnings on which they have been contributing. The scale of pensions will rise during a ten-year transitional period.

3. The increased flat-rate pension and the earnings-related pension will both be available at any age between 65 and 70, according to the preference of the pensioner. The amount of both pensions will be graduated so that anyone with average life expectancy will receive the same total payment, from the age he starts his pension to the time he dies, whatever starting age he chooses.

The main features in the financing of the plan are:

4. Since the new benefits will be related to earnings, the Canada Pension Plan will be financed by contributions of a percentage of earnings. The rate of contribution during the ten-year transition period will not exceed 2% of the earnings on which contributions are made. For wage and salary earners, the employer will be required to pay a half of this contribution.

5. Initially contributions will be made, and benefits will be paid, on the first $4000 of annual earnings. This level will be raised in line with any increase in average earnings.

6. Contributions will be deductible from taxable income. This is the same as for private pension plans.

7. The Canada Pension Plan will be entirely self-financing. The contributions are designed to cover all pension costs over and above the continuation of the existing $65 pension at age 70. The cost of administration will also be covered from the contributions.

Timing

It will take a good part of a year to set up satisfactorily the administrative machinery for collecting contributions under the Plan. Graduated pensions cannot be paid until the contributor has a record of earnings as the base for determining the rate of benefit. Graduated pensions will therefore begin in January 1966. Contributions before this date will be used to finance the earlier addition of $10 to flat-rate pensions.

In January 1966 two things will happen. The Plan will begin to provide pensions related to earnings. People will become able to start drawing pensions, both flat-rate and earnings-related, before age 70.

Until the Plan is ten years old, pension rates will build up steadily. In 1966, the graduated benefit at age 70 will be $10 a month for anyone who retires after contributing on earnings of $4000 a year. For anyone retiring in 1967, the maximum will be $20 a month, and so on until the top rate of $100 a month is reached after ten years. For people with lower earnings, the benefits will be proportional to these. The flat-rate pension of $75 will, of course, be available in addition to the graduated benefit. The amounts available in total pensions will therefor rise from $75 to people already retired to $175 for contributors with average earnings of $4000 in 1975.

Financing

The Canada Pension Plan will not build up a huge investment fund in the hands of the federal government. Instead, it will be financed on a pay-as-you-go basis. The money received in contributions will in most years approximately match the money paid out to pensioners. While the programme will operate with a contingency reserve, in order to avoid short-run fluctuations in contribution rates, this reserve will normally be small by comparison with the size of the annual payments.

This method of financing is a fundamental difference between a public pension plan and the private plans. While full funding may be provided under private pension plans, it is not the practice in government old age insurance programmes. Indeed, full funding on the scale of a nation-wide plan would be a quite excessive form of saving enforced by the state.

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The practical consequence is that this plan can provide benefits within a few years—to people whose working lives are already well advanced—whereas a private plan ordinarily provides good pensions only to people who join the plan when they are quite young.

Contributions under the plan will not be required before the age of 18. They will stop at whatever age, between 65 and 70, a pension benefit is taken.

The initial contribution rates will be adequate for the financing of the plan through the transition years. The rate will slowly rise for about a generation afterwards, as the plan matures and an increasing proportion of people have retired at the full rate of graduated pension.

The ratio of benefits to contributions is especially favourable for those who retire during the transition period. It is therefore reasonable during this period to assess the voluntary contributor at or close to the combined employer and employee rate. However, after the programme has been in operation for a period of time and adjustments have to be made in contribution rates, the rate paid by voluntary contributors may be less than the combined rate for employer and employee.

Calculation of Benefits

Pensions are to be 30 per cent, adjusted if the starting age is before 70, of "what a man has been earning."

This obviously cannot mean what the pensioner earned in, say, the last year, or even few years, before beginning the pension. That would be very unfair to the man who suffered sickness or unemployment in the last few years before retirement. On the other hand, the pensioner cannot be allowed to pick the best year or few years of his earnings record; that would excessively favour the man whose earnings have been erratic and it would tempt voluntary contributors to contribute only in good years.

The pension benefit will therefore be based on the man's average earnings from the effective date of the plan to the time when he starts to draw his pension. These earnings cannot, however, be used without adjustment. To do so would mean that, as the general level of earnings rises over the years, there would be a widening span between earnings recorded in the early years and those shortly before retirement. The pension benefits paid would therefore be a declining proportion of "what a man has been earning" shortly before retirement.

Accordingly, for calculating pensions, earnings will be adjusted in line with changes in the general level of salaries and wages. The current average of salaries and wages in Canada is about $4,000 a year, the ceiling

chosen for earnings under the Canada Pension Plan. This ceiling will also be adjusted with changes in the general level of wages and salaries. The pension programme will therefore permanently provide a satisfactory standard of pensions for people with earnings up to the average level.

If a man starts his pension in, say, 1970, "what he has been earning" will be calculated by averaging his actual earnings in 1969 and, for each earlier year, his earnings adjusted by the change in average salaries and wages between that year and 1969. In other words, all his earnings will be put on a 1969 equivalent.

The use of average earnings would excessively penalise people whose earnings in some years are abnormally low because of sickness and unemployment. This will be overcome, to a reasonable degree, by excluding a man's years of lowest earnings from the calculation of his average earnings. Also, for each year beyond 65 that a man continues to work, he will be able to exclude, from the calculation of his average earnings, an additional low year. This will provide quite a powerful incentive to go on working after 65, for the man who is able to do so without any large reduction in pay.

The graduated contributory and flat rate universal pensions will be paid to beneficiaries in one cheque. At existing wage levels the total pension available to a single person at age 70 will range from $75 to $175 monthly, as indicated in the following table:

Combined Pensions Available to Single Contributor at Age 70, by Average Monthly Pensionable Earnings

Average Monthly Pensionable Earnings	Monthly Graduated Pension	Flat-rate Pension	Payable Combined Pension
$	$	$	$
100	30	75	105
150	45	75	120
200	60	75	135
250	75	75	150
300	90	75	165
333	100	75	175

Adjustment for Age

Pensions drawn before the age of 70 will be reduced by a small percentage for each month between the date when the pension starts and the date of the pensioner's seventieth birthday. For anyone who takes his pension at the earliest opportunity, when he reaches 65, the pension received would be 32.5 per cent less than the pension he could have claimed at age 70. The reduction at ages between 65 and 70 would be proportional to this.

Anyone who is eligible for both the flat-rate and the graduated pension must choose the same age for starting both.

There will be no retirement test: a man may start drawing the appropriate rate of pension at any time between his 65th and 70th birthdays, whatever his other earnings. Once he elects to draw his pension he cannot go off pension for a while and then come back on at a higher rate.

At existing wage levels the total pension available to a single person at age 65 will range from $51 to $118 monthly, as indicated in the following table:

Combined Pensions available to single contributor at age 65, by average monthly pensionable earnings

Average Monthly Pensionable Earnings	Monthly Combined Pension [a]
$	$
nil	51
100	71
150	81
200	91
250	101
300	111
333	118

(a) Rounded to nearest dollar for illustration.

Widows and Widowers

The income available to the surviving partner of a marriage will be rather more than half the previous combined income of the couple. To achieve this, since the flat-rate pension is halved, the income-related pension available to a widow will be 60% of the benefit available to the couple.

This provision will apply with equality to the sexes. That is, it applies equally to either a widow or, if a deceased wife had earned income entitling her to a pension, to a widower.

A widow or widower will be entitled, from age 65, to whichever is the larger of either (a) her or his own combined pension, or (b) her or his own flat-rate pension plus 60 per cent of the combined earnings-related pensions of the couple-subject, however, to the maximum which applies at the time to the total pension of any one person.

Administration

The Department of National Health and Welfare will administer the Canada Pension Plan. The contributions under the Plan will be collected by the Department of National Revenue. Employers will be responsible for deductions from their employees and will

then remit these deductions monthly, together with their own contributions, to that Department. Voluntary participants will make annual payments to the Department.

The Department of National Health and Welfare will maintain an index of contributors, and will be responsible for the payment of benefits. The Department of National Revenue will forward to the Department of National Health and Welfare the record of pensionable earnings so that this information can be credited to each individual contributor's account. The maintenance of the records and the calculation of benefits will be achieved through the use of modern data processing equipment.

The necessary provisions will be made for appeal procedures to ensure that contributors, beneficiaries and employers may have an impartial review of any disputes which may arise in relation to the programme.

Authority will be provided to work out reciprocal agreements with other countries for the coverage of people who move between countries.

Relation to Other Pension Plans

A great contribution to old age security has been made, and will continue to be made, by the considerable growth of private pension plans, which now cover more than 1,800,000 people in Canada. Not all of these plans, however, provide sizeable pensions, particularly for workers who do not join the plan early in life. Also, since vesting is rarely complete, private plans have operated as a growing restraint on the mobility of labour.

Several provinces are interested in lessening these and other problems connected with private pension plans, particularly by the establishment of rules for portability and solvency. These are, in the view of the federal government, useful steps forward.

However, since such private plans would be funded, even their compulsory extension cannot make possible retirement at an adequate standard for people now in their forties to sixties who have not been covered previously. Moreover, self-employed people cannot have access to such plans.

The Canada Pension Plan not only provides early benefits but also automatically provides Canada-wide portability of pensions for people with earnings up to an average level. It is thus designed for those whose needs cannot be fully met by the extension of private pension plans under provincial supervision. It will be available comprehensively and it will quickly provide fair-size pensions to those who retire in the next decade or two.

The plan is designed to meet these needs of the Canadian people while helping to establish a pension system which, through the combination of private, provincial and federal action, will be sound and satisfactory in the long run.

The Adjustment Period

The adjustment of private pension plans to a public program with graduated benefits cannot be altogether easy. However, this does not appear to have been a deterrent to private plans in the United States. Since the American Old Age, Survivors and Disability Insurance program was established there has continued to be a substantial growth in private pension plans. The number of employees covered by private pension plans, expressed as a percentage of the wage and salary workers in private industry, rose from 31 per cent in 1954 to 45 per cent in 1961 in the United States.

The Canada Pension Plan has been designed to ease as fully as possible the adjustment of private pension plans to the developing public programme. The fact that the Canada Pension Plan will be financed on a pay-as-you-go basis, with a small contingency reserve, ensures that contributions in the early years of the programme are at a very modest level. The absence of large reserves means that there will not be large transfers of funds from the private sector to the public sector of the economy. Transfers will be from the working population and employers to retired people, who will spend their benefits largely on consumer expenditures. It is not proposed that large reserves be built up as a vehicle for federal debt management and public investment.

Some employers and employees will no doubt wish to revise existing pension plans by reducing contribution rates approximately in line with their contributions under the Canada Pension Plan. The ten-year transitional period means that such adjustments can be made carefully and gradually.

In sum, the advantages of the fairly lengthy transition are:

1. to provide adequate time for existing pension plans to be adjusted to the federal plan;

2. to enable contribution rates to begin at a low level and rise fairly slowly, so that companies and individuals not now paying into pension schemes will have time to adjust to this new financial situation;

3. to avoid too sharp a contrast between people who have already retired—who will get the new $75 minimum pension—and people who start drawing pensions only a few years later.

Economic Progress

In the government's view, the great merit of the Canada Pension Plan is that it is a

social security programme which is realistically geared to the growth of the economy. It can help to provide a foundation for other social programmes, notably for those who are disabled, for widows with dependent children, and for orphans. In itself, it quickly makes modest pensions available. These benefits will grow until, in ten years, an adequate scale of pensions is available for people of low and moderate incomes. As such incomes grow, with economic progress, the scale will rise in a way which ensures that people who make contributions now can be assured of pensions which will still provide a secure retirement in line with the economic conditions of the time.

In the growth of the economy, importance is rightly placed on the role of private pension plans in providing savings to finance investment. All pension arrangements, of course, require payments out to the beneficiaries as well as savings by those who are now working. In a static economy no mature pension plan would be in itself a source of savings. The net saving through private pension plans arises from the growth of the plans as the population increases and income levels rise.

Such growth is of continued importance. The Canada Pension Plan will provide, on a permanent basis, the scale of pensions for low and moderate incomes which is an appropriate first charge on a society that values the security and dignity of those whose working life is past. But there will remain full scope for private saving above this minimum. The scope will be enlarged with economic progress. The individual, in association in many cases with his employer, will remain responsible for the saving which a rich and growing country needs for its further economic development, and by which more and more people can afford to provide for themselves a truly comfortable retirement.

International Comparisons

Since their inception, pension programs in many countries have changed greatly. Although a number of older systems date back to the late nineteenth century, the majority of the programs were initiated in the decades immediately preceding or following World War II.

The programs in effect in Great Britain and France were extensively revised in 1946 and 1945, respectively. Revisions occurred in the West German program in 1957 and in the Swedish program in 1959.

It is of significance that the programs in Great Britain and Sweden were both revised in 1959 for the purpose of adding graduated benefits to the existing flat-rate benefits. Most pension programs now in operation relate the rates of pension in some way to the pensioners' prior earnings.

The benefits under the Canada Pension Plan will inevitably be compared with those available under the Old Age, Survivors and Disability Insurance program in the United States. Set out below are the rates of benefit payable to workers with no dependents but with various average monthly earnings, up to the maximum under the United States program. The minimum pension under the United States program is $40, compared with the flat-rate $75 at age 70, or $51 at age 65, in Canada.

Pensions (Including Flat-Rate Benefits) if Earnings Levels in Canada Remain Unchanged and if the U.S. Program Is Unchanged

Average Monthly Earnings	Canada Benefits at age 70	Canada Benefits at age 65	United States Benefits at age 65 or 70
$	$	$	$
100	105	71	59
150	120	81	73
200	135	91	84
250	150	101	95
300	165	111	105
333	175	118	112
400	175	118	127

RELATED PROGRAMMES

Survivors and Disabled Pensions

A full programme of social insurance would provide benefits for survivors and disabled persons who have not reached an age at which benefit would normally be considered an old age pension. Doubts have been expressed whether such benefits are within federal jurisdiction under the existing provisions of the British North America Act. Certainly such programmes as now exist for these people are provincially administered. This is, accordingly, a subject which requires full consultation and discussion between federal and provincial governments to ascertain the wishes of the Provinces and to determine whether a mutually satisfactory approach can be worked out.

The persons who might be covered under wage-related pensions for survivors and disabled persons would be as follows:

(a) Widows with Dependent Children: A pension payable from the date of the death of a contributor to his widow, if she has one or more dependent children, until the youngest child reaches age 18.

(b) Orphans: A pension payable in respect of the orphans of a contributor from the date of death of the last surviving parent until the youngest orphan reaches age 18.

(c) Disabled Persons: A pension payable to a contributor under the programme who suffers such a prolonged disability that he is unable to secure gainful employment.

If such coverage were to be provided as an additional part of the Canada Pension Plan, the scale of pensions would be related to the benefit otherwise available to the contributor at age 65, and the cost of the benefits would be financed as a part of the contributory programme.

Federal-Provincial Shared Programmes

Another related matter concerns federal-provincial assistance programmes. The introduction of an adjusted pension at age 65 will reduce federal-provincial expenditures under the old age assistance programme. Once the Canada Pension Plan is in operation many persons in the 65 to 69 age group will not have to seek old age assistance because the adjusted benefits will be available. Similarly, if a disability pension is subsequently included as a part of the Canada Pension Plan, many persons who would otherwise have sought assistance through blind persons or disabled persons allowances will find their needs met under the new programme.

Since payment of old age assistance, blind person's and disabled persons' allowances is made by the provincial governments and the cost is shared, it is important that any federal plans for future improvement of the provisions of this legislation should be the subject of consultation between the federal and provincial governments. If the provinces will agree to share the additional cost the federal government is prepared to increase the maximum assistance payment under the federal legislation to $75 a month. One question of special interest to the federal government is whether the age of eligibility under the old age assistance programme can be lowered from 65 to 60 for widows and unmarried women.

THE SENATE

Tuesday, July 23, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Canadian Commercial Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1963, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Statement agreed to on July 21, 1963, between the representatives of the Government of Canada and the United States of America, respecting the United States Interest Equalization Tax. (English and French texts).

UNITED STATES INTEREST EQUALIZATION TAX

AGREED STATEMENT, PRINTED AS APPENDIX

Hon. Mr. Macdonald (Brantford): Honourable senators, with respect to the second of the two documents just tabled, I move, with leave, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

That the statement agreed to on July 21, 1963, between the representatives of the Government of Canada and the United States of America, respecting the United States Interest Equalization Tax, tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Motion agreed to.

For text of agreement see appendix "A", p. 362.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 2 to 51, and moved, with leave of the Senate, that they be adopted.

Motion agreed to.

BILLS—FIRST READING

Hon. Mr. Roebuck presented the following bills:

Bill SD-1, for the relief of Margaret Catherine Smith.

Bill SD-2, for the relief of Gladys Noreen Monette.

Bill SD-3, for the relief of Joseph Leo Gerard Bougie.

Bill SD-4, for the relief of Nicholas Cimbru Chambers.

Bill SD-5, for the relief of Madeleine Francoise Hankowski.

Bill SD-6, for the relief of Suzanne Chasse.

Bill SD-7, for the relief of Esther Wertheimer.

Bill SD-8, for the relief of Lygery Varverikos.

Bill SD-9, for the relief of Frank Hamilton Mingie, junior.

Bill SD-10, for the relief of Rosemary Beatrice Clare.

Bill SD-11, for the relief of Marie-Paule Jacqueline Lorette Champagne.

Bill SD-12, for the relief of Klara Brody.

Bill SD-13, for the relief of Bernice Bordensky.

Bill SD-14, for the relief of Jacqueline Belanger.

Bill SD-15, for the relief of Christina Aube.

Bill SD-16, for the relief of Brigitte Dophide.

Bill SD-17, for the relief of Anita Margaret d'Esterre.

Bill SD-18, for the relief of Gladys Jean Desjardins.

Bill SD-19, for the relief of Sylvia Dankner.

Bill SD-20, for the relief of Florence Patricia Da Silva.

Bill SD-21, for the relief of Judith MacBeth Cuggy.

Bill SD-22, for the relief of Giuseppe de Cristoforo.

Bill SD-23, for the relief of Beverley Hayden Crerar.

Bill SD-24, for the relief of Paulyne Leblanc.

Bill SD-25, for the relief of Gabriela Kiwitt.

Bill SD-26, for the relief of Dorothea Margaret Kay.

Bill SD-27, for the relief of Wilma Karls.

Bill SD-28, for the relief of Felix Hollinger.

Bill SD-29, for the relief of Abie Herscovitch, otherwise known as Allan Herscovitch.

Bill SD-30, for the relief of Doris Sibyl Jane Hassall.

Bill SD-31, for the relief of Ezreh Harry Herscovitch.

Bill SD-32, for the relief of Robert Fleischer.

Bill SD-33, for the relief of William Rankin Edmondson.

Bill SD-34, for the relief of Leonard Emond.

Bill SD-35, for the relief of Dorothy Irene Marjorie Adams.

Bill SD-36, for the relief of Zbigniew Stanislaw Janicki.

Bill SD-37, for the relief of Harry Hyman.

Bill SD-38, for the relief of Nadia-Anne Hruszij.

Bill SD-39, for the relief of Christine Johnson.

Bill SD-40, of the relief of Arlene June Kaczur.

Bill SD-41, for the relief of Mary Teresa Hough.

Bill SD-42, for the relief of Bernard Hebert.

Bill SD-43, for the relief of Catherine Harper.

Bill SD-44, for the relief of Wilhelmina Grundy.

Bill SD-45, for the relief of Edith Diane Greenberg.

Bill SD-46, for the relief of Catherine Mildred Gray.

Bill SD-47, for the relief of Nancy Ruth Grabina.

Bill SD-48, for the relief of Lucille Goresky.

Bill SD-49, for the relief of Constance Valerie Laurie.

Bill SD-50, for the relief of Ellen Chase McKellar.

Bills read first time.

SECOND READING

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

Hon. Mr. Roebuck moved, with leave of the Senate, that the bills be read the second time now.

Hon. Mr. Vaillancourt: On division.

Hon. Jean-François Pouliot: Honourable senators, last night we were the witnesses of an unusual performance. Everybody knows what Virgil says of the God Neptune during a storm. Neptune angrily said to the waves, "Quos Ego . . ."—"You that . . ."

Last night I realized that there were several King Neptunes in the Senate. They vituperated—if that word is not parliamentary I will withdraw it—against the two members of the House of Commons who have been objecting to divorce bills. I understand that we have on our statutes an act for human rights and fundamental freedoms. Though I have no power of attorney to defend those members, I speak as a member of Parliament, as a Senator of Canada, and I say that everybody is free to enjoy his own liberty, to take whatever stand he or she wishes for the public good.

Honourable senators, those members of the other chamber are not opposed to divorces; they are opposed to the manner in which divorces are granted, and their view is that divorces should be taken from Parliament to be given to a court, a court under the jurisdiction of the Government of Canada. That is all. It is an opinion which deserves consideration and respect. When have we heard members of the House of Commons complaining about the members of this august chamber as bitterly as was done here last night against the members of the other house? I was really surprised. I thought of the human rights and fundamental freedoms that we hear so much about, which allow everyone to enjoy the right to his own opinion.

Now, some people feel that there is an excessive number of divorces. I admit that one divorce would be one too many. On the other hand, we should not lose our sense of proportion: we should consider the proportion of divorces to marriages. How many marriages were there in Canada in the year 1960? There were nearly half a million—478,000 marriages. And what was the number of divorces? It was about 6,900—let us say 7,000 in all. Seven thousand divorces compared to 478,000 happy marriages.

Naturally it means that there were more marriages than divorces, and that the number of divorces compared to the number of marriages was rather infinitesimal. I do not say that to defend divorces; I say that in order that we should not lose our sense of proportion in the Senate.

I have thought of saying this for a long time, and have hesitated, but I will say it now. In Europe there are three small, well-known principalities. There is Monaco, which has been made famous by Princess Grace and her blessed union with Prince Rainier; there is the principality of Andorra, near the boundary of France and Spain; and there is the principality of San Marino in Italy. In the whole North American continent there is one "principality," which is noisier than the three European principalities put together: it is the Senate Divorce Committee, under the kingship of our honourable colleague the senator from Toronto-Trinity (Hon. Mr. Roebuck). His Divorce Committee has more importance than any other question—the air is full of it all the time.

I have great sympathy for those persons who are in domestic trouble, but let us not magnify the Divorce Committee beyond ordinary measure. It is concerned with 6,900 cases—and not all of them, because many divorces are granted by the provincial courts. It is concerned with about 600, cases which have come to the Parliament of Canada.

Yesterday, in a few minutes, if not in a few seconds, we passed legislation concerning the expenditures of the previous administration. The money was spent, whether wisely or not, I do not know. It had to be paid out. That is all right. Today we are going to be asked to give all three readings to several divorce bills.

I have made my protest; I am through; my conscience is clear; I have said what I wanted to say. But, in the future I hope that my colleagues will unite in order to get rid of the divorce business. We should have no

divorces committee here. Divorce should come under a federal court, the Exchequer Court of Canada, and as many judges as are needed to look after divorce cases could be appointed. As Senator Dupuis said two or three years ago, let us have a federal court to dispose of these cases.

I have great respect for all members who work on the Divorce Committee. I do not want to be unfair to them, because I know they work like slaves. I give them full credit for that, but it is not their job. The most important job they have is to look after legislation concerning the welfare of the Canadian people, in other words, legislation for the public good.

Our honourable colleague Senator Dupuis said two or three years ago that the best way to deal with the divorce situation was to entrust it to the Exchequer Court, and in my opinion he was right. While it was a suggestion not shared by all, it was nevertheless a good suggestion and one deserving consideration by the Government and by the members of both houses.

It was said yesterday that the province of Quebec is opposed to divorce being entrusted to a federal court. This I do not know. Perhaps it was the situation some years ago, but great changes have taken place in the discipline of the Roman Catholic Church; and it is precisely for that reason the second Vatican Council, the Ecumenical Council, has been convened in Rome. Many changes have already been made by certain eminent bishops. Who would have thought some years ago that a cardinal, a prince of the Church, would attend a meeting of all religions to discuss unity? Nobody could have believed it, but now we see that it is an accomplished fact. It shows that progress is being made in all domains toward an increase in tolerance and broad-mindedness.

I do not want to be accused of lacking in these two great qualities, and therefore I will not insist any longer. But what I have said today is what I have thought for a long time. To show my earnestness in mentioning the suggestion of my colleague about the Exchequer Court, may I refer to one of my speeches in which I quoted it verbatim because I considered it was one of the best suggestions made by any member of either house. I would also mention, honourable senators, that Mr. Stanley Knowles, M.P., made the same suggestion, and when a suggestion is made by several people I think it deserves consideration.

I would conclude, sir, by saying that these bills will pass first, second and third reading today and I shall not object. I will show what Mr. Mackenzie King called good will. It did not apply to me in particular, but that was a phrase he liked to repeat very often. I show my good will, provided that in the future the Standing Committee on Divorce is not described as something that ought not to be discussed.

I admit that the members of the committee work hard, but, on the other hand, I do not forget that many investigators are in jail because they perjured themselves before the committee. It has been put on record that those investigators do the same work in different cases, that they are gifted with the eyes of an eagle, and that from a point some 300 feet away they can see through a key hole what happens in a room. Let us not forget that some investigators are in jail, and that judges have used strong language when imposing a penalty upon them, a penalty they richly deserved.

On the one hand there are the members of this house who have worked hard, members whom I respect and whom I encourage to continue to work; but on the other hand, there are the fellows who are in jail because they did not tell the truth, and who were highly paid to organize schemes for divorces.

There is the ray of hope, that in the future the members of both Houses of Parliament will understand that it is possible to have a competent federal court to deal with any divorce case that is submitted to it, thus giving our colleagues a free mind to devote to legislation of public concern.

Hon. F. W. Gershaw: Honourable senators, the honourable senator from De la Durantaye (Hon. Mr. Pouliot) has made several suggestions to meet this problem that is facing us all. There is one other suggestion I wish to make. The honourable Chairman of the Standing Committee on Divorce (Hon. Mr. Roebuck) has drafted a bill which I believe, if passed by this Parliament, would largely solve this difficult problem.

Hon. Mr. Pouliot: There is no member of this house for whom I have more respect than the honourable Senator Gershaw.

Hon. Vincent Dupuis: Honourable senators, I rise on a question of privilege to say a word or two.

I know that the Senate does not like to spend too much time on the question of divorce, but as I have been implicated in this debate by the previous speaker (Hon. Mr. Pouliot), may I say that the only suggestion I made at the time—and it was made not only by me but by many other honourable senators—was that we should, as the Government had done in many other instances, delegate the power of the Parliament of Canada to hear and decide divorce cases.

I know that we are reluctant to do that because of the view held by the people of

Quebec, the majority of whom are Roman Catholic, but in the pre-Confederation debates of 1867 the people of Quebec were represented, and they allowed a clause to be inserted in the British North America Act to the effect that marriage and divorce would be under the jurisdiction of this Parliament. Nobody objected to it at that time.

I do not see why we should not establish a court, under an appropriate name, in the province of Quebec and the province of Newfoundland, as is done in other provinces, to hear and decide these divorce cases and thus relieve the Houses of Parliament of that work.

There is another way to get rid of this problem, which I would suggest in passing. These bills are blocked in the other place just because they are private bills, and under an old law only one hour in each week can be devoted to the discussion of private bills. That is why two members of Parliament are able to block any private bill they wish. That is not fair. I think that representatives of both Houses of Parliament should meet and decide whether or not divorce bills should be considered as general or public bills, rather than private bills. If that were done, these divorce bills could be discussed for as long as was necessary to pass them, and I am sure that two honourable members of the House of Commons could no longer insist on prolonging a session of Parliament unduly. In that way this problem would be solved.

Motion agreed to and bills read second time, on division.

BILLS—THIRD READING

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

Hon. Mr. Roebuck: With leave of the Senate, I move the third reading of these bills now.

Motion agreed to and bills read third time and passed, on division.

SPECIAL COMMITTEE ON AGING

NOTICE OF MOTION STANDS

On the notice of motion by Hon. Mr. Croll:

That a Special Committee of the Senate be appointed to examine the problem involved in the promotion of the welfare of the aged and aging persons, in order to ensure that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community and the need for the maximum co-operation of all levels of government in the promotion thereof;

That the said committee be composed of twenty honourable senators to be named later;

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

That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate; and

That the committee be instructed to report to the House from time to time its findings, together with such recommendations as it may see fit to make.

Hon. David A. Croll: Honourable senators, I intended to proceed with this motion today, but the Leader of the Government (Hon. Mr. Macdonald, Brantford) has indicated that he is anxious that Item No. 5 on the Order Paper, an Act to amend the Atlantic Development Board Act, be proceeded with in order that it may go before a Senate committee tomorrow. Therefore, I would ask that this motion stand until later this day, on the understanding that, when Item No. 5 receives second reading or is adjourned, I shall proceed then.

I do not wish to be misunderstood. It is only to allow Item No. 5 to proceed that I am standing my motion. There are some controversial items in front of it and I do not intend to include them.

Hon. Mr. Macdonald (Brantford): I assume then that Item No. 5 may be called first, and that when the debate on it has been concluded or adjourned we will revert to motions and proceed with the motion of honourable Senator Croll. Then, when that motion has been disposed of, we will return to the Orders of the Day and deal with Item No. 1.

Some Hon. Senators: Agreed.

PRIVATE BILL

THE CROWN LIFE INSURANCE COMPANY—FIRST READING

Hon. A. Neil McLean presented Bill S-35, respecting The Crown Life Insurance Company.

Bill read first time.

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

Motion agreed to.

ATLANTIC DEVELOPMENT BOARD ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, July 18, the adjourned debate on the motion of

Hon. Mr. Taylor (Westmorland) for second reading of Bill C-80, to amend the Atlantic Development Board Act.

Hon. F. Elsie Inman: Honourable senators, I wish at this time to extend congratulations to my friend and colleague, the honourable senator from Montague (Hon. Mr. Grant) and also to Mrs. Grant. He is himself a medical doctor, and an excellent one. He has now four sons in the medical profession, the fourth having graduated recently from Dalhousie University. He also has a grandson and a son-in-law practising medicine in Prince Edward Island. Another son is a dentist and yet another is an optometrist. In addition, Senator and Mrs. Grant have a daughter who is a registered pharmacist, four daughters registered nurses, and another daughter who is a laboratory technician. I doubt if anywhere a parallel record can be found. Senator and Mrs. Grant have a family of 13 children, all living. Prince Edward Island is exceedingly proud of the Grant family, and I know we are all proud to have the honourable senator a member of the Upper House.

Hon. Senators: Hear, hear.

Hon. Mrs. Inman: I do not intend to speak at length on Bill C-80, but the subject is a very important one to the Atlantic provinces and is of special concern to Prince Edward Island on account of its insular position, its limited natural resources, its markets and its transportation problems.

When this measure came before us last fall, I, along with many others, welcomed the idea of an Atlantic Development Board. The principle of the bill was good, but it did not go far enough. It was not broad enough to realize the end for which it was created, namely, to promote the economic development of the Atlantic area of Canada.

In the first place, five members seemed to be too few to deal adequately with the many and varied issues and questions which would face the board.

Each province has its own economic and other problems, and these must be dealt with according to the facilities available for developing the resources in each province. Many problems, of course, are common to all four provinces. For example, unemployment in this area is the highest of any part of Canada, but incomes average much lower. We will look to the Atlantic Development Board for assistance and advice in order to put the Atlantic region on a parity with the other provinces of Canada.

One serious need in these eastern provinces is markets. If we are to produce more, we must sell more, and the new board can be of tremendous assistance in finding new markets and increasing sales in present outlets.

In Prince Edward Island we have three main sources of livelihood: farming in all its branches, fishing and tourism.

To promote these to their full potential we require a dynamic approach to increased production and local use of our natural resources. Processing plants to take care of our land and sea harvests and co-operatives to take care of marketing are necessary. We should have more lumber mills to process some of our forest products into building materials; we need concrete building-block plants and many other industries suitable to our resources. All this would considerably help our employment situation and be an incentive to our young people to stay at home.

Tourism is one of our most important assets. The only limit to this industry is the size of the Island and the capacity of its facilities. It would be difficult for us to look after 10 million people at the present time; however, I have no doubt we would make the effort. "Islanders" are not easily discouraged. Our province could well be developed into the tourist mecca of Canada—the Riviera of the Atlantic—but we need promotional assistance. We need parks—hundreds of them—camping grounds, motels and hotels. We require recreation centres, swimming and bathing supervised for those not familiar with the surf and sea. We should have supervised playgrounds for young children in order to relieve parents of the care and attention of their little ones for a few hours each day. All this takes time, money and careful planning. Here the Atlantic Development Board can be of inestimable value.

Speaking of education, may I say that Prince Edward Island has come ahead well in the matter of high schools and vocational schools and, while we have one excellent university in our province—St. Dunstan's—there is a great need for a second university. This is an age when our young people have little chance in life, unless they have the opportunity of education. On our Island it is often a heavy tax on parents when children have to be sent elsewhere to obtain education at university level.

I wish to speak for a few minutes on transportation—perhaps the most serious of all problems that we have to deal with in our province, since it affects every phase of our life and economy. Improvement in our communication and transportation systems is very necessary for the progress and prosperity of Prince Edward Island.

For a long time the causeway has been talked about as a solution to the transportation problem, but little is being done to make it a reality. Someone facetiously remarked that it could remain an indefinite political football. It has been a discouraging project to date.

I wish to read from *Hansard* of the other place, dated April 4, 1962. At page 2483, the member from Northumberland-Miramichi asked the following question:

> 1. Has a survey been undertaken of the engineering feasibility of a causeway across Northumberland strait from New Brunswick to Prince Edward Island; and, if so, has it been completed, and what are its findings?
>
> 2. If the survey has not been completed, when is it expected to be completed?

On April 17, 1962, the then Prime Minister, now the Leader of the Opposition, replied. Again, I ask leave to read from *Hansard* of the other place, at page 3033 of that date:

> Mr. Speaker, I have two or three announcements I wish to make today. The first has to do with the Northumberland strait causeway. As the house knows, comprehensive studies were authorized by the government in January, 1958, as to the whole question of the building of this causeway. The government has now decided that a causeway will be built between New Brunswick and Prince Edward Island.
>
> Studies to date have involved several government departments, consulting engineers and the national research council. An important part of the work was the construction of a scale model of the area by the national research council. The purpose of the studies undertaken has been to determine whether the project would be feasible from an engineering point of view and justified from an economic point of view. The answer in both cases is in the affirmative. The most economical crossing for road and rail traffic appears to be a combination causeway with navigation locks and a bridge between Jourimain island, New Brunswick, and Borden point, Prince Edward Island. The estimated cost is $105 million.

I understand the surveys were discontinued for a time on account of loss of equipment due to ice conditions in the Strait of Northumberland, but those surveys are underway again. It does seem peculiar that those surveys have been going on for six years with so little progress. It is only nine miles across the Strait and much of it is shoal water. This project could well be expedited by the consideration and influence of the board.

In the meantime I am pleased to know that we are to have a new, efficient icebreaker to complement the boats already in service across Northumberland Strait between Prince Edward Island and New Brunswick.

The Atlantic Provinces Economic Council, of which I am a member, has done excellent work for the Atlantic provinces and will welcome and fully co-operate in every way with the Atlantic Development Board, as amended. We in this region of Canada look to Bill C-80 as the means whereby the gates to progress and prosperity will be opened to our citizens of the Atlantic provinces. I am pleased to support this bill.

Hon. Edgar Fournier: Honourable senators, last Thursday and again this afternoon, we were privileged to listen to the two charming feminine voices representing the Atlantic provinces in the Senate. I wish to compliment the two honourable senators for the interest they are taking in public life, and especially for what they are doing to advance the interests of the women of Canada. We have also heard speeches from Senator Hollett and Senator Blois, both of whom were most instructive and to the point in what they said.

The bill under discussion was introduced by my honourable friend from Westmorland (Hon. Mr. Taylor). I was highly amused by the method by which he tried to convince honourable senators that I was in agreement with what he said. At one point he said that when he was Leader of the Opposition in the Province of New Brunswick, and I was sitting on the other side of the house, we more or less shared the same views at that time. The only time the honourable senator and I ever shared the same views was when we were both asleep—and not in the same bed at that. However, it shows that good debates make good friends. Senator Taylor is one of my best friends. He is doing a good job in the Senate, and we in the province of New Brunswick are proud of him.

Bill C-80 is an amendment to Bill C-94 of last session, and has a direct bearing on the economy of the Atlantic provinces and closely touches all of the Maritimes. Last year Bill C-94 was widely discussed among members of both houses. Many good points were raised. People of the Maritime provinces looked at the bill as a new horizon, a brighter future and a new hope.

It is not my intention to burden honourable senators with what was said last year,

nor do I wish to repeat what I said then. However, I wish to quote one statement from my remarks of last year:

> Let us have faith. Time will tell. Let us be confident. If this measure proves to be successful, so much the better; this is what we want. If it does not prove to be successful, then I hope we will all be here again to get behind this project and make it successful.

Well, honourable senators, we are all here today; but surely no one in this chamber will agree that the amendments proposed in this measure, Bill C-80, are of any value or have any merit to improve the function of Bill C-94. The following are my reasons for that opinion:

1. The Atlantic Development Board is still in its infancy, being less than eight months old.

2. Its organization is getting ahead as fast as can be expected.

3. The nomination of the board members has been recognized as non-partisan, being composed of well-qualified businessmen of the highest calibre, and accepted by the people of the Maritime provinces.

4. So far, no one can find fault with or justly criticize the work already accomplished by this board. So at this early stage, why increase its membership?

Naturally, it is evident that the Government of the day can foresee three major reasons for this amendment. The reasons are short, simple, to the point, unjustified and undeniable. In my opinion the three major reasons for this amendment are: first, patronage; second, more patronage; and third, still more patronage. I have not been able to satisfy myself with any other answer.

One sad feature in this bill is that the expected $1 billion has been reduced to a mere $100 million. This is not enough even to complete any of the major projects expected, such as the canal, the causeway and many others.

The Government of the day talks in terms of $100 million. We appreciate this amount, for it is by far the largest amount ever granted to the Maritimes in the history of any Liberal government.

The proposed amendment is a great disappointment to the Maritimes, but not a surprise, for this is a typical example of the old "buck-passing" attitude and routine of a Liberal government towards the Maritime provinces. After 22 years of Liberal government, from 1935 to 1957, we have developed a strong physique for endurance, tolerance and patience by feeding on federal Liberal crumbs.

After six years of good Conservative government, which opened up a new era of economic growth in the Maritime provinces, I regret that, with the stab that the milk industry has received lately, we of the Maritimes will have to go back to stale bread and water.

Bill C-80 has now cast quite a shadow on the new hope of the Maritimes, and especially on my own province of New Brunswick; therefore my few remarks will be in the interests of my province.

Honourable senators, with your indulgence, I shall limit myself to four major projects urgently needed to bring the economy of New Brunswick up to Canadian standards. They are, namely, the Chignecto Canal; the Prince Edward Island Causeway, a joint project with Prince Edward Island; the Corridor Road; and the development of tidal power.

What is the Chignecto Canal? We have for years and years advocated the construction of the Chignecto Canal. This canal would provide a passage for ships between the Bay of Fundy and the Northumberland Strait areas, at a cost estimated by reliable engineering firms to be approximately $100 million.

The building of the canal would be the direct means of establishing over $105 million in new industries in the Fundy area, and of this total $100 million would be for the undertaking of industrialist K. C. Irving interests, as outlined in the report prepared for the Chignecto Canal committee and submitted by the Economic Research Corporation Limited in April 1960.

The Chignecto Canal would be a natural extension of the St. Lawrence Seaway, linking it with a sheltered route for Atlantic coastal shipping. For this new waterway a laker-type boat will be used which will be much cheaper to build and to operate than the ships normally used in ocean operations.

There were many sound reasons for its construction and, furthermore, it was found to be financially self-supporting; today, we can add to all these advantages the fact that the building of the Chignecto Canal will be of primary importance in aiding the depressed economy of the Atlantic provinces.

The history of the Chignecto Canal project is a subject that has been highly discussed for almost three centuries. Its building was first suggested back in 1686 by Jacques de Meulles, who was the Intendant of New France. No less than 12 major engineering reports dealing with its construction have been submitted, and three royal commissions have made a study of those reports.

The following history of the project is taken from records—and here, I assure honourable senators, I will be brief and will not go into lengthy details.

In 1686, its construction was first suggested by Jacques de Meulles.

1783—Colonel Robert Morse made another report.

1822—The New Brunswick Government instructed Robert C. Minette to carry on more surveying. It is well to note that the estimated cost at that time was $298,000.

1826—Thomas Telford reviewed the proposed structure and recommended a larger canal. At that time the cost was estimated to be $685,952.

1836—A canal company was incorporated in Nova Scotia and New Brunswick to build the canal, but it was never built.

1838—The Board of Trade of Saint John petitioned the Imperial Government to select qualified engineers for another survey.

1843—Captain H. O. Crawley of the Royal Engineers gave his report and recommended construction of the canal.

1850—The Province of Canada retained the services of Mr. Francis Hall to review the project and again recommendations were made.

1864—A Quebec conference of the provinces was held and construction of the Chignecto Canal was recommended.

1868—Parliament requested that Nova Scotia and New Brunswick turn all surveys and reports over to the Minister of Public Works.

1870—The Honourable Hector Langevin, Minister of Public Works, reported that all surveys and reports indicated construction of the canal.

1871—The Sir Hugh Allan Royal Commission recommended groups of canals to be built in Canada, and Chignecto was listed as number one in that report.

1872—Mr. G. P. Baillarge recommended a tidal canal.

1873—Mr. Gzowski and Mr. Keefer of the Allan Royal Commission recommended a half-tide canal at an estimated cost of $5,317,000. Tenders were called but no contract was ever awarded.

1874—Construction of the Chignecto Canal was mentioned in the Speech from the Throne and $500,000 was voted, and the federal Government was to appropriate $1 million. However, due to a general business depression at the time, the appropriation was reduced to $20,000. At that time a new element was brought into the discussion as to whether transport by canal vessels could compete successfully with the railroads then under construction on the Prairies.

1880—Mr. H. G. C. Ketchum incorporated the Chignecto Maritime Transport Railway Company. The company was formed to build a railroad to transport ships across by rail rather than build the canal, and a federal subsidy was voted providing that the railway was constructed at once.

1890—Mr. Ketchum ran into financial difficulties and the time limit was extended to 1893. By 1893 the railway was three-quarters constructed and more difficulties arose. However, by 1894 Mr. Ketchum had overcome his financial difficulties but the bill allowing further extension for the federal grants was defeated in 1896 by a vote of 55 to 54 and the railway was never completed.

1920—The project for the construction of the Chignecto Canal was revised under the Maritime rights.

1926—Robert K. Smith, M.P. for Cumberland, asked for a further study.

1930—The Frank M. Ross Commission was appointed to review the whole situation, but due to the defeat of the King Government the commission never sat.

1931—The Arthur Surveyer Commission was appointed to study the need for the canal.

1934—The commission reported without any doubt in favour of the feasibility of the project but again, due to recession, the matter stood in abeyance. The infiltration of potential hydro-electric power came into the picture, coincidental with the development of axial flow turbine generators with reversible blades, producing power during the up-tide and during the down-tide.

For about 22 years engineering specialists across the country took an interest in this project, but their interest was mostly on the tidal power potential rather than on navigation. So the canal became secondary, and not until 1958 was it possible to divorce the tidal power from the canal.

I had the honour to be chairman of the meeting at which these discussions took place. They were held in the conference room of the New Brunswick Electric Power Commission, of which I was chairman at the time. The meetings ended with a recommendation that another survey be made, omitting the electric power factor, to build a canal on its own merits for navigation.

Resulting from this meeting, the Chignecto Canal Committee was formed and the services of the Economic Research Corporation Limited of Montreal were retained to make another survey. It was about at the same time that the Foundation Company of Canada carried on its own survey for building the canal on its own merits. Both surveys were again favourable. I have never changed my opinion that the canal should be built on its own transportation advantages.

The electric-power potential of the tidal power is a different problem altogether, as there is no power potential in the canal itself. The tidal power potential is at Shepody

Bay, Cumberland Bay and Minas Basin. With the possibility of nuclear development for the production of electrical energy and the success in turbo generators, construction cost of tidal power plant may just fall, to become a dream of the past.

So, honourable senators, the Chignecto Canal was first considered in 1686, just 277 years ago, and we are still talking about it. I am sure no other project in Canada, and perhaps in the whole world, has received such long and chaotic treatment.

(Translation):

Honourable senators, another project I have at heart is the construction of a causeway linking the provinces of New Brunswick and Prince Edward Island. That is another project much talked about through the years and which is needed more than ever.

The difficulties to get to that wonderful island, arising from the problems of the crossing of the strait and the maintenance of ferry boats, entail an expenditure of several millions of dollars every year and, thus, the economy of that province is seriously affected.

The tourist industry could easily increase threefold if a causeway were constructed in order to provide road and railway services. The crossing problems would automatically be eliminated for the C.N.R. freight and passenger trains. High voltage transmission lines belonging to the integrated interprovincial grid system for Nova Scotia and New Brunswick would also help to settle the costly problem of generating electric power with expensive machinery.

This project would present no difficulty when you consider the gigantic equipment provided by the evolution of mechanization. Nowadays, moving a mountain presents no problem.

The Conservative government had decided to build that causeway. Now, I hope that the Liberal government will not shy away from this project which is so necessary.

(Text):

Another project is the Corridor road. The Corridor road has long been proposed to link the Maritime provinces with the populated region to the west, including Montreal and vicinity, by a direct, short-cut road through the state of Maine. For example, the distance between Fredericton and Quebec, via route No. 2, which is the Trans-Canada Highway, is approximately 375 miles. By the Corridor road it would be 250, a reduction of some 125 miles. It would be of standard quality, with easy construction. It would benefit Maritime agriculture tremendously, as the popular markets of Montreal and Quebec City would be easier of access and less costly to reach. It would be a timesaver and would promote the tourist industry.

This brings me to the last one, which is tidal power. Honourable senators, of all three projects mentioned, the one I have most at heart is the development of the Maritime tidal power.

In 1957 I had the pleasure of visiting several European countries, mainly to study new and modern methods of producing electrical energy. In Germany I devoted myself to the production of thermal power produced by coal from the Ruhr valley. In France I spent most of my time studying hydraulic and tidal methods. After visiting the construction site of the tidal plant at St. Malo, on the river La Rance, I directed myself to Grenoble, where huge laboratories are situated and tests are conducted on tidal development. It was there, to my surprise, that I learned that the Maritime provinces—mainly, New Brunswick—had the world's largest tidal power potential. I refer to the Passamaquoddy, the Shepoday Bay, Minas basin and Cumberland Bay.

The production of tidal electrical energy is now a reality, by using a new type of turbine generator which produces energy down-tide and up-tide for a period of some 20 hours per day. The balance of the time, which is approximately one hour each tide at the neutral time, the same turbine generator can be used as a pump, powered by off-peak energy, to pump water in or out of storage, to create different water levels so that at the first change of the tide the generator becomes effective.

Naturally, in the production of electrical power the cost of the kilowatt and horsepower is primordial. Studies of the Maritime tidal power potential show this to be practical and economical, and such a development could produce power to supply the states of Maine, Massachusetts and Connecticut and reach the city of New York. Officials in the United States are now reviewing these matters. Such a development would supply more power than that required today for the whole of the Maritime provinces. With interconnection with Quebec, it could very well reach Ontario. By using the new methods of direct current on highline transportation, the line loss is reduced to a minimum and makes it economical for long-distance transportation.

So you see, honourable senators, in the Maritimes we have many facilities, and it is an accepted fact that heavy industries are interested in locating in areas of high electrical energy power potential.

To follow this electric energy potential, the full development of the Saint John river—with the co-operation of the United States in the development of the Rankin Rapids—would be beneficial. But, electrical power should be no problem in New Brunswick, even if only half the potential were developed. A mighty power potential stands just above New Brunswick as a shining star. I wish to refer to the potential of Hamilton Falls of Newfoundland, where over 4 million horsepower can be made available for the expansion of the area, to be carried over a great distance at a very low cost. This is one subject I hope this development board will study and take an interest in.

Honourable senators, I would like to take a few minutes of your time to say a word about unemployment, because much has been said in this house lately on the subject, and Bill C-80 has a strong influence to bring to bear on the relief of unemployment.

I can appreciate that the introduction of more industries is a step in the right direction, but are we making a real and true effort to find out first what are the causes of this large-scale unemployment? Is it not true that, for many reasons, we find people are leaving the country, or the farm to move to industrial centres, and those areas soon become overpopulated by people looking for work, as existing industries cannot absorb them all? Is it not true that push buttons have replaced thousands of tradesmen and labourers of all categories? Is it not also true that mechanization has replaced several thousands of men employed in the lumbering industry? The same applies to all other industries, including fishing and agriculture. Is it not true that the introduction of diesel power on the railroad has resulted in several thousands of men becoming unemployed? Today even public works and road construction are heavily mechanized, and few men are employed except as machine operators.

If we are going to do something to relieve unemployment, let us start with the causes and work from the bottom up, instead of working from the top down, trying to find more jobs and doing nothing at the source to halt the true cause of this terrible national disease called unemployment.

Many people have called this the century of progress. Is it progress when a bulldozer can replace 100 labourers? Is it progress when a payloader can replace another 50 men? Is it progress when push buttons send thousands of men home without a job and without the hope of finding one? Is it progress when chain saws or wood chippers are responsible for reducing the lumbering operation by more than 50 per cent? This may be progress for the employer, but surely not for the employee.

Furthermore, we are still feeling the effects of the last war, when our women were asked to leave their domestic work to replace men in the factories. Many thousands of women have never returned to their domestic work, although the men have been released from the services to go back to the factories. Furthermore, each year a new crop of individuals, coming from all walks of life, is added to the working force. Unemployment will not be solved by building only large industries using more push buttons, but by promoting small industries where manual labour will find its place.

Perhaps one might also say that our high cost of production is responsible for a large measure of unemployment. Perhaps our high standard of living must also take its share of the responsibility.

Honourable senators, in my opinion these are some of the true causes of unemployment, and unless we tackle the disease at its source, I am afraid this situation will go from bad to worse.

Returning to the consideration of Bill C-80, I am glad to read that an amendment to the the original bill was introduced in the other house. When this bill was first presented in the other house it had the guillotine set to dispose of it in 1969. I am sure everyone will agree with me that it was due to the efforts of the Honourable Hugh John Flemming and his associate that the guillotine was wrecked. I am sure that the people of the Atlantic provinces will be grateful to Mr. Flemming and his associate for this achievement.

It is amusing to read *Hansard* of last year, when Bill C-94 was debated from both sides of the house. It is interesting to read the arguments brought forward by the members who formed the Opposition of the day but who, unfortunately, are on the Government side today. It is shocking to see such a change of mind. When one reads Bill C-80 one would expect to find that what was strongly opposed and condemned last year by the Opposition of the time would be rectified today in their amendment. It is notable that no fewer than six amendments, including five from the Liberal side, were introduced concerning Bill C-94; yet in Bill C-80 most of those amendments are completely ignored.

When one reads the statements made during that debate by the present Secretary of State one would surely expect a completely different bill from that which is presented to us today. Practically every member of both houses took an active part in the debate, and in my closing remarks I would like to refer to one honourable senator's contribution. I very much regret that the honourable senator is not in his seat at this moment. He used to stand where I am standing at this

moment. As one of the seven Trojan horses, as we were called last year when a group of us were introduced in this chamber—an introduction which was not called for and which was not very well received by honourable senators—I have this to say. The honourable senator, on December 19 last, for 45 minutes gave us a flagrant demonstration of physical torture and endurance, in a fruitless effort to condemn, section by section, the whole structure of this bill. I am sure that if any member of the honest and respectable trade of shoemaking had been here to witness such a contortion of mind and body he would have certainly seen a gloomy picture and would have described it in a language that could not be translated into Latin. I am sure that only Ed. Sullivan could surpass such a demonstration of a senator talking so much, saying so little, and accomplishing nothing. It was fortunate that this demonstration took place in December, as then there was no heat problem. Apparently for once the translators pleased the honourable senator.

In closing, I repeat that we place our hope in this amendment, but I have my doubts that we are doing the right thing by vesting power in a public body to spend public funds. I have never shared those views. The power to spend should remain the responsibility of the elected members; otherwise we are getting away from our democratic system.

Honourable senators, I thank you sincerely for your kind attention.

Hon. Gordon B. Isnor: Honourable senators, we have heard much about this bill already, and I do not intend to make extended remarks on it. However, coming as I do from Nova Scotia, I wish to take this opportunity to express my approval of the general principles and the objects as outlined in Bill C-80.

Before doing this may I join with other honourable senators who have spoken, Mr. Speaker, in offering my congratulations to you. I do so now because it is the first opportunity I have had to speak since you took over your important post as Speaker. I recall when you entered the House of Commons in 1940 and the active part you took there down through the years. In particular, I recall your efforts as Parliamentary Assistant to the then Minister of Public Works, the Honourable Robert H. Winters, who made such a splendid contribution to Canada by his work in connection with the Trans-Canada Highway. You, Sir, as an engineer took a very active part in that work, and I had the opportunity of consulting with you on many occasions.

I also recall something which perhaps you may have forgotten, namely, the very deep interest you took in the construction of the Halifax-Dartmouth bridge. I have forgotten the name of the engineer who prepared the plans—I think it was Dr. Pratley—but I remember we studied them and talked the matter over together. It was your deep interest in the project which made your assistance so valuable.

You are following in the footsteps of the many fine senators who previously occupied this high office. In saying that I have particularly in mind the honourable Senator White, your immediate predecessor, who graced the Chair and the office in a very worthy manner. I am sure that you will continue to uphold the dignity of that office.

Honourable senators, this too is my first opportunity to congratulate my own Leader (Hon. Mr. Macdonald, Brantford). We who work with him are agreed on his very fine qualities. He entered Parliament, as did the honourable Senator Brooks, in 1935, so we have had full opportunity to know him and to work with him in a very friendly way.

I am sure you will not misunderstand me when I say that the honourable Senator Brooks also made a very fine contribution, and acted in a most dignified manner as Government Leader in this house. But in the very next breath I wish to say that we were all very pleased when the situation was reversed and Senator Macdonald took over his old post as Leader of the Government in the Senate. I think I speak for all on this side of the chamber in saying that we hope that the two gentlemen will continue to occupy their respective places for many years to come.

Honourable senators, I also wish very briefly to refer to the way in which the sponsor of this bill introduced it. He did so in his usual able manner. I wish I could do half as well as he in his reference to and explanations of the various terms of the bill.

I agreed with practically everything he had to say about it until he referred to the Chignecto Canal. This also applies to the speech today by the honourable Senator Fournier (Madawaska-Restigouche). He too referred at some length to the years of study of this project, but, unfortunately, he stopped short of bringing the situation down to the present time. After all, we are discussing the present stage, 1963, and I thought he would have referred to the very last contribution made by a well-known member of his own province, a professor at the University of New Brunswick, Dr. W. J. Reddin, who said "Wardell is wrong on Chignecto", and he said it in pretty definite terms. I refer to his speech of January 29, 1963 and recommend it to the two honourable gentlemen who are such strong advocates of the Chignecto Canal.

In that speech he outlined his reasons and made a public statement as to why he did not think this was feasible at the present time.

Like Professor Reddin, I have read all the reports and studies on the Chignecto Canal. If I remember correctly, there have been four publications since 1949, each one of them well prepared. The first is "The Case for the Chignecto Canal" by N. S. Sanford, Chairman of the Canal Commission, June 22, 1950. The second is "The Story of the Chignecto Barrier". Then there was a strong article by a well-known citizen of New Brunswick, L. L. Harrison, a person acquainted with the shipping field, who said it was neither feasible nor justifiable, and gave very good reasons for his views. He looked at the situation from the point of view of dollars and cents and pointed out how the money could be used in other ways to much better advantage.

It is for these reasons I say that I agree with the honourable sponsor of the bill in everything he had to say about it with the exception of this particular matter.

Now I should like to join with the other speakers in welcoming the new senators. I know a great many of them and have sat in the House of Commons with some of them. I am sure they will all contribute and add to the knowledge of the other members of this chamber.

In this debate we have heard from New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland. I do not know if the contribution made by my honourable friend Senator Hollett would please Premier Smallwood, having regard to what he had to say about the opportunities in Newfoundland and its lack of opportunities. However, I am glad to see that the other three Maritime provinces are in a somewhat different position. I think all the other speakers without exception expressed praise and saw the possibilities for Nova Scotia, Prince Edward Island and New Brunswick, despite the gloomy picture painted by the senator from Newfoundland, Senator Hollett. I am sure his view is not shared by all Newfoundlanders, and I am also sure that the picture is brighter than he outlined.

I hope my remarks will not be misunderstood; they are said in a friendly way because I am interested in the progress of all the Maritime provinces. However, I could not let this opportunity pass without saying that we in Nova Scotia have a different view as to the possibilities of Newfoundland than those expressed by Senator Hollett in his remarks the other day.

I particularly liked the speech by Senator Blois. He outlined what Nova Scotia was doing, and he showed that we were not asleep, that ours was a province with possibilities, and to illustrate this he pointed to the many industries now being established there.

I do not propose to go over those at the moment, although I might refer to one or two in keeping with the picture that I think is worth presenting to the rest of Canada, and thus show the possibilities contained in this bill. I feel sure that the members of the Atlantic Development Board will put their wholehearted effort into bringing about good results in so far as the Atlantic provinces are concerned.

Naturally, I am more particularly interested in Nova Scotia, the Ocean Playground, than in the other provinces. To me Nova Scotia is the more outstanding of the four Atlantic provinces—that is only natural. Anyone who has been to Nova Scotia will appreciate why I say that. We have wonderful harbours, and our politics are not narrow minded. All the Maritime provinces are good provinces, but in any group there is always one that is better than the others, and in this instance it is my opinion that the province of Nova Scotia is truly the Ocean Playground.

My honourable friend from Prince Edward Island (Hon. Mr. Grant), says: "Isn't that awful?". Honourable senators, it is easy to tell the truth and it is also a good quality.

I know that Senator Croll is anxious to proceed with his motion—

Hon. Mr. Croll: No, no; I enjoy listening to you.

Hon. Mr. Isnor: —so I do not propose to speak further at any length, but I do want to mention that we have in Nova Scotia organizations working towards somewhat the same objects as stated in this bill.

In the Halifax and Dartmouth areas there are commissions that have done wonderful work. We have in Halifax the Industrial Development Commission, which is financed entirely by the city of Halifax. In Dartmouth there is an industrial committee, which is another local concern being financed by the city of Dartmouth and composed of citizens of that city. There is the Industrial Promotion Committee of the municipality of the county of Halifax, and the organization that has already been mentioned by Senator Blois, Industrial Estates Limited, which is a Crown company financed by the province. It has done exceptionally good work.

I do not give Premier Stanfield all the credit, as my honourable friend Senator Blois was inclined to do the other day. The premier has done some very good work, but the members of these committees and commissions

have also done exceptionally good work in bringing industries to the province.

Hon. Mr. Horner: You are not quoting anything from the Gordon Report with respect to your province, are you?

Hon. Mr. Isnor: I can do it myself much better than by quoting from the Gordon Report. I doubt very much whether the honourable senator would give that report the same interpretation we would.

I do want to mention one industry that is of real value to our province. I am referring, of course, to the Dominion Steel and Coal Company, which is our major employer. It employs 14,000 persons, and expends $125,000 a year—

Some Hon. Senators: $125 million.

Hon. Mr. Isnor: Yes, $125 million a year. I am so used to dealing with small amounts that I find it difficult to comprehend these sums that run to the millions.

In Halifax there is a subsidiary of DOSCO, the Halifax Shipyards, which has been of considerable help particularly to the north end of the city.

Fish was mentioned on one or two occasions. I do not know whether honourable senators are aware of National Sea Products, which has seven plants throughout Nova Scotia, and whose products are marketed in every province of Canada and in every state of the Union. They employ approximately 2,000 persons in their processing plants, and I might add that whenever honourable senators want good fish they should ask for a brand of National Sea Products.

It will appeal, I think, to Senator Fournier (Madawaska-Restigouche) who preceded me, if I mention the Nova Scotia Light and Power Company, a privately-owned electrical company that works in conjunction with the Nova Scotia Power Commission to supply power to the rest of Nova Scotia. It is, of course, linked up with New Brunswick by the grid, and from time to time when New Brunswick is short of power and the company has a surplus it supplies the New Brunswick Power Commission. It is well that the Maritime provinces will be tied together by the work of this board, and that is why I am in favour of this bill.

We have also in Nova Scotia outstanding seats of learning. We have sent young men from our colleges to every part of Canada. There is in Halifax, as honourable senators know, Dalhousie University and Saint Mary's University. There is Acadia University at Wolfville, and St. Francis Xavier University at Antigonish. King's College is, I think, the oldest university in Canada. There is also the Nova Scotia Technical College. All these institutions are turning out good graduates to help the rest of Canada and to carry on the work of this wonderful country.

Hon. Mr. Smith (Queens-Shelburne): There is also Saint Anne's College.

Hon. Mr. Isnor: Yes. There are many others, but I have just mentioned those six.

Some honourable senators are perhaps thinking that I have spoken far too long, so let me draw my remarks to a close by again referring to the very fine manner in which the honourable sponsor (Hon. Mr. Taylor, Westmorland) introduced this bill. It is my view that if one has anything to say, he should say it. I quote from John Ruskin, who once said:

> When we fail to praise a man who deserves praise, two sad things happen: we run the chance of driving him from the right road for want of encouragement, and we deprive ourselves of one of the happiest of our privileges, that of rewarding someone who has earned our appreciation.

I thank Senator Taylor for the very fine manner in which he introduced this bill.

Hon. Mr. Hollett: Honourable senators, I wonder if I might ask the honourable senator a question? Can he point out the black in the picture I painted the other day of Newfoundland?

Hon. Mr. Isnor: It was so black that it would be hard to point to any particular spot. The whole picture was rather dull. Perhaps I should have called it a dull picture rather than a black picture.

Hon. Mr. Hollett: In other words, you cannot point out the black at all except in the fisheries with which, perhaps, you are concerned.

Hon. A. J. Brooks: Honourable senators, it is not my intention to take up very much time of the Senate in speaking in this debate. The subject has been thoroughly debated, not only during this session but also during the last session when the original bill was before us.

I want to commence where the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) left off, and to congratulate the honourable sponsor of this bill (Hon. Mr. Taylor, Westmorland) for his excellent presentation.

There has been a lot of talk with respect to this bill. I remember when I was in the House of Commons a few years ago a gentleman there said: "The trouble with you people from the Maritime provinces is that you talk too much." I am afraid that sometimes we may be accused of that, and we will be now

if we debate this bill much longer. However, I make the excuse that I am afraid that if I do not say something it might be misunderstood by the people down in New Brunswick because while in that province silence is considered golden, silence on such a proposition as this would not be so considered. In such a matter as this we are rather constrained to give voice.

The legislation before us was discussed quite extensively last year, as I have said, and it received a very enthusiastic reception in the Atlantic provinces. The people there were all for an Atlantic Development Board, and so expressed themselves. So far as these amendments to the Atlantic Development Board Act are concerned they have been discussed very little in the Maritime provinces or, perhaps, I should say in the Atlantic provinces. I sometimes wish that Newfoundland had decided to be a maritime province as the other three provinces did, because I do not know of any province of Canada, except perhaps Prince Edward Island, that is more a maritime province than is Newfoundland. Both are islands. Besides, it is much easier to say the "Maritime provinces" and that one is a "Maritimer", than it is to say that you belong to the Atlantic provinces and you are an "Atlanticer".

Honourable senators, the principles of this legislation were fully accepted last year when the Atlantic Development Board was set up, and there were no demands for any changes.

I do not think there was a hint from anyone that the board as set up was a political board. I know all the members of the board, some better than others, and the only man who might be considered a politician is the representative from Prince Edward Island who was, I think, attorney general of that province at one time.

In regard to the chairman of the board, Brigadier Wardell, I may say that although I have been connected with politics in New Brunswick for a considerable time I never knew what his politics were—and there are people unkind enough to say they do not think the brigadier himself knows.

One thing of which we can be sure is that, in regard to the improvement and development of that area, that work is 100 per cent the politics of the chairman of the board, Brigadier Wardell. I agree wholeheartedly with the remarks of the honourable sponsor of this bill (Hon. Mr. Taylor, Westmorland) when he paid Brigadier Wardell a fine compliment a few days ago.

Honourable senators, in regard to the $100 million fund, an amendment to the bill, in my estimation the general public were satisfied that it was not necessary to mention an amount.

The honourable the Secretary of State, in introducing this measure at the resolution stage in the House of Commons, said that the $100 million fund envisaged by this bill would not be the sole means of stimulating development in the Atlantic provinces.

No one could conceive of its being the sole means of stimulating development there. There are four provinces concerned and the period originally was five years; so a division of $100 million amongst the four provinces over that period of time would leave very little for each of them.

On that occasion the honourable the Secretary of State referred to departments of government which would figure prominently in the Atlantic development plan. He indicated that the Department of Mines, the Department of Forestry, the Department of Agriculture, etc. would figure prominently.

It seems to me that that in itself is an admission by the Government that the act as it stands should not be changed, that the board, far from having a limitation set on its activities by a specific fund, would in fact have the resources of the Government of Canada behind it and that its proper role would be to co-ordinate the development of the region and perform its role as an advisor to the federal Government in this regard.

There is no doubt that if $1 had been mentioned instead of $100 million, it would also have been a nominal amount, just as a nominal amount is mentioned in many bills of this kind.

The people of the Atlantic provinces will do whatever is necessary to carry out successfully the plans envisaged in the original intention of the act. I am sure also that this is what the people of Canada want.

The act itself had a good reception everywhere across Canada, with very few exceptions. One exception which rather surprised me was the attitude of the Toronto *Globe and Mail*. It published an editorial which I think did not do that newspaper any credit, and which I am sure did not express the opinion of the people of the city of Toronto.

That editorial was published on July 12, 1963 under the heading: "Atlantic Development", and had this to say, in part:

> Wisely, the Government refused to go along with another Opposition demand:

The first Opposition demand mentioned was that placing a time limit on the board.

> That the $100 million provided for the Board be regarded as a minimum figure.

Honourable senators will remember that a request was made in the House of Commons that the $100 million be regarded as a minimum figure. Although it was not changed in

the bill, the honourable the Secretary of State said that that might be done.
The editorial continued:

> Without a limit on funds, the board would be in real danger of becoming a dispenser of more of the sort of unproductive subsidies and handouts that sectors of the Atlantic economy have been given for years.

I think that is a very unfair statement. I am satisfied that all right-thinking people in the city of Toronto and in Ontario do not agree with that statement. It continues:

> The insistence on some sort of limit should tend to curtail this danger.

I shall not take more time this afternoon to enlarge on what I have said; I know that it is not necessary to do so in a body of this kind, so I am curtailing my remarks as much as possible. Speakers who have preceded me have mentioned what the Atlantic provinces have been doing for themselves. That is one strong argument which we feel we can use to other parts of Canada, namely, that we are not lying idle ourselves in that region but are using every means at our disposal to improve the condition of our people.

The Atlantic Provinces Economic Council, APEC, has been mentioned. I do not think it is possible to estimate the splendid work which has been done by this voluntary group of persons for the development of our people there. This work has been praised by the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) and by practically all the speakers. Honourable Senator Inman mentioned that she was a member of APEC, and I think that practically every Member of Parliament from the Atlantic provinces is a member. Also, most of the outstanding businessmen in those provinces are members of that council. I could mention the individual activities of many of our businessmen there. They have laid a wonderful foundation for the development of industry, in spite of many difficulties.

Honourable Senator Burchill was not present the other day, but I was pleased to hear honourable Senator Lambert mention what is being done by Senator Burchill's company on the north shore of New Brunswick. We could point out many instances.

The honourable Senator Blois mentioned what Stanfields have done for Nova Scotia over a long period of years. We could point in Saint John to one of the big industrialists of the Dominion of Canada and show how many, many people have been employed and thousands of jobs have been provided through the efforts of this one man.

Taking one of the activities there, the Saint John Dry Dock, only a few years ago the Saint John Shipbuilding Company gave employment to only 300 men and was practically bankrupt. It was taken over by these industrialists, and today between 3,000 and 4,000 men are employed in the same Saint John shipping yard.

I may also point out that it would not have been possible to do this had not the previous Government encouraged shipbuilding in this country by paying 40 per cent of the cost of building ships and aiding in the building of draggers and other ships and boats used in the fishing industry.

These are some of the industries which the businessmen in New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland are bringing to the fore. However, that is not enough. Therefore, we are asking the people in other parts of Canada to support this work, and we have high hopes. It is well known that unemployment in the Atlantic provinces is much greater in proportion to other parts of Canada. I should like to refer to that later.

Honourable senators, we have in our four provinces what is needed for secondary industry. We have the raw materials, which should be processed more widely. That is why I say that industry, such as the Geo. Burchill Company, on the Miramichi, is a great asset because that company is using one of our important raw materials in the development of a great secondary industry. We have the mines, the mineral forest, farm and fishery products. All of these natural products are second to none in any other part of Canada. One of the major reasons they have not been developed is their long distance from markets, and also that we have not had cheap power and have had to pay higher transportation costs than other parts of Canada. These problems can be solved, we hope, and to a large extent through the efforts of this board.

Honourable senators, in my opinion, regardless of what is specified in the bill, the key to the success of this whole proposition is in the hands of the federal Government. An excellent editorial in the Halifax *Chronicle-Herald* of July 11, 1963, makes this point very clear. The editorial says, in part:

> The Act—

That is, the Atlantic Development Board Act.

> —as it now stands, empowers the board "to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic Region". This could mean everything or nothing depending upon the disposition of the board and of the government of the day.

If the Government of the day is sympathetic and will supply the necessary funds, there is no question in my mind but that the board can be a great success. The editorial continues:

> By themselves, these changes are neither good nor bad—

It is speaking about the changes in the number of men on the board and of the fund set up.

> —the success or failure of the board ultimately will depend, not on the terms of the legislation, but on the willingness of the federal government to approve the expenditure of large sums of money in the region. For even with the creation of a $100 million capital fund, the Cabinet, as before, will retain control of the purse strings.

I do not think truer words could have been written. However, to ensure success in industry, two things are necessary. One is cheap power; the other, cheap transportation. I believe cheap power is possible in the Atlantic provinces.

There is another development which is being talked of at the present time and which I think will be good, namely, the development of the Passamaquoddy, in which the United States is greatly interested. That is the great inlet of rushing waters where the tide rises 40 or 50 feet with tremendous power, between the state of Maine and the province of New Brunswick. We are told that this power can be harnessed and developed fairly cheaply. Of course it can be developed more easily by the United States than by Canada, for the United States has for some years set up a fund whereby money can be borrowed at low interest rates—2½ to 3 per cent, I believe—for the development of hydro-electric power, whereas we would probably have to pay a rate of 5 or 6 per cent. They are anxious that Canada, and particularly New Brunswick, of course, should join with them. I am sure that by doing so we would have a great abundance of cheap power.

As far as transportation is concerned, different means, such as the Chignecto Canal, have been mentioned. I agree with the views expressed by Senator Taylor, but not with those of Senator Isnor. The latter is way down in the southern part of Nova Scotia, and has a somewhat twisted view of the Chignecto Canal and its possibilities.

We also hear about the causeway, and the corridor through Maine.

These developments may come, and I hope they will, for they would assist transportation, and in the days to come they would probably go hand in hand with the success of the Atlantic provinces.

Success, I submit, depends almost entirely on the attitude of the federal Government—not on the present administration, for I hope there will be a change. I think success will depend on federal governments of the future. If these matters are to be treated as a handout, or as was suggested by the *Globe and Mail*, something to be got rid of as soon as possible, success will never be possible. If, however, the intention is to take steps to introduce more permanent secondary industries into this area, success will be possible, and I am sure the board and the people of the Atlantic provinces will each and all do their part. As I said earlier, we already have the raw materials used in primary industry.

Senator Isnor mentioned another resource that we have—education. No part of Canada has paid greater attention to the education of its people than the Maritime provinces, which have an abundance of well-educated people. The time has come when industry must depend almost entirely on people who are educated along specific lines. I was greatly shocked to hear a speaker on the radio the other day say that in 25 years' time there would be no such thing as common labour in Canada, and that such persons would have to receive training in the universities and be obliged to operate push buttons, such as spoken of by my friend from Madawaska-Restigouche (Hon. Mr. Fournier).

Honourable senators, I want to touch briefly on unemployment in the Atlantic provinces, about which a great deal has been said. According to records, the Atlantic provinces have had a larger proportion of unemployment than other regions of Canada. This is true of certain parts of the country which have to depend on primary industries to a great extent and can provide only seasonal employment. No area in Canada is more seriously affected by seasonal unemployment than the Atlantic provinces.

This of course will be the dominant factor in the thinking of the board when it undertakes various studies to improve the economy of the region, such as that of the fishing industry, which I am taking as one example. Others are forestry and farming, all of which are important to the economy of the Maritime provinces. Indeed, nearly 60 per cent of the fishermen in Canada come from the Atlantic provinces. There are between 55,000 and 60,000 men employed in the fishing industry, and that does not take into consideration those who are employed in the factories and packing plants. The report of the committee of inquiry into the Unemployment Insurance Act, better known as the Gill report, devotes

a whole chapter to fishermen. Since fishing is one of the established industries and would be greatly affected by the Atlantic Development Board, I thought I should make some reference to the Gill report. The chapter dealing with fishermen is at page 174:

> While the payment of benefits to fishermen has undoubtedly been of great assistance to them, it has not operated as a satisfactory assistance scheme since the largest benefits are paid to those who have had the best record of fish sales. Thus those who most need assistance may get the least amount.

May I point out at this stage that fishermen were not included under the unemployment scheme until just a few years ago. Being an occupation of great seasonal employment, after perhaps four or five months of work every year they are not employed and go on the unemployment list. That is one of the major reasons that the unemployment roll in the Atlantic provinces is so much greater than in other parts of Canada.

The Gill report goes on to say:

> We are convinced that the existence of the unemployment insurance plan has become so dominant a feature in the life of some fishermen that it has distorted the normal economic operation in certain areas.

The report then makes certain recommendations that would take fishermen off the Unemployment Insurance Act and set up a separate scheme for them, which would be administered mainly by the Department of Fisheries. This, it seems to me, would do two things. First of all, it would eliminate what has been a serious drain on the fund. As honourable senators probably know, fishermen receive in benefits more than ten times the amount they pay into the fund, but there is no reason why they should not receive the same amount as men working in any other industry. Secondly, it would, by removing this important group from the list of registered unemployed during the peak of winter employment, give a more realistic account of the actual number unemployed, especially in the four Atlantic provinces. That is where I say there is a distorted picture of unemployment in the Maritime provinces, due to the fact that there are about 45,000 fishermen and many of them are unemployed in the natural course of events for four or five months of the year. Fishing is and always has been a seasonable occupation, largely influenced by our climate. A fisherman is virtually unemployable during the winter months, and those same remarks also apply to the forestry industry and farming.

My point is this, that besides these primary industries we must have more secondary industries in the Atlantic provinces than we have at present. Our businessmen, manufacturers and others are working hard themselves at the present time to bring this about. We have the raw materials and we have the people necessary to make secondary industry a success, and I am satisfied that if the federal Government, the governments of the four provinces, and the people all work together this legislation can be very beneficial in the future.

Hon. Austin C. Taylor: Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform you that if Senator Taylor (Westmorland) speaks now, it will have the effect of closing the debate.

Hon. Mr. Taylor (Westmorland): Honourable senators, I need only say a few words in closing the debate in relation to this bill.

First of all I would like to thank those who have taken part in the debate for the general tone of their discussions and their arguments, and while some have been tinged a little politically, in the main I think it can be well said that the majority of those on this side of the house, as well as those on the other side, are in support of this bill.

In introducing this measure, I said that I supported the original bill, and that my only objection to it was that there were some omissions from that bill which I thought would have made it a much more effective piece of legislation, and one which I felt would create a better, shall I say, climate for the development of new industry or some increase in the industrial development of the Atlantic area.

I am rather surprised at the reference of my honourable friend, the senator from Madawaska-Restigouche (Hon. Mr. Fournier), to the committee as being a patronage committee. He mentioned three things, all of which had to do with patronage.

I am not familiar, as I said the other day, with all of the present members, but I do know two of them rather well. I was somewhat surprised at the honourable Leader of the Opposition (Hon. Mr. Brooks) when he said a few moments ago that he did not think he knew what the chairman's political views were. Well, if he had been in my position in 1956 he would have known very well what the political views of the chairman were.

Hon. Mr. Brooks: What does Mr. Smallwood say?

Hon. Mr. Taylor (Westmorland): I am only referring to the views of those I know something about. I do know he is a partisan man

politically and, as I said the other day, he and I agreed to disagree on many things, but we do agree fundamentally on the need for the development of the Atlantic area, particularly its industrial development.

I want to repeat what I said at that time. I believe he has created a situation where anyone going on that committee will recognize he has contributed a lot to the board and will continue doing so as long as he is a member of it. The other member of the board—I think he was a defeated member of the Conservative Government in Prince Edward Island—

Hon. Mr. Thorvaldson: Is that to be held against him?

Hon. Mr. Taylor (Westmorland): No, it is not. I am not objecting to anyone holding partisan views in relation to it. I am not blaming the former Government for naming five Conservatives to the board, nor am I going to blame this Government if they appoint Liberals to it. I think it is necessary to have men of the calibre that they can work with and recognize as serving in the interests of the Atlantic area.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. Taylor (Westmorland): I also want to thank Senator Isnor of Halifax for his compliments; I am human enough to recognize and appreciate all the compliments handed me. I also want to thank him for the little kick he gave me—I more or less expected it—in relation to the Chignecto Canal, but that does not change my opinion one iota. When he referred to the statements made by certain individuals, he did not say upon what basis or upon what survey it was thought they based their conclusions. The statements I made the other day were borne out by the historical review given today by the senator from Madawaska-Restigouche (Hon. Mr. Fournier), when he gave a truly enlightening history of the project.

I too would regret sincerely any attitude by any members, or by any public men, or by any individual, that this is a mere handout for the Atlantic provinces. I do not regard it as a handout, and I hope that no one in the Atlantic provinces regards it as such. I did not regard the South Saskatchewan dam as a handout, nor did I consider the St. Lawrence Seaway as such. We all helped to pay for those undertakings, and I do hope that all Canada is going to help and be pleased to help pay for our developments, so that we may become self-supporting the same as other parts of Canada. I do regret that these things have been said.

In regard to the $100 million referred to by Senator Blois of Truro, when he said that it may be 50 years before this is spent, I do not think that can ever happen. However, I am glad in a way that the five-year period was taken out, although it might have been considered as an incentive to the committee to get busy and get something done before the period was up. I think that is one of the reasons which prompted that section of the bill.

I am confident that the committee, once it is set up and functioning, will do its best to try to see to it that something can be done. I do not consider this bill a panacea for all our problems and ailments in the Atlantic provinces, but I do hope it will help to bring about a revival of industrial development in the area so that we may become citizens along with the rest of Canada and hold our heads up without getting a handout from anybody. That is my view.

With respect to the proposal made in the other house to limit the fund to a minimum of $100 million, I think the provision, if passed, would mean that nothing could be done unless projects totalling $100 million had been approved. I am glad that that section was taken out. There may be many projects in the area that may come well within the $100 million, and which could be carried out in the period of the next two or three years. For that reason I am glad the provision was deleted.

Honourable senators, I do not think I need say more about it. May I say again how pleased I am that in general the provisions of the bill have been approved by all members of this house, and I do hope that the bill will pass this house without division.

Motion agreed to and bill read second time.

THIRD READING NEXT SITTING

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

Hon. Mr. Taylor (Westmorland): Honourable senators, if it is felt necessary, I will move that the bill be referred to the Standing Committee on Banking and Commerce. If not, and there is no objection to doing so, I will move that third reading be given now.

Some Hon. Senators: Agreed.

Hon. Mr. Macdonald (Brantford): Honourable senators, I would suggest that third reading be given tomorrow.

Hon. Mr. Taylor (Westmorland): Honourable senators, in deference to my leader—there is a lot of business on the Order Paper to be

dealt with—if he has no objection and there is no objection from the house, I move third reading now.

Some Hon. Senators: Agreed.

The Hon. the Speaker: I understood the Leader of the Government suggested third reading should be given tomorrow.

Hon. Mr. Macdonald (Brantford): I understood some honourable senators said, "tomorrow". So far as I am concerned, it can receive third reading now.

Hon. Mr. Brooks: I think it is unanimous.

Hon. Mr. Hugessen: Honourable senators, I do not think we should hurry these things. One honourable senator spoke to me a little earlier this afternoon and said that he wanted to speak on third reading. Why not have third reading tomorrow?

The Hon. the Speaker: Do I understand that the bill should be referred to the Standing Committee on Banking and Commerce?

Some Hon. Senators: No, no.

The Hon. the Speaker: Next sitting?

Hon. Mr. Macdonald (Brantford): There is a motion that the bill should be read the third time tomorrow.

The Hon. the Speaker: Is it agreed that this bill be read the third time tomorrow?

Some Hon. Senators: Agreed.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, before we revert to motions, may I intimate to the house what my wishes are with respect to the balance of the day. I am going to suggest we sit this evening. If we do, we can take up the bill to amend the Customs Tariff. Honourable Senator Leonard will be dealing with that bill. Also, if items 1, 2 and 3 on the Order Paper are not dealt with this afternoon, we could take them up this evening. It depends how long Senator Croll takes with his motion.

I therefore would suggest that when the house rises this afternoon it do stand adjourned until 8 o'clock this evening.

Hon. Senators: Agreed.

SPECIAL COMMITTEE ON AGING

MOTION TO APPOINT COMMITTEE TO CONDUCT STUDY—DEBATE ADJOURNED

Hon. David A. Croll moved:

> That a Special Committee of the Senate be appointed to examine the problem involved in the promotion of the welfare of the aged and aging persons, in order to ensure that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community and the need for the maximum co-operation of all levels of governments in the promotion thereof;
>
> That the said committee be composed of twenty Honourable Senators to be named later;
>
> That the committee have power to engage the services of technical, clerical and other personnel as may be necessary for the purpose of the inquiry;
>
> That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate; and
>
> That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

He said: Honourable senators, this motion is based on the proposition that the time has come for an examination in depth of the problems involved in promoting the welfare of aged and aging persons in Canada. It appears to me that to recognize that a problem exists is the first step towards its solution, and that a select committee of the Senate would constitute the best possible vehicle for conducting such an inquiry.

As I would envisage it, the inquiry would have a five-fold purpose:

First, to take an overall look at the whole situation, to examine the problem and stimulate and co-ordinate appropriate action; to make a full and complete study of all matters pertaining to the problems of the older people, including, but not limited to, problems of maintaining health, assuring adequate income, of finding employment, of engaging in productive and rewarding activity, of securing proper housing and, when necessary, care and assistance.

Second, to consider what should be the aims of governments in this field, and the role of the voluntary social agencies.

Third, to ascertain the facts in Canada so that the areas of achievement and of leadership alike may be made known; and we can ascertain for ourselves how far we are away from the "poor house" approach to old age.

Fourth, to ascertain what has been accomplished in Canada and in this field outside of Canada—for example, in the United Kingdom, the United States and Scandinavian countries.

Fifth, to recommend ways and means of making greater progress in this field.

I do not wish to anticipate the deliberations of the committee, but I would like to indicate what I consider should be the aims of legislative efforts on behalf of our older citizens. I do not suppose that these will differ much from what I could hope for on behalf of all Canadian citizens, regardless of age. However, there are these differences. We have to recognize that the state owes a special obligation to citizens who have devoted their lives to the development of Canada. Also we have to recognize that by virtue of the inexorable ravages of time our senior citizens are increasingly less able to provide themselves with the facilities necessary to enjoy freedom from care and want in the sunset of their lives.

I have grouped these aims under five headings, and hope to make some observations on each but cannot be all-inclusive.

I believe that we have come a long way from the "poor house" philosophy, but I ask the Senate what clear-cut philosophy we have substituted for it.

Here are the areas I believe we have to concern ourselves with:

Employment: I believe every senior citizen, regardless of age, should be gainfully and usefully employed, so far as he is employable.

Health care: Every senior citizen should, at the very least, be provided with all the care necessary to maintain him in good health, and should include medical-hospital care as well as nursing and dental care.

Pensions: These should ensure an adequate standard of living, regardless of the circumstances of the recipient.

Housing: There should be adequate housing, attractive and well located, for all senior citizens.

Leisure: Facilities should be provided so that senior citizens may make the most of their leisure time. An important freedom is freedom from boredom.

The need is for a more practical, rather than a sentimental, approach to the problems of aging. The second half of this century will be terminated with an increasing number of older people, and medical science tells us that the life expectancy will rise even above the present 71 years, so that the proportion of senior citizens to the rest of the population will continue to increase.

The Canadian figures for persons over 65 years of age are as follows: In 1921, 420,300; in 1941, 760,800; in 1961—and that is the last census—1,391,154. You will appreciate that the numbers have doubled every two decades, and the percentage has also been rising. In 1921 it was 4.8 per cent, in 1951 it was 6.7 and in 1961 it was 7.7 per cent. Yet in Canada the fountain of youth is overflowing. Canadians under 20 years of age number 7,624,481; between the ages of 20 and 44 there are 6,054,638, between 45 and 64 there are 3,167,974, and between the ages of 65 and over there are 1,391,154.

In the year 1931 the average life expectancy for males was 60 years of age, and for females 62.1. The last figure I have is for 1956, and in that year the life expectancy for males was 67.6 and for females 72.9. We can project these figures somewhat, and the projection of percentage increase in the population for those aged 65 years and over, by sex, from 1961 to 1981 is as follows—and I am taking five-year periods:

	Total	Male	Female
	%	%	%
1961-1966	12.8	9.6	15.8
1966-1971	13.3	11.2	15.2
1971-1976	14.6	13.1	16.1
1976-1981	15.5	13.7	17.0

I have here two tables prepared by the Dominion Bureau of Statistics. The first table shows the "Numerical and percentage change in the population 65 years old and over by sex, for Canada and the Provinces and Territories, 1951-1961." The second table shows the "Number and per cent of population in specified age groups, (a) 60 and over, (b) 70 and over, (c) 80 and over and (d) 90 and over, for Canada and the provinces for census years 1931, 1941, 1951 and 1961."

Honourable senators, I ask permission of the house to have these tables placed on the record.

Some Hon. Senators: Agreed.

For text of tables see appendix "B", p. 363-4.

Hon. Mr. Croll: It is interesting to know what is now available in Canada. There is of course Old Age Security, a universal pension drawn monthly in Canada by 930,000 beneficiaries of 70 years or over, who are now receiving $65 a month. Then there is Old Age Assistance, of which there are two types. The first is Old Age Assistance paying a benefit of up to $65 to those from 65 to 69. Income property tests are applied. This is shared by the federal and provincial Governments. The second type is assistance on the basis where a need or a means test is applied. The federal Government makes funds available under the Unemployment Assistance Act, to the extent of half the costs of assistance payments to needy persons who qualify. The province uses funds available to supplement the $65. This means that where a monthly pension of $65 is insufficient, as indicated by a means or a need test, additional financial aid is provided.

It is interesting to note that Canada first gave consideration to income maintenance for

older citizens in 1908, through the sale of annuities. In this way the Government endeavoured to encourage individual savings. However, it was not until 1927 that the federal Old Age Pension was introduced providing for a federal-provincial program. Then in 1952 came the Old Age Security Act. And now in 1963 we have the Canada Pension Plan. That brings us pretty well up to date.

It is my view, and I hope this view is shared by other members of this house, that what the senior citizen needs today is "a place in the world," not by sufferance and not by taking up room in somebody else's world, but by retaining his earned right in his own world. Very few of the problems of aging are problems for the federal Government alone. They are problems which need the help of the federal and provincial governments and, to a large extent, the help of volunteer agencies. Most of all they require solid work in each community, day in and day out.

Medical science has found methods of prolonging man's life, and this is indeed a remarkable and noteworthy achievement. Technological progress has created an economy which provides a long period of leisure for man after his working career has ended. The result is a rapidly increasing population of senior citizens in a society totally unprepared for the explosion. Consequently, man's long period of leisure at the end of a career becomes a shock, a dislocation instead of a pleasure.

The fundamental answers must be found at a deeper level and in the midst of the society surrounding the elderly. The crucial people are not the aged themselves, but those of us who at the moment are younger. It is up to us to improve the image, the status and the position of senior citizens in our society.

It is the community, however, which must provide status for the person retired from his life's employment. It is the community which must make him feel wanted and needed. The provinces, municipalities and social agencies are making a considerable contribution. I cannot possibly deal with them all at the present time, but I can say that in some provinces the approach to the problem of the aged and the aging has been noteworthy. The speakers who will follow me from provinces other than my own will be able to relate what is being done, but I repeat that in some instances the achievement has been considerable and has not been entirely dependent on the wealth of the province.

Voluntary social agencies such as local welfare councils, family social service agencies, churches, and others too numerous to mention, are active in promoting community planning and services for the aged. Among these are counselling and recreation services and, in some places, the extension or initiation of visiting homemakers' services. Recreational facilities vary from specially built centres, offering a wide range of opportunities for five or six days a week, to rented premises where social meetings may be weekly or monthly.

In 1962 the province of Ontario introduced a program to aid recreation centres for elderly persons, the first legislation of its kind in Canada, under the terms of the Ontario Elderly Persons Social and Recreational Centres Act. The province will assume 30 per cent of the cost of providing a centre under certain specified conditions.

The University of Montreal established an Institute of Gerontology late in 1961. The objectives of the institute are research, training and social action and, in the course of time, it will be an important centre for documentation for workers in the field.

The very act of developing a comprehensive plan of drawing together and evaluating existing services will enable us to discover where gaps exist and where unnecessary duplication lies.

The overriding reason for unrest among the senior citizens is not only lack of health or money. What our retired elders yearn for more than anything else is involvement. They are crushed by the feeling of being no longer wanted, useful or important to others. I remind this house—and I do not think it needs reminding because it knows it too well —that senior citizens are not just some indefinable group, separate and apart. They are our mothers and our fathers. They are ourselves in a few short years. They are those who have made contributions to society and to our country. They are those who have given their energies, their skills and their children for the good of society, and society, at its peril, must not ignore them when their hair is grey and their shoulders bent.

With many interested people working on the problem I would agree with the statement:

> Men are never so likely to settle a question rightly as when they discuss it freely.

The solution is not to throw old people a bribe in the form of an increase of a few dollars in the pension before each election, or after each election; it is to consider their problem as a whole, and to recognize that it is a problem of the nation and that they face only what all Canadians will face if they live.

This is the important thing that we have to try to understand, and to have young

people understand. It is the young people who will be carrying this burden in the future, and it is to the young people that we must look for the greatest amount of education related to an understanding of the facts.

Can a human being be obsolete? Because when we talk about obsolescence we are talking about a machine, and there has been a strong tendency in our society to think about people as machines. It is too bad that we have this kind of analogy. That is why we have such expressions as "people being on the shelf". I think that is why so many elderly people, when they retire, have such difficulty in reformulating in their minds an image of themselves as a person with dignity. We must develop again a respect for elderly people. We have a great need for their sense of wisdom; a great need for people who remember pioneer days. We need the inspiration that grandparents can give to their grandchildren, and to the young people around them.

The number of older people is so large, and the problem is accelerating at so fast a rate, it is essential that in addition to the efforts of the individual there must be a range of community services to give aid not only in situations of crisis but also in preventive circumstances, and to provide these services which can only be made available through private and public agencies.

Honourable senators, I am speaking of the vintage years, of old age in a youth-oriented system where the leadership in the country is dedicated to youth and the pursuit of youth. Yesterday you mattered, but today you are 65 plus one, and in our system you no longer matter very much. It is unfortunate, but it is all too true. It is not exaggerated. So I think such a committee of the Senate can make a real contribution to the knowledge and public understanding of the complex problem of the aged and aging persons.

I have said something about the voluntary field. I do not want to overlook it, because in it there are many outstanding and concerned agencies in this country. We need the development of the homemaker and the home-nursing services to permit old people, normally institutionalized in hospital or old people's homes, to live at home. We need old people's visiting services designed to make it possible for older people to live out their lives in their own homes where they are happier, and where they throw fewer burdens on the community than if they are placed in publicly provided homes for the aged, however well run those institutions may be.

As early as February of this year, the Canadian Welfare Council, with many co-sponsors, began to make plans to convene a Canadian conference on aging. Although the time is not yet fixed it appears that the conference will be held late this year or early next year. I point out that this is no small undertaking. When our committee is established and begins its deliberations it may well be the springboard for the Canadian conference on aging. This could really focus attention on the problem, and the country would get the benefit of the very best qualified and most concerned people in that field of social endeavour.

It cannot be denied—nor do I wish to do so—that a good deal is being done by governments and private agencies, but it is all poorly co-ordinated. No one knows what is being done or who is doing it. What we need to do is to map out what exists already and where the gaps are. Then governments at all levels and voluntary agencies can be helped to work together in a coherent plan in which support is given on the basis of a clearly articulated policy that looks at the whole need of these aged persons.

We have an opportunity here to add a new dimension to the dignity and self-respect of our older citizens. But, whatever needs to be done cannot be done by governments alone. I do not think that is desirable, nor is it possible. It must be a partnership of all levels of government with private organizations, community and church groups, and trades unions, which can pool their collective strength. Thus not only can older citizens participate in Canada's affairs, but more fully share the fruits of its labour.

A few days ago I had occasion to look up the words of a love song that was written for an old man to sing. I recalled seeing the late Walter Houston in a legitimate play, the name of which escapes me, and I remembered these words and looked them up. Mr. Houston did not have much of a voice, but he did very well, and the memory of his song stayed with me. It was as follows:

> Oh, its a long, long time
> from May to December;
> but the days grow short
> when you reach September,
> and the autumn weather
> turns the leaves to flame.
> Then one hasn't got time
> for the waiting game.

In effect, it has been a waiting game, and it is true that the old have not the time for that.

The problem with which we are confronted is an accelerated one. On the one hand, medical and social science has provided a substantially increased normal life span and, on the other hand, studies on what is often called "geriatrics" has greatly added to our knowledge of the physical and psychological

consequences of aging. The longer life expectancy and the increased understanding of the aging process we owe to science. What to do about these things is a problem for the philosopher and the law-maker.

Those who study the word's great civilizations measure their quality by the respect and care given by them to their older citizens. We are blessed with many such. I have already indicated that all levels of government have a responsibility, but in this case some have to give leadership and it has fallen upon our shoulders, in co-operation with private organizations and individuals, to aid collectively towards improving the lot of the aged. Public efforts will have to be undertaken primarily by local communities and by the provinces, but the problem is a nation-wide one and calls for federal action and federal leadership.

Honourable senators, I ask you to endorse this resolution. It has been on the Order Paper since May 29. It is not the fault of this house that you have not had an opportunity to deal with it sooner. All of you have received mail, as I have, from people in all walks of life and from all sorts of organizations, endorsing this and seeking to help in any way possible, by offering services or any other contribution which can be made.

I should like to see this committee established before we leave here. It can be done in a short time. A committee could be set up and we could arrange for a small staff to work during the recess preparing material so that we could make early progress when we resume. We could do a study which would make this country proud of the achievements of the Senate, in the same way as our people were proud when we did the study on manpower, which today is spoken of and studied by persons concerned with matters of public welfare and employment.

Thus, with confidence I leave this matter in the hands of the Senate, asking that those who wish to participate in the discussion do so as soon as possible so that the committee may be established.

Honourable senators know that people in all walks of life are doing what they can to help the aged; but unfortunately they do not know what their neighbours are doing; they do not understand what the federal Government, the provincial governments or the municipalities are doing. This study, when completed, would enable the people of Canada to take an overall look at this problem, see what is being done at present, where the gaps lie, what more needs to be done, and what roles are played by the various people and bodies involved in this question.

Honourable senators, this appears to me to be an excellent opportunity for the Senate to be of real service to the country and therefore I ask your endorsement of this motion.

On motion of Hon. Mrs. Quart, debate adjourned.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

PRIVATE BILLS

THE CANADA ACCIDENT AND FIRE ASSURANCE COMPANY—SECOND READING

Hon. L. M. Gouin moved the second reading of Bill S-33, respecting The Canada Accident and Fire Assurance Company.

He said: Honourable senators, the sole purpose of this bill is to add the French version to the English name of the Company.

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

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA—SECOND READING

Hon. Harry A. Willis moved the second reading of Bill S-34, respecting The National Life Assurance Company of Canada.

He said: Honourable senators, this is not the ordinary application for a new French name. By the original bill the company was given a French name which, however, was a pure French translation of the English name. The board of directors feel that the name does not convey what it is intended to mean in the province of Quebec, and they are asking that it be changed to a French name which would more reasonably conform to the business they are doing in that province.

The National Life Assurance Company of Canada is a well-known company; the chairman of its board is the honourable Senator McCutcheon. I do not think I need to explain the bill further, except to say that if it receives second reading I shall move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

UKRAINIAN NATIONAL FEDERATION OF CANADA—COMMONS AMENDMENTS CONCURRED IN

The Senate proceeded to the consideration of the amendments made by the House of Commons to Bill S-12, respecting Ukrainian National Federation of Canada.

Hon. John M. Macdonald: Honourable senators, yesterday the honourable Senator Hugessen asked a question about the proposed amendment that subsection (3) of section 147 of the Companies Act shall be applicable to any such body corporate established.

To understand the amendment, upon examining the bill it will be found that subsection (2) of section 8A in effect gives what might be called the parent body the right to incorporate branches of this federation. Subsection 147 of The Companies Act in effect brings Bill S-12 under the provisions of section 125 of The Companies Act. Section 125 provides that every company shall, on or before the 1st day of June in every year, make a summary as of the 31st day of March preceding, specifying the following particulars. The ones which apply in this case are:

(a) the corporate name of the company;

(b) the manner in which the company is incorporated and the date of incorporation;

(c) the address of the head office of the company, giving street and number thereof when possible;

(d) the date upon which the last annual meeting of shareholders of the company was held;

(n) the total amount of debentures authorized and the rate of interest thereon;

(o) the total amount of debentures issued;

(p) the total amount paid on debentures showing severally the amounts of discount thereon and the amounts issued for services and assets acquired since the last annual return;

(r) the names and addresses of the persons who at the date of the return are directors of the company.

The rest of the section deals with the penalties for not doing this and proof of the failure to file the summary, and things of that kind.

So the effect would be that the parent company incorporates branch companies; then the branch companies would have to file this information each year with the Department of the Secretary of State.

As I understand it, the reason this amendment was put forward was that the bill actually gives some extraordinary powers whereby one company can incorporate another without coming to Parliament or using The Companies Act of the province, and it was felt by the committee of the other place that when such powers are granted the summary of their proceedings during the year should be on file in the Department of the Secretary of State and be a matter of public record. Also, I understand that this was, you might say, a matter of principle with the committee. They did not have any special objection to this bill, but they wanted it known that should any bills of this type come forward in the future they would want that provision in it.

If there are any other questions, I shall do my best to answer them.

Amendments concurred in.

CUSTOMS TARIFF

BILL TO AMEND—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill C-87, to amend the Customs Tariff.

He said: Honourable senators, Bill C-87 is before you, and before proceeding to explain its provisions I think I should call your attention to the fact that there is printed as an appendix to today's *Minutes of the Proceedings* the changes which are provided for in this bill, together with the rates in effect on the various items prior to those proposed by the budget. The printing of that appendix is something which I think was originally suggested by my seat-mate, Senator Connolly (Ottawa West), several years ago, and it was adopted at that time when I believe Senator Aseltine was Leader of the Government. We are all indebted to them for introducing this procedure which, in turn, has been followed again by the present Leader of the Government (Hon. Mr. Macdonald, Brantford). It enables us to consider the items with a good deal more intelligence and clarity.

In so far as the bill itself is concerned, may I make a few preliminary remarks of a general character? The changes follow on the budget resolutions of the Minister of Finance, and in introducing the resolutions he said that on balance these budget changes represent a reduction in tariffs. There are some increases and some decreases, and a good many technical changes and changes of wording.

The major portion of the changes concerns textiles, and the genesis of these changes is rather interesting. It illustrates the pattern which has now been pretty well established in Canada in dealing with tariff changes.

In 1957 the then Minister of Finance, the Honourable Mr. Fleming, directed a reference to the Tariff Board to study the entire structure of textile tariffs. The board proceeded

with that work. It held numerous hearings; it heard representations from all those interested in the textile industry—manufacturers, consumers and importers; and as a result of its inquiries over a period of years the board has made some 10 reports dealing with textiles. As these reports reached the Government they were, in due course, implemented by legislation, and this bill before you this evening embodies the results of the three final reports of the Tariff Board on the textile industry.

However, after the board had made its reports, because most of the items covered by its reports were bound under the General Agreement on Tariffs and Trade, it was necessary for Canada to negotiate with the other countries concerned before any changes could be effected. These negotiations have gone on for the past year or so, and in the course of them with some countries the ups and downs balanced out and there was no necessity for any compensatory items. However, with other countries, in order to obtain the concessions Canada desired as a result of the Tariff Board's reports, it was necessary to make compensatory concessions to these other countries on items other than textile.

In the result, after the negotiations were concluded, a package deal was evolved whereby the concessions that Canada desired with respect to textiles were part of the package, and the concessions it had to give with respect to items other than textiles formed the rest of the package. Again, on balance, in that package deal the increases and decreases would balance out. So you will find in section 1(a) all the items affected by the package deal; that is, the textile items plus the compensatory items.

The first item covered in Part I of Schedule A is tariff item No. 24, which is chicory. That is a compensatory item brought in at the GATT negotiations as a result of Canada's desire for a concession with respect to certain textile items. Therefore it was reduced. In most cases I think you will find that the compensatory items are reductions; that is to say, the other country concerned desired a reduction in the Canadian tariff in order to compensate for whatever change the Canadian Government desired with respect to the textile item. Those items are all in Part I of Schedule A.

The total amount of imports in the items covered by Part I of Schedule A is in the region of about $45 million. The largest single item is 542b, covering jute, and jute fabric. The current imports under that heading amount to about $18½ million, mostly from India. They enter Canada duty free, but the section is being broadened in scope. The various other major items imported under 543a relate to fully manufactured products of vegetable fibres other than cotton, and they amount to a total of about $6 million.

So, honourable senators, as far as section 1 (a) is concerned it is a package deal resulting from the inquiry and report of the Tariff Board, plus the result of negotiations carried on by civil servants with other countries. This is a pattern established and followed for a good many years in Canada.

Hon. Mr. Isnor: Before you leave those items would you care to comment on 543b, and give us the values and the reasons for the change?

Hon. Mr. Leonard: I would suggest, if I may, that I should finish the general remarks, and if there should be questions with respect to individual items, on which I shall probably have to plead ignorance, I could then deal with them. However, if the bill receives second reading we could refer it to the Banking and Commerce Committee, where further questions could be answered about it. I shall deal with 543b when I have finished my general remarks.

With respect to section 1 (b), this makes renumbering to numerical changes only and there are no changes so far as the items themselves are concerned.

With respect to section 1 (c), this is a group of miscellaneous changes, and it has nothing to do with the textile industry. In some cases it is simply a matter of improving the wording. In other cases it is a matter of providing temporary reductions in tariff for a period of time, and in yet other cases it is also the result of a recommendation from the Tariff Board.

Section 2 of the bill deals with Schedule B, which is the drawback section of the Customs Tariff. There are, I think, three items in Schedule B, the first relating to steel, at page 272 of today's *Minutes of the Proceedings of the Senate*. The first item is No. 1004, steel when used in the manufacture of files, and the drawback there is 99 per cent. That is putting into statutory form what has been in effect under Order in Council. The other two drawback items relate to changes that are made in the textiles section of the Customs Tariff as a result of the Tariff Board's recommendations.

The final clause of the bill is the usual one as to its coming into force, namely, on the 14th day of June, 1963 which, I believe, was the day after the Minister of Finance introduced his budget.

I make special reference to Tariff Item No. 703b that is to be found in the table at page 271 of today's *Minutes of the Proceedings of the Senate*. That is the item dealing with tourist exemptions, and one with which I think we are all familiar in actual practice. It will be recalled that if a person went to the United

States for not less than 48 hours he was entitled to bring back goods to the value of $100 free of duty. If he was away from the continental limits of North America for 14 days he was entitled to bring back additional goods up to the value of $200. The first exemption of $100 was good for four months, and the special exemption of $200 was good for 12 months; so, in effect there was an aggregate exemption of $300 for 12 months.

After what has been called the austerity program was instituted last year those amounts were changed. The amount of $100 was reduced to $25, and the special exemption of $200 was reduced to $75. That was done by Order in Council by the previous Government; and is now being made statutory by this bill.

This provision has a very important bearing on Canada's balance of payments. The estimated amount of United States dollars that are saved as a result of this change is of the order of $70 million or $80 million a year.

As I said before there may be particular items in which honourable senators are interested, and while I have some information upon certain items, I am sure that there are other honourable senators here who know more about them than I do. I shall endeavour to answer any questions there are to the best of my knowledge, but I will say that if I do not know the answer to any question, perhaps it can be answered more fully when the bill goes before the Standing Committee on Banking and Commerce, where we shall be able to question senior officials of the Department of Finance and the Department of Trade and Commerce.

I believe Senator Isnor had a question.

Hon. Mr. Isnor: It was with respect to Item 543b which is to be found at the top of page 264 of today's *Minutes of the Proceedings.*

Hon. Mr. Leonard: I am afraid I cannot give an exact answer to that question. It looks as though the duty on the main item is left the same as it was before, and by reason of the changes that are shown by the italicized words, other duties which were at a higher rate were applied to those fabrics, which are now brought into this one. They are now all in the one rate, which is a lower rate than any of the rates that were in effect before. I am not sure that that satisfies the honourable senator, but that is one of the items with which the Tariff Board dealt.

Hon. Mr. Stambaugh: What will be the effect on general revenue of these changes in tariffs? Will they increase or decrease the general revenue, and to what extent?

Hon. Mr. Leonard: All I can say is that the Honourable Mr. Gordon, Minister of Finance, said in his Budget Speech that on balance there would be some reduction in revenue.

Hon. Mr. Pratt: Does that mean that there were no figures as to the total extra cost or reduced cost? When they say "some reduction on balance", does that mean primarily because of the British Preferential Tariff and the negotiated items, or has it any relation to what is in the general tariff, whether it is up or down, and to what degree, in the sum total?

Hon. Mr. Leonard: As I understand it, on the textile package deal, by reason of the fact that it resulted from negotiations with other countries, the amounts of reductions would balance off there. In so far as the other items are concerned, which are under section 1(c) of the bill and which have nothing to do with the Tariff Board, you will notice that they are nearly all free, or extensions of the free category, or reductions—I think almost in entirety.

Hon. Mr. McCutcheon: Honourable senators, I should like to refer to the point Senator Pratt has brought up. As I read the statement of the Minister of Finance on Thursday, June 13, which sets out the position in *Hansard* much more fully than it is set out in the bill, I understand what has happened is that the materials which are described in italics—which were formerly 25 per cent British Preferential Tariff, 25 per cent Most Favoured Nation Tariff and 35 per cent General—have been reduced to the figures which apply to the items which are set out in black type.

Hon. Mr. Leonard: That is correct. They have been put in one item. If I did not make it plain, the honourable senator has done so now.

Hon. G. Percival Burchill: Honourable senators, we are all very much indebted to the honourable Senator Leonard for the clear explanation he has given of this bill. However, I might add something to what he has said. In regard to the second last paragraph on page 271, item 703b, there has been some misunderstanding and confusion with respect to the exemptions one enjoys when travelling abroad. If you avail yourself of the exemption under the second section, you must allow twelve months to elapse before you can take advantage of the exemption in the first section. That is something which honourable senators who travel abroad should bear in mind.

Hon. Lionel Choquette: Honourable senators, I should like to say a few words on the bill, not because I have become an authority

on this question but because it became my privilege for five years to introduce similar bills to amend the Customs Tariff.

Consequently, I understand such expressions as "negotiations" and "GATT", and representations made to the Tariff Board, and so on. I even had the privilege a few years ago of introducing a bill which was called "Class or Kind" and someone told me I must have mispronounced it by saying it was a "clashin' kind" of a bill. As you know, there were a few clashes.

Honourable senators, I think the sponsor of the bill is entitled to congratulations for his clarity and conciseness in explaining the bill. It is not that I would want to complement anything he has already said, but I think that section 3, which was not mentioned by my friend, relates to "coming into force". It is in the usual form, and provides that the act and the schedules shall be deemed to come into force on the 14th day of June 1963—which is the usual practice, the day after the reading of the budget.

Honourable senators, I am going to make a few remarks, and probably ask a few questions. I do not expect the sponsor of the bill to give answers to all the questions. There will be top-notch men and experts present before the committee which is to meet tomorrow morning, and I know that, as in the past, they will be willing to help and to give explanations to us.

As I understand it, this is a "stand pat" bill, since it does not affect the ways and means in any manner so far as the tariff is concerned, although the first two resolutions embody changes in tariff rates, and the wording recommended by the tariff board in its last three reports under reference number 125, which reference was made on the initiative of the former administration. The tariff board was asked to review all items covering textiles and to recommend a new tariff structure. We can scarcely take exception to that, particularly in view of the fact that, as I understand it, the new bill will have little or no overall effect upon the revenue, and thus can hardly be regarded as a vital part of the budget proposal.

Perhaps what I have said is praise enough. This bill does no damage, and "butters no parsnips". Perhaps I may be permitted to say that this is a strange and refreshing change from the other budget resolutions, the bills respecting which are yet to come before us. This particular bill was not marked in its early stages by the pauses, interruptions and retreats which characterized some of its brethren.

No doubt some honourable senators may have some questions to ask in clarification or expansion of some aspects of this bill, but speaking for the Opposition in this chamber I do not see how we can oppose it, since it accomplishes nothing of substance or significance. It is a simplification of the tariff —a tidying-up job. In the net result, we are assured that these proposed changes in the Tariff Act will not affect the ways and means, nor will they affect the budget in any way. "Negotiated package" is what it has been termed. In many items under GATT, negotiations were required and were completed by the United States, the United Kingdom, the European Economic Council, India, Japan and a few other countries.

Coming now to the questions I had planned to ask, I am now referring to the bill itself and not to the table appearing in today's *Minutes of the Proceedings*. First, I wish to deal with item 312d:

> Woven fabrics, wholly or in part of asbestos, for use in the manufacture of clutch facings and brake linings.

I understand that Canada is the largest asbestos producer in the world. I believe we produce 85 per cent of the world's asbestos. I am wondering if it would be possible for the sponsor of the bill to tell us, not necessarily this evening, exactly what quantity Canada imports every year.

Then item 179 provides that:

> Tickets issued by railway systems in the British Commonwealth (not including railway systems operating in Canada), shall be exempt from customs duty, ...

In parenthesis are the words "not including railway systems operating in Canada", which means that we must pay duty and that some of our railways must purchase printed tickets. I do not care about other railways but must the C.N.R. import such tickets? Surely in this country we have printers qualified and equipped to print such tickets.

Another question I wish to ask and which I should like answered refers to item 440m, appearing on page 8 of the bill. I think the effect of that item is to extend for another twelve-month period free entry for aircraft and aircraft engines of types or sizes not made in Canada. Apparently this is an extension from year to year. I remember that on July 1, 1961 the bill provided an extension to July 1, 1962. From that date the extension was until July 1, 1963. Now the extension is to be until July 1, 1964. My information is that in 1961 the imports of aircraft stood at $98,126,660, and aircraft engines, $48,875,926. My question is: Did the air industries and the Transport Association of Canada, on behalf of both Canadian manufacturers and operators, support a further extension? I

presume that would be the case, but I am not certain. That question can probably be answered in committee.

Honourable senators, in conclusion, may I again congratulate the sponsor of the bill on his clarity and conciseness. I must say also that I am in complete accord with those who say that the act should be revised and rewritten from top to bottom. This has been advocated on many occasions in the past, and those advocating such a revision were always faced with the same answer, that such a revision would be a ten- or twelve-year job, perhaps longer. I agree with the present Minister of Finance that this is not a reason why it should not be attempted, and I hope it will be done. It is just like working on an old house. You have to add to it every year. Sometimes it is cheaper to demolish and rebuild. I think this whole act should be revised and rewritten, rather than be patched up from year to year.

Hon. Arthur W. Roebuck: It would be a good idea to abolish it altogether.

Honourable senators, I have two comments to make. The first is that this is a left-over in part from the previous administration and it is pure routine so far as we are now concerned. Nevertheless, I am pleased that the general effect of the changes is reduction in tariff rather than an increase, even if the actual amounts are small.

The second comment I wish to make is that I regret that the liberty, the freedom, given our citizens when travelling to the United States and elsewhere has been so drastically curtailed with regards to goods they bring back to Canada. The United States was always generous in this matter in the past. I understand that they also have curtailed the freedom of their citizens to buy in Canada and carry their purchases back without charge. We are doing the same. I had hoped that when the foolish austerity program had passed we would get back to normal again, and that when our citizens travelled abroad they could bring back some purchases without having to pay a fine for doing so. I hope the fact that it has now been stereotyped in a statute will not interfere with future changes, and that in due season we shall again extend to our citizens a privilege once enjoyed and valued by thousands of people. I hope that we shall soon return to higher and more reasonable amounts which a traveller may spend on goods he wishes to bring home, rather than such a picayune amount as $25.

Hon. Mr. McCutcheon: Honourable senators, the privilege has cost us scores of millions of dollars, and I am sure the Minister of Finance will be interested with my friend's suggestion to put into statute form the very necessary regulation that was put in by order in council last June.

Hon. Mr. Roebuck: That is a difference in view between the two parties.

Hon. Mr. Leonard: I shall deal as well as I can with the comments of honourable Senator Choquette. His first question related to item 312d with respect to asbestos. In so far as this bill is concerned the only change with respect to that item is in the numbering of it. The item itself has been in the tariff for a good many years, and the rates are the same, but it has been renumbered as 312d. So that the bill does not concern itself really with the question of the amount of asbestos. Nevertheless, I imagine we are all interested in the question that Senator Choquette raised and even though it may not be particularly relevant to this bill, I think we should all like to know just what Canada does import in the way of asbestos.

The next one was with respect to tickets. Again there is no change in this bill in so far as this item is concerned. It has been there also for a number of years, and there probably was some particular reason for it being there in the first place. Again, I think we might ask that question from someone who might look up the story behind it and see just what is covered by that particular item.

With respect to aircraft, item 440m is for aircraft not made in Canada and item 440n is for aircraft engines not made in Canada. Now, as Senator Choquette has said, this is an exemption that is being carried on from year to year. If this were not put in now the present exemption put on by the previous government would have expired on July 1, 1963. This carries it forward to July 1, 1964 when again it will have to be reviewed. I presume it is always possible that somebody might start to make an aircraft or aircraft engines, which would involve a change in this particular item. In the meantime I think that seems to be a rather good way of dealing with it temporarily, by extending it this time for another year.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, July 9, the adjourned debate on the motion of Hon.

Mr. Croll for the second reading of Bill S-6, to make provision for the disclosure of information in respect of finance charges.

Hon. Salter A. Hayden: Honourable senators, this is the fifth time around for a bill of this nature. On each of the previous occasions I spoke, let me say to my own satisfaction, with force and with conviction and, I would hope, conclusively.

I do not want to describe the bill as being a hardy perennial, because it is not. It has been remodelled and restyled so that in the form in which we have it now it is confined in its application to consumer credit and, as the bill indicates, that covers consumer goods where the transaction is one where some part or all of the purchase price is payable after the transaction has been completed.

Now, in the ordinary way in the field of consumer goods you have such things as automobiles, radios, television sets and things of that kind, where the vendor of the article is very anxious to retain his title to the goods until such time as he has been fully paid. That involves, of course, the use of the conditional sale agreement, so that the title may remain in the vendor. That means that the vendor must comply with provincial law, as that is a matter of property and civil rights in the province. Under provincial law in Ontario, and in the other provinces in varying forms, information, and very considerable information, must be given in connection with the transaction in order that the vendor may protect his position.

For instance, in Ontario a conditional sale agreement must be drawn up in writing and it must be signed by the purchaser or his agent, and it must state the terms and conditions of sale, describing the goods to be sold. Pursuant to that there are forms, and the agreements which are in force in Ontario and elsewhere are of the type that I used to illustrate the point I was making when I was speaking last time. That agreement had to do with the sale of a Ford Galaxie four-door sedan. The first item in the conditional sale agreement was the cash selling price of $2,412, provincial sales tax $72.36.

Total delivery price	$2,484.36
Cash down payment	$ 650.00
Balance of price	$1,834.36

That is the balance of the price which the purchaser wanted to finance.

There were finance charges of $192.44, so the total deferred balanced in this case amounted to $2,026.80.

In some cases there were additional items in the conditional sale agreement. In this case the purchaser was providing his own insurance, property damage and liability, but in some cases even that is part of the financing. And as part of the financing of the balance of the purchase price there will be the inclusion of insurance premiums, and the registration fee to register the agreement, generally $1.50, and in some cases there will be the premium on the life insurance policy.

This conditional sale agreement goes on to provide in this case that the balance is payable in eighteen consecutive monthly instalments of $112.60, payable every fourth Friday of each month, commencing in the month of January 1962.

Now, there is the detail which the purchaser gets in Ontario, by law. But, I ask you, and I have said this before, how does a purchaser know when to start paying, or how much he has to pay or when he stops paying, if he has not this information? Yet we find purchasers of these consumer goods paying their monthly instalments, and when they have paid so many they stop; so they are obviously informed as to what they owe and for how many months they have to pay how much money.

The point I am trying to make in this regard is that my friend has urged this bill on you with the catch phrase, "To tell the truth in lending, the whole truth and nothing but the truth." What more of truth is there to tell a purchaser than to tell him what the price is of the article he is buying; to tell him what the other additional elements of charge are—insurance premiums, registration costs and finance charges; to tell him what the balance is that he owes; to tell him, if he wants it at 18 months or 24 months, how much he has to pay per month?

In order to have a valid conditional sale agreement, in Ontario the purchaser has to sign that document. True, the purchaser might be so anxious to get the car that he would sign the document without reading it. But how are we, by legislation, going to protect a person who proceeds in that fashion?

So, when my friend talks about truth in lending, I say this bill provides nothing in the way of additional truth in lending because when you give the information to the purchaser, which I have recited, you have given him the truth, the whole truth and nothing but the truth. What I want to urge on you is this: do not think that this bill is giving the purchaser any more useful information.

Having told the purchaser what the total amount of the unpaid balance is—that is, how much he owes—and the total of the finance charges, the other thing, and the only other thing, that this bill requires is that the vendor give the percentage relationship of the total amount of the finance charges to the unpaid balance. He wants that expressed in terms of simple interest. But do not be fooled because

the bill says, "in terms of simple interest." He still wants the percentage relationship. It is not, by any stretch of the imagination, interest. My friend does not even call it interest. He talks about the total amount of the finance charges and says: Give the percentage relationship in relation to the unpaid balance.

When he is talking about finance charges, he is talking about them as defined in this bill, not as the vendor puts down the item of finance charges on his conditional sale agreement, because my friend's definition of "finance charges" is the total cost of credit to the consumer, which includes items peculiarly beneficial to the consumer.

Here is the list of finance charges as my friend defines them in the bill: Interest; fees, if they have a lawyer draw up the conditional sale agreement; bonuses, which may partake of the character of interest; service charges, which may be a commission to some person; discounts and any other type of charge whether described as interest or not. So, when I am arriving at the total of finance charges, in order to express this percentage I am taking in the premium, the life insurance premium, if there has been a life insurance; and yet the property damage and public liability policies one must have in the operation of a motor vehicle are things designed for the benefit of the owner and operator of the vehicle and also for the protection of the public. The registration fee of $1.50 is something that has to be paid in order that the document may be properly recorded.

So, you are including in this total of finance charges under this bill a group of items, and policies in connection with them, that are for the peculiar benefit of the purchaser; and yet you are asked to express the percentage relationship of all those charges to the balance unpaid.

My friend suggests that if the purchaser gets that information it may give him some standard by which he can measure. The only way in which it could do so would be if he went shopping for credit. But he can go shopping for credit as much as he likes. There is no law which prevents him shopping for credit. The man whom he approaches is the vendor of consumer goods. Two different vendors can arrive at the same total purchase price with all these charges, and one can have lower finance charges than the other because all he does is price his merchandise in a different way. He has lower finance charges and, therefore, the intending purchaser is no better off and he has no reliable standard of information.

Therefore, I say I am not opposed to what my friend says this bill would do, but I am opposed to this bill because it does not do any of the things my friend says it would do. The title of the bill is: "An act to make provision for the disclosure of information in respect of finance charges." I can assure my friend he has no monopoly of desire that the buying public should be fully informed as to what the cost is of any merchandise, and as to what the finance charges are; but this bill does nothing of the kind. The bill, so far as dollars and cents are concerned, contains provisions for the disclosure of information the purchaser gets as a matter of course; otherwise he would not know what to pay, how to pay, how often to pay or when to stop paying. In my submission, the percentage relationship tells him exactly nothing.

My friend has sponsored this bill on previous occasions. This time he was shorter in his explanation, and I do not blame him because I find it hard, on the fifth occasion, to become full of enthusiasm for this bill. I too am not going to take much time. However, I must say that this bill does not regulate interest; it does not set a rate of interest; it imposes no penalty for charges above a certain rate of interest; it does not define or provide any regulation or law against abuses of credit. Yet, on previous occasions when my friend sponsored this bill, he gave us example after example of abuses of credit, where rates were being charged that seemed grossly excessive, from the ordinary point of view.

My friend Senator Grosart this time adopted what I might say is an unusual approach to justify his support of this bill. First, he said it was impracticable, but he supported it. That is new. Secondly, he said that in the form in which it was, it was probably unconstitutional; nevertheless, he supported it. Thirdly, he supported it because it had been before the Senate on four different occasions, and he said that having regard to the principle of the bill the Senate could be very severely criticized if it did not do something about it this time.

When it came to discussing the principle of the bill I had difficulty in appreciating from my friend Senator Grosart's remarks what was the principle of the bill, because he spent some time pointing out the abuses and the advantage which automobile dealers took of people who were potential customers. Then he delved into the Scriptures at considerable length, to tell us the evils of and how the Scriptures were against the practice of usury. If I am to accept that as the principle of the bill, or that that is what he tells us is the principle of the bill, and therefore the reason he supports it, I can assure him that there is nothing in this bill about usury; there is nothing in this bill

that deals with and regulates or corrects or does anything about the abuse of credit.

If my friend the sponsor of the bill, and Senator Grosart, wanted to be consistent, I think there should have been some discussion as to what kind of bill this is which would, based on the examples they gave, cover the things that have to be taken care of, and not do as we have been doing for four or five years, with the sponsor saying the bill is constitutional and some of the rest of us saying it is not, because in pith and substance it does not deal with interest, and interest is the matter which would bring it within the federal jurisdiction.

This time my friend has removed the necessity of discussing the constitutionality of the bill because he said that when and if it gets to committee he is prepared to have a paragraph added to the bill before it is reported out of committee, saying that royal assent shall not be given to this bill until after the constitutionality of the bill and whatever principle there is in it have been decided by the Supreme Court of Canada. So the question of constitutionality has been taken out of serious discussion as far as consideration of this bill is concerned. Therefore, in this respect, we are simply back on that phase of it. The bill requires that certain information be furnished, which I say every purchaser gets in any event, and which I say every vendor would insist on giving in any event if he wanted to retain title to the goods.

Then I consider this percentage relationship is a fanciful sort of thing. I have difficulty in appreciating the value of telling a man on the basis of the total finance charges, as I have defined them, or on the basis of the balance owing, the percentage relationship expressed in terms of simple interest. That is to say, you calculate the relationship of the finance charges to the principal amount of money over whatever period of time you have to pay it, and then reduce it to the basis of $100 for one year. That is not interest; it is a percentage relationship as my friend correctly terms it.

My friend and some of those who support the bill say that this calculation of percentage is the easiest thing in the world. There have been many people who found it difficult. A bill similar to the earlier bills which my friend brought before us was before Congress in the United States. I remember a problem arising concerning the purchase of a car over a period of 18 or 24 months with all the supporting charges, and all these relevant figures were submitted to half a dozen or more of the supposed mathematical experts in various national companies in the United States. The report afterwards was to the effect that they all came up with different calculations of what the percentage relationship was. A lot of people may consider it a simple matter, but you must remember you have a diminishing balance of principal payments, and in addition to that you have accumulated interest, charges, premiums and registration fees, and with all these elements how are you going to correlate the whole thing?

Although my friend says it is a simple matter, he must feel that it is not so simple because in his bill he provides that after you have passed the bill, the Governor in Council may make regulations prescribing the manner of calculating the percentage relationship and the degree of accuracy within which you must operate. In other words, you are going to approve of the bill, and the Governor in Council will decide what the degree of tolerance is; that is, to what extent you can be wrong and still not be punished or penalized under the bill.

Furthermore, if it is a simple problem why should we provide that the Governor in Council by regulation shall prescribe the method of calculation and the degree of tolerance? If it is as simple as some of the supporters of the bill represent it to be, then it should be left in the form in which it is, a very simple calculation. I agree it is an easy calculation to take the total amount of finance charges and relate them to the total balance unpaid and relate the two to the total. But when you have to do this calculation in the context of a period of 18 or 24 months, with a diminishing principal balance month by month, it is an entirely different animal. As far as my range of mathematics is concerned, I certainly would not attempt the calculation, and I have a lot of support for this point of view.

In the province of Manitoba in 1962 a bill was passed, which was assented to on May 1 of that year, called an Act respecting the Sale of Goods under Time-Sale Agreements. They had provisions in that bill requiring at least all the detail that my friend wants in his bill in relation to all the various elements to ascertain the cost to the purchaser of consumer goods. Then they also required the rate of interest paid and the basis upon which the interest was calculated.

Now the strange thing was that while that bill was assented to, as I said, on May 1, 1962, it was never brought into force. Apparently doubts began to develop as to whether this problem of calculation of interest was a simple thing or not, and when the Legislature met again in 1963 there were amendments to that bill. The amending bill was assented to on May 6, 1963, and one of the things which it did was to remove the requirement of stating the rate of interest charged and the

basis upon which the interest was calculated. It is rather interesting to read in *Hansard* of the Legislature of Manitoba just what the Attorney General had to say about this. May I just read some lines of it? He said:

> I tell my honourable friend that I received only this morning that very interesting little wheel with the two rates of interest, the simple and the compound interest on it. I remind him that there are seven, at least seven different ways of computing interest known to the actuaries; I have tables which account for, I think, three or four or five of the different ways, and each one of the tables shows figures that with respect to figures given in other tables are slightly different. So he can see exactly what I'm getting at when I tell him that there are ways, enumerable ways of computing interest, and the whole purpose and substance of this legislation is to bring home to the purchaser in the truest way that we can, and in the truest sense as we have found from our own consideration, the truest sense that we can the cost of the time-sale agreement to him, that is, by expressing that cost in dollars and cents. You can argue about five per cent or seven per cent; whether it's compounded; whether it's simple interest; whether it's on a declining balance and so on, and you can get into a series of permutations and combinations that would drive any actuary out of his mind, but you can't argue with dollars and cents. If you're told that a contract is going to cost you $20.00 for the privilege of buying it on time-sale and that the purchase price is $100.00, it's really immaterial to you in a sense as to how the vendor computes the rate, because you're not going to be paying him the rate, you're going to be paying him the $20.00, and it doesn't matter how he tries to manoeuvre or misrepresent $20.00, $20.00 remains $20.00. There's only one way of computing it; that's by adding up the dollars and the cents and coming to that figure. And so we feel that by putting a re-emphasis in the Act upon the dollars and cents value of interest and finance charges, that we are serving the public interests in the best way that this Legislature can, remembering of course, that we are all human, subject to all human foibles, and that nothing we do in this Chamber, nothing is probably going to be perfect.

Now there is the reason why in Manitoba they changed their requirement of calculating interest. Apparently it had been demonstrated fairly forcibly by this time that it presented many problems and many difficulties, and they felt that the burden should not be cast on the vendor of the merchandise.

At the same time in Alberta you had the situation where they had a time-sale agreement act for some time, and they provided originally in the alternative; that is, they required the information which my friend's bill requires, but they said the facts should be set out in dollars instead of this percentage relationship. By some strange quirk, in March of this year there was a bill before the Legislature of Alberta—and I have not been able to find out whether it passed into law or not—in which they were doing exactly the opposite. In other words, they were asking that the total cost to the buyer above the regular cash selling price be expressed with the equivalent of simple interest to the nearest whole number and that the declining balance from time to time be stated. There you have another variation of it.

There are two significant things in this; one is that you have some of the provinces operating in this field. You have the conditional sales agreement in the provincial Legislature, where it properly belongs. You have Manitoba with one concept and passing a law in one regard containing the principle, if there is a principle, contained in my friend's bill, while in Alberta you have a change to another basis by indicating the percentage calculation on the excess of the cost of buying on time as against paying cash for the item of consumer goods.

In this area where there are all these doubts, we then have this bill, and we are asked in the interests of protecting the purchaser of consumer goods to pass this legislation. Even my honourable friend (Hon. Mr. Croll) does not say: "Pass this bill into law and all the abuses will disappear", although he very hopefully said on one occasion that if this percentage figure was made known to these people they might think twice. This is what Senator Croll said:

> . . . if people knew what they were being charged they would be less likely to make instalment purchases which would leave them hard up or destitute, and at the very least, would enable them to shop intelligently for credit.

Well now, this is the objective of the bill. Do you think we have to pass this bill in order to advise these people that they should shop for credit? They shop for merchandise. They are very intelligent and very alert in canvassing the shopping areas to see what the prices are, and they take the best advantage they can of those prices. But, suddenly

these very intelligent people who are excellent shoppers of merchandise do not know anything about shopping for credit. I find that hard to believe and hard to accept, unless the explanation is that they are so anxious to acquire, perhaps, a motor car and to get behind the wheel and go driving, or they are so anxious to get the television set home and operating in order to see the latest fight, or to get the record player, that they will pay whatever they are asked to pay, because they earn so much and can make those payments, and that if they become unemployed it is just too bad so far as the vendor is concerned. He may have the car in its then condition, or he may have the television set or the record player.

But, this should not be all one-sided. Certainly the approach of the purchaser to credit should be an educated one. But the people who usually suffer from the so-called abuses of credit are the ones who spend more than they should on it, and this is because their objective is different. They are looking only to today, and living for today. I am not complaining about that. It is their money, and they can spend it in any way they wish. But, my friend, on the basis of wishing to protect these people, says that these additional burdens must be imposed upon the vendors of the merchandise. The result produced is not a result that provides any real protection at all.

I am going to suggest to my honourable friend (Hon. Mr. Croll) and to all honourable senators that there is a way by which we could have perfectly valid legislation that would do the thing that this bill is intended to do. In the province of Ontario we had a law called The Unconscionable Transactions Relief Act. It went away back into common law days, and it was on the statute books of the province of Ontario for some years. It provided that if a transaction got to the stage where it might be regarded as unconscionable the victim could apply to the courts, and a judge would assess all the facts in relation to it and would make an order. If the interest charges were too high the judge could reduce them.

That law in the last year has been declared unconstitutional so far as Ontario is concerned. An appeal was argued recently in the Supreme Court of Canada, but that court has not yet given judgment. My own feeling is that the judgment of the court of appeal of Ontario, on balance, is right, and that it will be upheld by the Supreme Court of Canada. The court of appeal of Ontario said that this act dealt with interest, which is a federal matter. If its judgment is upheld then the area in which the federal authority can operate is that area, but not, I hope, in a way where it will set a specific rate of interest because, remember, in setting a specific rate of interest you are penalizing many people who have no security upon which they can obtain credit. But, they have their youth, their energy, and they have a job; they may be newly married and should have the opportunity of buying things with which they want to live and be more comfortable, and should be allowed to contract into the future for a while as long as it is reasonably done.

If you set a rate of interest on consumer credit, then you are going to shut out a lot of deserving people. So far as the others who are careless are concerned, and those who are not as much concerned about what it is going to cost them as they are about getting possession of the merchandise, they will find a way of doing it anyway. So, I say that the risk of setting a rate of interest is a serious one, because many people who should be able to buy on these terms would be penalized.

I rather favour as federal legislation the Unconscionable Transactions Relief Act, but in a form in which all this information that my friend's bill calls for, other than the percentage relationship, is furnished. It should be furnished under federal law, and then you can have your general regulation empowering a court to inquire into particular cases in order to determine whether or not the transaction, in the circumstances, is unconscionable. By such means a little more scope is given to the court, and the information as to the cost of the credit can properly be required under federal legislation because that will be ancillary to the main purpose of the bill, which is to determine whether or not the transaction is unconscionable.

If my friend (Hon. Mr. Croll) really has the objective of protecting people who are victimized, then that is the kind of federal legislation we should be looking for, and not the proposed legislation that we have here, which is represented as being a cure-all and which, by no stretch of the imagination, can be a cure-all.

Many people and organizations have written to me over the years when this bill has been before the Senate, all urging that I support this bill, and that the Senate pass it because it is so good and will protect the poor victims of the purchasing of merchandise subject to consumer credit terms. I took the position finally, in view of these representations which I could not accept, that those who made them had done so either because they had not read the bill or because they did not understand it. The bill gives no protection except the pious hope that users of consumer credit might get frightened if they see

what the percentage figure is. I am not at all hopeful that they would be frightened, but rather that they would still go ahead as long as they could acquire the merchandise and pay whatever the carrying charge was.

Although my attitude on the previous occasions when this bill was introduced has been to oppose it vigorously, I am not opposing it now in the sense that I do not want it sent to committee. There are many of these people who I expect will come before the committee, and I would certainly like to find out, first of all, why they think so highly of the bill and, secondly, what particular experience they have had that they think could have been avoided had this bill been in force.

I have one other comment to make before I sit down. I must comment on the speech Senator Vaillancourt made, because in it he gave a most excellent exposition on the subject of capital and consumer credit. I think the only place where he went wrong in the whole speech was when he came to the point where he said he supported this bill, and if he could support it 10 or even 100 times, he would still support it. I think the honourable senator missed the point in dealing with the field of credit unions.

Just to show you that there is some value in what I have said about the attitude of those who are buying on time, the experience that Senator Vaillancourt gave in his remarks on credit unions was that if you are thrifty and intend buying some article on consumer credit, you can deposit money for a year in a credit union, if you can wait that long for the article, and collect the interest rate. If you do that you get a better price because you can pay cash for the article. In this way you can accumulate a lot of money. The honourable senator said that you are better off if you can contain yourself for a year. Then he demonstrated by a series of transactions that even if you were impatient to get a particular article of merchandise you could join a credit union, borrow the money and pay cash for the article, and pay your interest charge to the credit union. The person who uses the credit union to provide the financing for these consumer goods is much better off in that the cost to him is considerably less. The proof of that lies in the figures he has given regarding the tremendous volume of increase in the business of credit unions. Perhaps there should be a bill in which there would be another clause for people wanting to buy on consumer credit, that they must shop through a credit union. Then there would be a complete assurance of honesty and good terms, and perhaps we would make a few more thrifty people in the process.

As I said in the beginning, the honourable senator has no monopoly on the desire to protect people who have to buy on time. I am not speaking against the practice of buying on time. It is one of those things which contribute tremendously to the economy of the country, and I think it is a modern feature which is highly desirable for people who can afford it. If they have good jobs and good income, they should be able to provide themselves not only with the necessities but with things that provide comfort and ease in living—as long as they do not go wild in the process.

However, it is one thing to say that I support anything which will protect them, anything that is reasonable and will provide a measure of protection; but I just cannot go through the motions of offering them something which, in my opinion, will do them no good. That is why I say that this bill is no good for the purposes for which my friend represents it to be, that is, that it is going to put a check-rein on abuse of credit.

Hon. Mr. McCutcheon: Honourable senators, I would like to ask honourable Senator Hayden one question. He has indicated that he is prepared to let this bill go to a committee.

In introducing the bill, Senator Croll, at page 86 of the *Debates of the Senate*, said:

> The identical bill received second reading—which connotes approval in principle—on previous occasions, and during the last session by unanimous consent.

I should like to ask honourable Senator Hayden if I may take it that, when he says he is prepared to let the bill go to the committee, he considers there is no principle in the bill.

Hon. Mr. Hayden: I may say that I indicated in almost the same language a few times tonight as to whether there is a principle. I am prepared to let this bill go to a committee. I feel I am not subscribing to any principle in the process, as I do not see any principle in the bill.

Hon. Mr. Croll: Honourable senators—

The Hon. the Acting Speaker (Hon. Mr. Vien): Honourable senators, I should like to draw your attention to the fact that if the mover of this bill speaks now it will have the effect of closing the debate.

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

The Senate adjourned until tomorrow at 3 p.m.

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APPENDIX "A"

(See p. 328)

UNITED STATES INTEREST EQUALIZATION TAX

STATEMENT BETWEEN THE REPRESENTATIVES OF THE GOVERNMENT OF CANADA AND THE UNITED STATES OF AMERICA, RESPECTING THE UNITED STATES INTEREST EQUALIZATION TAX, AGREED TO JULY 21, 1963

Representatives of Canada and the United States met during the weekend to appraise the impact on the Canadian financial markets of the proposed United States "interest equalization tax".

The two governments recognized the need for effective action to improve the balance of payments position of both countries and are both equally determined that such action shall not impair the intimate economic relationships between the two countries, nor impede the growth essential for both economies.

For many years the capital markets of the two countries have been closely interconnected, the United States exports of capital to Canada have financed a substantial portion of the Canadian current account deficit with the U.S. This need continues. A portion of these flows must be supplied through the sale of new issues of Canadian securities in American markets. U.S. officials had considered that ample flows for these needs would continue under the proposed "interest equalization tax". However, Canadian representatives stated that this would require a very substantial rise in the entire Canadian interest rate structure. It was recognized by both governments that such a development would be undesirable in present economic circumstances.

In the light of this situation U.S. officials agreed that the draft legislation to be submitted to the Congress would include a provision authorizing a procedure under which the President could modify the application of the tax by the establishment from time to time of exemptions, which he could make either unlimited or limited in amount. The President would thus have the flexibility to permit tax free purchases of new issues needed to maintain the unimpeded flow of trade and payments between the two countries, and to take care of exceptional situations that might arise in the case of other countries. U.S. officials made clear that this did not modify their proposals regarding the taxation of transactions in outstanding securities; over the past year such transactions between Canada and the U.S. have not been a major factor.

The Canadian authorities stated that it would not be the desire or intention of Canada to increase her foreign exchange reserves through the proceeds of borrowings in the United States, and it is the hope and expectation of both governments that by maintaining close consultation it will prove possible in practice to have an unlimited exemption for Canada without adverse effect on the United States.

It was agreed that active consultations would continue to strengthen the close economic relations between the two countries and at the same time facilitate measures for making the maximum practicable contributions to economic expansion and the strength and stability of both currencies.

The conversations which were conducted in the United States Treasury on Saturday and Sunday included for Canada Ambassador Charles S. A. Ritchie, Louis Rasminsky, Governor of the Bank of Canada, Wynne Plumptre, Assistant Deputy Minister of Finance, and A. E. Ritchie, Assistant Under Secretary of State for External Affairs; for the United States Douglas Dillon, Secretary of the Treasury, George Ball, Under Secretary of State, Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs, and Stanley Surrey, Assistant Secretary of the Treasury.

APPENDIX "B"

(See p. 347)

Table 1

Numerical and Percentage Change in the Population 65 Years Old and Over by Sex, for Canada and the Provinces and Territories, 1951-1961.

	Population 65 years old and over			Numerical change			Percentage change		
	1951	1956	1961	1951-1956	1956-1961	1951-1961	1951-1956	1956-1961	1951-1961
Total									
Canada	1,086,273	1,243,938	1,391,154	157,665	147,216	304,881	14.5	11.8	28.1
Newfoundland	23,490	24,789	26,895	1,299	2,106	3,405	5.5	8.5	14.5
P.E. Island	9,707	10,350	10,930	643	580	1,223	6.6	5.6	12.6
Nova Scotia	54,925	58,907	63,417	3,982	4,510	8,492	7.2	7.7	15.5
New Brunswick	39,033	43,192	46,917	4,159	3,725	7,884	10.7	8.6	20.2
Quebec	232,097	264,023	306,301	31,926	42,278	74,204	13.8	16.0	32.0
Ontario	400,363	454,375	508,073	54,012	53,698	107,710	13.5	11.8	26.9
Manitoba	65,468	76,567	83,288	11,099	6,721	17,820	17.0	8.8	27.2
Saskatchewan	67,213	78,646	85,570	11,433	6,924	18,357	17.0	8.8	27.3
Alberta	66,943	81,327	93,078	14,384	11,751	26,135	21.5	14.4	39.0
British Columbia	126,137	150,779	165,616	24,642	14,837	39,479	19.5	9.8	31.3
Yukon	467	490	475	23	−15	8	4.9	−3.1	1.7
Northwest Territories	430	493	594	63	101	164	14.7	20.5	38.1
Male									
Canada	551,303	622,210	674,117	70,907	51,907	122,814	12.9	8.3	22.3
Newfoundland	12,016	12,598	13,553	582	955	1,537	4.8	7.6	12.8
P.E. Island	4,813	5,064	5,275	251	211	462	5.2	4.2	9.6
Nova Scotia	27,222	28,883	30,387	1,661	1,504	3,165	6.1	5.2	11.6
New Brunswick	19,594	21,425	22,817	1,831	1,392	3,223	9.3	6.5	16.4
Quebec	113,467	127,907	144,700	14,440	16,793	31,233	12.7	13.1	27.5
Ontario	190,210	212,742	231,765	22,532	19,023	41,555	11.8	8.9	21.8
Manitoba	35,411	40,615	42,357	5,204	1,742	6,946	14.7	4.3	19.6
Saskatchewan	39,290	45,238	47,378	5,948	2,140	8,088	15.1	4.7	20.6
Alberta	38,727	46,061	50,850	7,334	4,789	12,123	18.9	10.4	31.3
British Columbia	69,959	81,018	84,388	11,059	3,370	14,429	15.8	4.2	20.6
Yukon	354	355	299	1	−56	−55	0.3	−15.8	−15.5
Northwest Territories	240	304	348	64	44	108	26.7	14.5	45.0
Female									
Canada	534,970	621,728	717,037	86,758	95,309	182,067	16.2	15.3	34.0
Newfoundland	11,474	12,191	13,342	717	1,151	1,868	6.2	9.4	16.3
P.E. Island	4,894	5,286	5,655	392	369	761	8.0	7.0	15.5
Nova Scotia	27,703	30,024	33,030	2,321	3,006	5,327	8.4	10.0	19.2
New Brunswick	19,439	21,767	24,100	2,328	2,333	4,661	12.0	10.7	24.0
Quebec	118,630	136,116	161,601	17,486	25,485	42,971	14.7	18.7	36.2
Ontario	210,153	241,633	276,308	31,480	34,675	66,155	15.0	14.4	31.5
Manitoba	30,057	35,952	40,931	5,895	4,979	10,874	19.6	13.8	36.2
Saskatchewan	27,923	33,408	38,192	5,485	4,784	10,269	19.6	14.3	36.8
Alberta	28,216	35,266	42,228	7,050	6,962	14,012	25.0	19.7	49.7
British Columbia	56,178	69,761	81,228	13,583	11,467	25,050	24.2	16.4	44.6
Yukon	113	135	176	22	41	63	19.5	30.4	55.8
Northwest Territories	190	189	246	−1	57	56	−0.5	30.2	29.5

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TABLE 2

Number and percent of population in specified age groups, (*a*) 60 and over, (*b*) 70 and over, (*c*) 80 and over and (*d*) 90 and over, for Canada and the provinces, for census years 1931, 1941, 1951, and 1961.

Province		Total population	Age group 60+		70+		80+		90+	
			No.	P.c.	No.	P.c.	No.	P.c.	No.	P.c.
Canada	(1)1931	10,376,786	870,817	8.4	344,839	3.3	74,499	0.7	6,169	0.1
	(1)1941	11,506,655	1,174,966	10.2	460,091	4.0	107,295	0.9	8,145	0.1
	1951	14,009,429	1,592,425	11.4	652,776	4.7	149,313	1.1	12,923	0.1
	1961	18,238,247	1,974,789	10.8	904,052	5.0	227,640	1.2	20,039	0.1
Newfoundland	1931	—	—	—	—	—	—	—	—	—
	1941	—	—	—	—	—	—	—	—	—
	1951	361,416	33,006	9.1	14,419	4.0	3,369	0.9	288	0.1
	1961	457,853	38,301	8.4	17,211	3.8	4,376	1.0	348	0.1
Prince Edward Island	1931	88,038	11,870	13.5	5,706	6.5	1,593	1.8	150	0.2
	1941	95,047	12,414	13.1	5,956	6.3	1,654	1.7	171	0.2
	1951	98,429	13,216	13.4	6,439	6.5	1,830	1.9	213	0.2
	1961	104,629	14,744	14.1	7,348	7.0	2,179	2.1	263	0.3
Nova Scotia	1931	512,846	58,065	11.3	26,124	5.1	7,419	1.4	872	0.2
	1941	577,962	66,774	11.6	29,899	5.2	7,787	1.3	812	0.1
	1951	642,584	76,265	11.9	35,485	5.5	9,538	1.5	989	0.2
	1961	737,007	86,981	11.8	42,076	5.7	12,184	1.7	1,362	0.2
New Brunswick	1931	408,219	39,745	9.7	17,128	4.2	4,245	1.0	401	0.1
	1941	457,401	46,747	10.2	20,213	4.4	4,963	1.1	428	0.1
	1951	515,697	55,414	10.7	24,747	4.8	6,336	1.2	592	0.1
	1961	597,936	64,973	10.9	30,701	5.1	8,412	1.4	918	0.2
Quebec	1931	2,874,662	207,577	7.2	83,519	2.9	18,732	0.7	1,427	—
	1941	3,331,882	267,681	8.0	104,796	3.1	24,716	0.7	1,792	0.1
	1951	4,055,681	348,295	8.6	138,936	3.4	31,431	0.8	2,655	0.1
	1961	5,259,211	456,201	8.7	189,378	3.6	45,246	0.9	3,580	0.1
Ontario	1931	3,431,683	349,121	10.2	141,424	4.1	29,839	0.9	2,375	0.1
	1941	3,787,655	450,951	11.9	184,983	4.9	43,862	1.2	3,204	0.1
	1951	4,597,542	582,847	12.7	245,266	5.3	58,928	1.3	5,102	0.1
	1961	6,236,092	726,584	11.6	328,010	5.3	83,954	1.3	7,870	0.1
Manitoba	1931	700,139	49,418	7.1	18,015	2.6	3,433	0.5	285	—
	1941	729,744	72,443	9.9	26,612	3.6	5,970	0.8	447	0.1
	1951	776,541	97,715	12.6	38,121	4.9	8,264	1.1	737	0.1
	1961	921,686	115,130	12.5	55,119	6.0	13,477	1.5	1,214	0.1
Saskatchewan	1931	921,785	49,240	5.3	17,635	1.9	3,100	0.3	224	—
	1941	895,992	77,106	8.6	25,904	2.9	5,768	0.6	416	—
	1951	831,728	100,950	12.1	38,110	4.6	7,787	0.9	687	0.1
	1961	925,181	116,412	12.6	57,362	6.2	14,115	1.5	1,070	0.1
Alberta	1931	731,605	42,026	5.7	14,138	1.9	2,374	0.3	157	—
	1941	796,169	68,909	8.7	22,738	2.9	4,678	0.6	303	—
	1951	939,501	101,600	10.8	37,504	4.0	7,287	0.8	574	0.1
	1961	1,331,944	131,904	9.9	61,354	4.6	14,379	1.1	1,181	0.1
British Columbia	1931	694,263	62,680	9.0	20,856	3.0	3,709	0.5	273	—
	1941	817,861	110,504	13.5	38,479	4.7	7,799	1.0	559	0.1
	1951	1,165,210	181,674	15.6	73,210	6.3	14,427	1.2	1,070	0.1
	1961	1,629,082	221,832	13.6	114,864	7.0	29,145	1.8	2,218	0.1
Yukon and Northwest Territories	1931	13,546	1,075	7.9	294	2.2	55	0.4	5	—
	1941	16,942	1,437	8.5	511	3.0	98	0.6	13	0.1
	1951	25,100	1,443	5.7	539	2.1	116	0.5	16	0.1
	1961	37,626	1,727	4.6	629	1.7	173	0.5	15	—

(1) Not including Newfoundland in 1931 and 1941.

THE SENATE

Wednesday, July 24, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Copies of messages, numbered 22, 23 and 24, dated May 17, 1963, from the International Commission for Supervision and Control in Laos to the co-chairman of the Geneva Conference. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 52 to 151, and moved with leave of the Senate, that they be adopted.

Motion agreed to.

BILLS—FIRST READING

Hon. Mr. Roebuck presented the following bills:

Bill SD-51, for the relief of Angus McIntosh.

Bill SD-52, for the relief of Claude Gerard Montpetit.

Bill SD-53, for the relief of Maureen Carol McAlinden.

Bill SD-54, for the relief of Vera Irene MacKenzie.

Bill SD-55, for the relief of Ann Marguerite MacDonald.

Bill SD-56, for the relief of Sybil Lillian Lupovich.

Bill SD-57, for the relief of Minnie Lichenstein.

Bill SD-58, for the relief of Jean Bernard L'Heureux.

Bill SD-59, for the relief of Margaret Ada Lewis.

Bill SD-60, for the relief of Violet Pearl St. James Lemoine.

Bill SD-61, for the relief of Mildred Kligman.

Bill SD-62, for the relief of Zelda Barbara Kimberg.

Bill SD-63, for the relief of Margaret Anna Kenwood.

Bill SD-64, for the relief of Madeleine Kallweit.

Bill SD-65, for the relief of Philippe LeBeau.

Bill SD-66, for the relief of Joyce Irene Larocque.

Bill SD-67, for the relief of Elizabeth Anne Kotania.

Bill SD-68, for the relief of Marie Celine Pierrette Lapointe.

Bill SD-69, for the relief of Shirley Sarah James.

Bill SD-70, for the relief of Lena Quelle.

Bill SD-71, for the relief of Charles Harold Page.

Bill SD-72, for the relief of Rosa Jacobson.

Bill SD-73, for the relief of Patricia Ann Marguerite Allaway.

Bill SD-74, for the relief of Marylin Jean Alie.

Bill SD-75, for the relief of Juliana Magdelene Ashley.

Bill SD-76, for the relief of Alphonse Audet.

Bill SD-77, for the relief of Denise Bachelder.

Bill SD-78, for the relief of Alma Ivy Bankley.

Bill SD-79, for the relief of Edouard Joseph Armand Baril.

Bill SD-80, for the relief of Therese Beaulieu.

Bill SD-81, for the relief of Jeannie Belchik.

Bill SD-82, for the relief of John Faucher.

Bill SD-83, for the relief of Ruth Ilona Elkin.

Bill SD-84, for the relief of Hazel Durocher.

Bill SD-85, for the relief of Jean Helen Donnan.

Bill SD-86, for the relief of Maragaret Joan Digby.

Bill SD-87, for the relief of Joseph Paul Alderic Belisle.

Bill SD-88, for the relief of Guy Bertrand.

Bill SD-89, for the relief of Pamela Blair.

Bill SD-90, for the relief of Kenneth Allen Blight.

Bill SD-91, for the relief of Marie Yvonne Lucie Godard.

Bill SD-92, for the relief of Marie Augustine Jeannette Gibbs.

Bill SD-93, for the relief of Nicole Marie Geoffroy.

Bill SD-94, for the relief of Susan Gabor.

Bill SD-95, for the relief of Alexandra Deliyannakis.

Bill SD-96, for the relief of Joseph Fortin Decelles.

Bill SD-97, for the relief of Josephine Mary Croll.

Bill SD-98, for the relief of Anita Cleri.

Bill SD-99, for the relief of Alice Elizabeth Clarke.

Bill SD-100, for the relief of Judith Elizabeth Caron.

Bill SD-101, for the relief of Collin Mills Campbell.

Bill SD-102, for the relief of Lorraine Burt.

Bill SD-103, for the relief of Linda Alice Burrows.

Bill SD-104, for the relief of Gerhard Hermann Buchholz.

Bill SD-105, for the relief of Wilma Gloria Bryson.

Bill SD-106, for the relief of Joseph Luc Roger Pelletier.

Bill SD-107, for the relief of Clara Edith Papp.

Bill SD-108, for the relief of Frances Cynthia Nevitt.

Bill SD-109, for the relief of Betty Naimovitch, otherwise known as Betty Naimo.

Bill SD-110, for the relief of Elsa Munch.

Bill SD-111, for the relief of Mildred Dawson Meakins.

Bill SD-112, for the relief of Margaret Rose McDuff.

Bill SD-113, for the relief of Vickie Marks.

Bill SD-114, for the relief of John Elijah Marshalluk.

Bill SD-115, for the relief of Jean Letovsky.

Bill SD-116, for the relief of Lee Leopold.

Bill SD-117, for the relief of Guy Lefebvre.

Bill SD-118, for the relief of Kate Gillman.

Bill SD-119, for the relief of Margarete Gerda Ruhnau.

Bill SD-120, for the relief of Catherine Gerasimos Andrulakis.

Bill SD-121, for the relief of John Joseph Huitson.

Bill SD-122, for the relief of Suzi Elizabeth Perry.

Bill SD-123, for the relief of Vivian Geoffrey Power.

Bill SD-124, for the relief of Gordon Richard Alexander Ramsden.

Bill SD-125, for the relief of Gertrude Lindener.

Bill SD-126, for the relief of Marie Aline Martine France.

Bill SD-127, for the relief of Shirley Margaret Woolley.

Bill SD-128, for the relief of James Richard Williamson.

Bill SD-129, for the relief of Isadore Titleman.

Bill SD-130, for the relief of Lloyd James Simpson.

Bill SD-131, for the relief of Lily (Lillian) Shapiro.

Bill SD-132, for the relief of Blima (Wendy) Shapiro.

Bill SD-133, for the relief of Marie Theresa Sckyra.

Bill SD-134, for the relief of Anne Marion Prentice.

Bill SD-135, for the relief of Paricia Marjorie Maisonet.

Bill SD-136, for the relief of Jennie Zajko.

Bill SD-137, for the relief of Pawel Olejnik.

Bill SD-138, for the relief of Millicent Vera Seagrove.

Bill SD-139, for the relief of Patricia Sabetta.

Bill SD-140, for the relief of Isadore Rosenblatt.

Bill SD-141, for the relief of Calvin Harold Robinson.

Bill SD-142, for the relief of Real Richard.

Bill SD-143, for the relief of Louisa Emily Elizabeth Porter.

Bill SD-144, for the relief of Eva Florence Plaskett.

Bill SD-145, for the relief of Madge Estelle Pinkerton.

Bill SD-146, for the relief of Allan Barry Phillips.

Bill SD-147, for the relief of Paul Parizeau.

Bill SD-148, for the relief of Jean Elizabeth O'Reilly.

Bill SD-149, for the relief of Josephine Rose Nawrocki.

Bill SD-150, for the relief of Valerie Jean Morton.

Bills read first time.

SECOND READING

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

Hon. Mr. Roebuck: With leave of the Senate, I move that the bills be read the second time now.

Motion agreed to and bills read second time, on division.

THIRD READING

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

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

Motion agreed to and bills read third time and passed, on division.

CUSTOMS TARIFF

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. William H. Taylor, for Honourable Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-87, to amend the Customs Tariff:

> Your committee recommend that authority be granted for the printing of 600 copies in English and 200 copies in French of their proceedings on the said bills.

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

Hon. Mr. Taylor (Norfolk): I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Taylor (Norfolk), reported that the Standing Committee on Banking and Commerce had considered Bill C-87, to amend the Customs Tariff, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE NEWFOUNDLAND SAVINGS BANK ACT, 1939

BILL TO REPEAL—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Taylor (Norfolk), for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-4, to repeal The Newfoundland Savings Bank Act, 1939, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

CO-OPERATIVE FIRE AND CASUALTY COMPANY—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Taylor (Norfolk) presented the following report of the Standing Committee on Banking and Commerce on Bill S-26, respecting Co-operative Fire and Casualty Company.

> Your committee recommend that authority be granted for the printing of 600 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Taylor (Norfolk): I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE PRESENTED

Hon. Mr. Taylor (Norfolk) presented the following report:

> The Standing Committee on Banking and Commerce to whom was referred the Bill S-26, intituled: "An Act respecting Co-operative Fire and Casualty Company", have in obedience to the order of reference of July 9, 1963, examined the said bill and now report the same without any amendment.
>
> A similar bill in this matter was passed by the Senate during the last session of Parliament, but owing to the sudden dissolution of Parliament in February last, the proceedings on the bill were not completed.
>
> Your committee recommend that the Parliamentary fees paid upon the bill of the last session apply to the bill of this session. It is noted that the promoters have again paid the printing costs.

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

Hon. Mr. Cameron moved that the report of the committee be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

THE MONARCH LIFE ASSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Taylor (Norfolk), for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-30, respecting The Monarch Life Assurance Company, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Haig: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

THE CANADIAN MANUFACTURERS' ASSOCIATION—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Taylor (Norfolk), for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-31, respecting The Canadian Manufacturers' Association, and had directed that the bill be reported without amendment.

Report adopted

THIRD READING

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

Hon. Paul H. Bouffard: Honourable senators, with leave of the Senate, I move third reading of this bill now.

Motion agreed to and bill read third time and passed.

EMPLOYMENT

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM—INQUIRY ANSWERED

Hon. Allister Grosart inquired of the Government, pursuant to notice:

> What measures will be taken to enforce the requirement described in paragraph 3 of the letter dated July 12, 1963, signed by Honourable A. J. MacEachen, Minister of Labour?

Hon. W. Ross Macdonald: Honourable senators, the answer to the honourable Senator Grosart's inquiry is as follows:

> The requirement that the bulk of those employed under the Municipal Winter Works Incentive Program 1963-64 must be unemployed at the time they are hired or persons who would be unemployed in the absence of the program is not a new provision. This has been one of the conditions of the program since its inception. Tied in with this provision is a further requirement that the facilities of the National Employment Service, where available, will be used in hiring workers to be employed on accepted projects.
>
> The provinces are responsible for the detailed administration of the program including the audit of claims. Where the facilities of the National Employment Service have been used payrolls are supported by N.E.S. referral slips. In other cases the provinces generally require some certification by the municipality.

SUPPLEMENTARY INQUIRY

Hon. Mr. Grosart: I thank the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford), and I would like to make a supplementary inquiry based on his reply.

The inquiry referred to one of the conditions under which federal payments are made in respect to winter works projects. The condition was that the additional employment under these projects be directed to those who were currently unemployed, or who would be unemployed if these works did not proceed.

I was concerned about the fact that in some cases it is possible that these winter works projects are not being directed to that very admirable objective. The reply I have received confirms my suspicion.

It is only fair to say that the honourable Leader of the Government in his reply has pointed out the fact that this is not a new regulation, that it has been in effect since the beginning of the winter works program. The reply also indicates that the detailed administration of the program, including the audit of claims, is in the hands of the provinces. After some further references, this further information is given:

> In other cases the provinces generally require some certification by the municipality.

I presume that is some certification that unemployed persons are being used. It occurs to me that this is not, or may not be, a very rigidly enforced regulation.

I give notice, therefore, that on July 30 I shall inquire of the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford):

> For any recent representative period, the total number of persons employed on winter works projects and the number of these who would otherwise be unemployed within the meaning of paragraph No. 3 of the memorandum referred to in my inquiry, notice of which was given on July 18.

ATLANTIC DEVELOPMENT BOARD ACT

BILL TO AMEND—THIRD READING

Hon. Austin C. Taylor moved the third reading of Bill C-80, to amend the Atlantic Development Board Act.

Hon. John J. Kinley: Honourable senators, we have had a full discussion of this bill on second reading, and it is now before the house for third reading. Both sides of the house have been heard from, and it seems that everyone is in favour of the principle of the bill. The bill has not been sent to a committee, and I would like to take this opportunity of saying a few words on the motion for third reading.

This bill affects the Maritime provinces, and especially the province of Nova Scotia. I was for a long time in the public service of that province, and in the federal arena, and I think it is expected that I should say something in regard to such a bill as this.

This is important legislation. The Atlantic Development Board Act was passed during the last session of Parliament; now in this session we have before us an amending bill, and there is general agreement that the amendments are salutary.

The remarks I heard about the bill from different speakers, especially on the other side, indicated that what they objected to was the enlargement of the board by the appointment of new members to supplement those who are already on the board.

I do not know why we should object to that. I do not have to go out of this chamber to illustrate what is being done in other instances. We have had an election and some new senators have been appointed since then. I am sure they were all of the same political complexion. I think they have strengthened the Senate; we welcome them here, and we are glad to have them. I believe that the Senate is in a better condition now to do its business that it was when it was a one-sided house. These additions make for more spicy discussions; they bring new minds to our deliberations. That is the result we expect in the case of the board, with the new members added, in the Atlantic provinces.

It seems to me to be a mistake to have too small a board in a matter of this kind which is of public concern. The actions which are being taken are a cause of discussion and an expression of differences of opinion. With respect to matters with which the board deals, the application of the minds of those who live and move in different spheres of life and under different conditions in the area will, it seems to me, be salutary. I think all would agree that the board can function even better with the new appointments.

The position of chairman rotates a bit, and I do not think much exception can be taken to that. In this case we have done what has been done in the Senate: we have brought in the new and we have kept the old. We are leaving the chairman there for the time being, and I think everyone will agree that that is a good arrangement.

There was some criticism about the $100 million which is being given to this board. A board without funds is a pretty ineffective body. It seems to me they should have some funds which could be considered as belonging to and for the use of the board. In that case, the $100 million may be only an arbitrary figure. I notice that the board can make recommendations not involving the use of the fund. I think the senator who introduced the bill (Hon. Mr. Taylor, Westmorland) told us that.

That being the case, they are not restricted precisely to the amount of $100 million. However, we believe they should have that sum, so that they will at least have some funds and not be operating with empty pockets. Everyone likes to have a little money—it gives confidence.

Hon. Mr. McCutcheon: May I ask the honourable senator a question? Can they pay out any moneys? Without the approval of the Governor in Council, they have no money.

Hon. Mr. Kinley: No, they have no such authority, but money has been earmarked for their use. The money has been given to them, the same as was provided when the party opposite was in Government; but the board now holds the tiller more than they did when the party opposite was in power. It is well that the board should have some funds which they can call their own.

Honourable senators who have spoken have recommended enthusiastically certain projects. We notice that there are some differences of opinion. Senator Isnor objected to the Chignecto Canal project. On the other hand, Senator Taylor was very enthusiastic about the recommendations regarding the Chignecto Canal. This question has been under discussion for a long time. The very existence of these differences is one reason why we should have a good board, to make recommendations to the Government with regard to those things which can be done for the benefit of those provinces.

With regard to the functions of the board, we hear a lot of talk about what the board can and will do for us. In regard to the advice which the board can give, I suggest that it might be restrictive in some cases, while in others it may be a recommendation to go ahead. This is very important, as any government would be slow to go ahead with a project if the board recommended against it. On the other hand, a project might not be accepted even if the board reported favourably. Such a procedure would make for progress with stability.

My honourable friend from Colchester-Hants (Hon. Mr. Blois) spoke glowingly of the Stanfield firm in the province of Nova

Scotia. I gladly join in the tribute to such a fine firm. It fills me with enthusiasm and inspiration to hear how well they are doing in that province. I knew the forefathers and heard about those who founded the Stanfield firm in Colchester. I believe the grandfather moved there from Prince Edward Island and, being aware of the superior quality of Nova Scotia wool, he started the manufacture of woollen underwear, known under the brand name "Stanfield's unshrinkables". Stanfield's woollen underwear has enjoyed a splendid reputation throughout Canada and sales have always been good. Canada is a cold country in winter, and woollen garments have always been in demand. Experience has shown that the name Stanfield is in the forefront in the manufacture and sale of woollen garments, and I feel that Canada owes a debt of gratitude to the founder and to those who have kept up the high standard of the Stanfield firm throughout the years. My friend from Colchester, Senator Blois, was for many years the manager of their factory. He must have contributed a great deal to the progress of the firm and I congratulate him. Manufacturing is a difficult business in Nova Scotia, and the establishment and development of the Stanfield firm is the exception that proves the rule in that province. Do not forget that in Nova Scotia we have very little but tide water and what the sea gives us. Our great heritage is the sea, and Nova Scotia is prosperous when she is prosperous on the sea.

The Rowell-Sirois report, which was published some years ago, was one of the finest reports we have ever had on conditions in Canada's maritime provinces. Incidentally, I do not know how far the Stanfield firm goes back, but I think it had its start in what has been called the golden era of Nova Scotia, and I am very pleased that it still survives.

While it is true that in Nova Scotia we want new industry, it must be remembered that our population is small and that our markets are not extensive. Markets are needed if industries are to succeed, and our greatest competitor for markets is central Canada. In Nova Scotia we are subject to the competition of the large industries of Upper Canada, as it is sometimes called, that is, the industries of Ontario and Quebec. It is hard to meet that competition. Our great need is technical assistance.

I have been hiring men in industry for over 60 years. At the present there are about 300 persons in my employ. We have little unemployment in our county. However, there is unemployment among our seamen who take summer employment on the Great Lakes. Following freeze-up they are obliged to return home and are listed as unemployed in Nova Scotia, and they remain unemployed until navigation reopens. There is also unemployment among our inshore fishermen who are able to operate only very little in the wintertime.

I have always felt that inshore fishermen, when they could not carry on their calling on the ocean, were just as entitled to unemployment insurance as the unemployed of other industries. I have always been in favour of that. I think that if a little more attention were paid to the proper administration of the Unemployment Insurance Act in Canada, unemployment would be less. I think the act is almost an invitation to slacken work to some extent in wintertime. People should realize that honest work is not only good for the body, but also for the conscience and the soul. We should try to keep as many people working as long as we can.

The senator from Colchester-Hants said that many things have been done in Nova Scotia by way of inviting industry into the province to promote general progress. I agree with him. For instance, the last government gave a bonus to the fisheries. I am all in favour of bonuses for primary industry. When a man wants to catch fish he needs a hook, line and bait, and possibly a boat. That starts the wheels of industry moving, providing work on shore and creating trade and commerce. When a bonus is given to a primary industry, it is beneficial to the country. I am strongly in favour of a bonus for primary industries, if properly administered, for the secondary inndustries cannot exist without the primary industries and it is the combination of the two that is good.

I do not like reducing municipal taxation by provincial statute for the purpose of enabling factories built by the Industrial Estates to obtain lower taxation than others. I believe there are instances of new industry obtaining reduction of taxes by provincial statute, thus causing other people to pay higher taxes. Again I think we should be careful to preserve what we now have in the Maritimes. Because an industry is doing well, it is no reason why the government should grant bonuses and divide the opportunity when there is enough for only one. An astute board should not be concerned with political or uneconomic considerations. An industry must grow from below, in the same way as the sap in a tree has its source below and works its way to the top.

Some big companies such as Ford are able to ignore political economics altogether and make their own economics, but a small businessman cannot do that. It is just as well to progress with stability.

I read in a New Brunswick newspaper yesterday that firms from outside the province working on public contracts would have to be 5 per cent lower to get consideration in that province. Well, on public contracts that is some protection. I was quite surprised to read that. If I, who live in Nova Scotia, go over to New Brunswick to do some work, I would be considered an outsider, and I do not like that.

Honourable senators, I am addressing you today particularly on account of a matter in which I am exceedingly interested, and which I have brought to the attention of this house on many occasions. When the Commonwealth Merchants Shipping Agreement was passed, it was passed concurrently with the Statute of Westminster. The Mother Country was a good trader and she wanted to continue her seafaring activities, so we gave equal privileges in our ports and in our coastal trade to British ships generally. We had always felt that our coastal trade should be more or less for our own people. We believed that it was just as much an industry as were industries situated on land. However, foreign competition, paying lower wages and using less costly vessels, had affected the marine industry in Canada for many years. Then, in 1961 there was passed in the other house an amendment to the Canada Shipping Act, which I felt was a forerunner of the time. It altered the meaning of the home trade voyage.

It also changed the definition of inland waters. Previously, inland waters included those from Cap des Rosiers to West Point, Anticosti Island; now it is to be extended from Anticosti Island to the north shore of the River St. Lawrence, along the meridian of longitude 63 degrees west. That means that alongshore up the Gulf of St. Lawrence in Quebec is now included in the definition of inland waters of Canada.

I think the Speech from the Throne in 1962 forecast that legislation was to be introduced with regard to Canada shipping, and it was only because of the sudden dissolution of Parliament that it was deferred for consideration in the future. I think there is rumbling in the mulberry bushes that we might get a bill of that kind later in this session. That, honourable senators, would be of importance to the Maritime provinces. If that bill is to involve changes in the Canada Shipping Act it means that they are going to protect themselves on the St. Lawrence and its entrance to the Seaway, and are going to leave the Maritimes open. I do not know whether that would be good or bad, but I would like to see it tried out. We in the Maritimes are privileged to come up to central Canada and move cargoes down to seaboard—and this is true in reverse—but whether the Maritimes should be open to the world is something I am not quite sure about.

I know that in the Maritimes we have many people in the shipping business who are agents for foreign companies, and I find they are in the forefront and very vocal in their disapproval of Canada coastal shipping being restricted to our own ships. I am more interested in unemployment in Nova Scotia.

We have a problem with Newfoundland, because coasting trade means carrying cargoes from one part of Canada to the other. Newfoundland wants the best facilities possible, and our being left outside will favour them very much. But, honourable senators, I say I would like to see it tried out.

The reason I am bringing this up at the moment is that this development board is an advisory body set up to advise the Government. As Senator McCutcheon intimated, they are not a board of directors; they are an advisory board. I think this is one of the things they will have to consider and give advice on, and I want it done in a way so that people will not think that political considerations are behind it; I want it done in an economic way. I want it to be considered carefully, and I believe that this board will be able to look after that.

All the undertakings that we do in the different parts of Canada should be beneficial to the particular area in which they are built, but they should also be for the national good. Canada is one country and, as they say, we must hang together or hang separately. In the interests of Canada we must be strong in our own right, and when we are strong in our own right we can have confidence in the future.

I am reminded of Kipling's poem about the law of the jungle—and I must say that the world is a jungle today. Kipling said:

> Now this is the Law of the Jungle—as old and as true as the sky;
> And the Wolf that shall keep it may prosper,
> but the Wolf that shall break it must die.
>
> As the creeper that girdles the tree-trunk the
> Law runneth forward and back—
> For the strength of the Pack is the Wolf,
> and
> the strength of the Wolf is the Pack.

Honourable senators, in these days when so many think that we are going to have nations co-operating for our good, it is time to beware and think of our own strength and try to negotiate from strength. That is the best way.

Hon. Calvert C. Pratt: Honourable senators, I shall speak very briefly on this bill.

Previous speakers have emphasized the needs of their various provinces. Senator Kinley has just referred most interestingly to many aspects of conditions in each of the Maritime provinces. As for me, I shall bring out a few comments on the needs of Newfoundland and the application of policy which I hope this organization will have towards assisting in the development of my province.

There is one idea of policy that I would like to bring forth now in reference to the general operation of this organization. I have no objection at all to increasing the number of members on the board. However, I feel that it is also important that experienced consultants be employed. I know that that would run into a substantial sum of money, but nevertheless it should be done. Experienced advice may save more money than it costs. There are business and professional consultants who make a specialty of examining industry, the suitability of areas and so forth. I think great value would accrue if when the need arises experienced consultants were brought in to examine conditions and appraise them in the light of the prospects ahead. In such an undertaking as this, experience will be required in many fields, and it cannot be found in a committee around a table or by occasional visits.

I feel we have to be careful that this organization does not become a round-table discussion club. By bringing in consultants I do not think that will happen. I do not say this organization is going to go to that extreme, or is not going to be more directive in its work, but nevertheless there is always the danger of round-table discussions, without the facts being examined and analysed and without prospects being appraised. I hope that the organization will bring in men who can be used in the various areas of their operations.

I would now like to say a few words particularly in reference to the needs in this regard in the province of Newfoundland. Our province is chiefly one of primary industries, as we know. We have great developments under way and in prospect at the moment, but they are in the primary industry class. I shall mention some of them. The Iron Ore Company, operating in Labrador, has invested between $200 million and $300 million, apart from transportation facilities. It is now producing 7 million tons of concentrates and about 3½ million tons of pelletized metal. Another is the Wabash enterprise, with an investment of around $235 million.

These organizations are associated with the leading steel companies of the United States and Canada and some in Europe, and they are bringing in earnings of substantial consequence to Canada and the province of Newfoundland. These earnings will increase further as time goes on.

In addition, we have new electrical power development in being and in prospect. As a matter of fact, 120,000 horsepower has already been developed in Labrador for the use of the plants to which I have just referred.

Also we have the copper mines, with a new one just about to open up. We have an asbestos mine in the north, which is a new $25 million project. There are many other resources, such as lead, zinc, fluorspar and gypsum. Mineral production in Newfoundland last year was about $100 million, with substantial increases expected in the near future. The reason I bring this up is that I want to point out that practically all of this production goes outside of Canada and brings money into Canada.

Also there is the paper industry. In Canada we do not have a market for a substantial portion of our paper production; it practically all goes abroad. The mills on the mainland, of course, supply the domestic requirements, so we have a small, if any, market there.

With reference to our fisheries, I have recently spoken on that subject and do not need to go into it further now. However, we certainly need a program of more efficient operation and establishment of fishing industries than is in sight at the present time.

These industries to which I have referred earn for Canada a tremendous sum of money, and they do not enter into substantial competition with other provinces. The money that comes from abroad helps to finance the purchases by the people of the province of Newfoundland, most of which are made in Canada. As a matter of fact, it is estimated that Newfoundland, with very little money from the sale of its products coming from the mainland, buys $250 million to $300 million worth of goods from the other provinces.

I mention these facts because they are matters for special consideration in dealing with economic matters in relation to Newfoundland.

I have referred to our principal primary industries, but what we need is a more balanced economy than we now have, in order that our people may better fit in with the economic growth that is in prospect for our province. I hope that one of the results of the work of this organization will be assistance in promoting more secondary industries, to spread employment more widely throughout our province than is now the case.

Newfoundland has an unemployment problem which is far beyond that of the other Atlantic provinces. We all realize that the nature of our productive industries brings

about more seasonal unemployment than is the case in most other areas of Canada.

I have here a publication of the Atlantic Provinces Economic Council of January 1962, which gives some figures in reference to the employment position in the Atlantic provinces, under the headings of employment by the primary industries and the secondary manufacturing industries. I note that in the primary industries Newfoundland employs 6,447 persons, or about 23 per cent of the total in that category for the four Atlantic provinces, while the population is about 24 per cent of the total. On the other hand, in the secondary manufacturing industries Newfoundland is listed as having an employment figure of 3,173, or about 10 per cent of the total for such industries in the four Atlantic provinces.

Putting the primary and the secondary industries together—and I am referring now to manufacturing within these primary and secondary industries, as that is what the comparison deals with here—our employment figure is about 16 per cent under these categories, notwithstanding the fact our population is about 24 per cent of the total for the four provinces.

Hon. Mr. Kinley: Does that include your shore workers in fisheries?

Hon. Mr. Pratt: That includes those who are in the processing. Primary manufacturing is referred to as fish processing, mineral processing, pulp and paper, lumbering, and so forth.

Hon. Mr. Kinley: Then there is Bell Island and Corner Brook.

Hon. Mr. Pratt: This does not include mining, woods work and such.

Hon. Mr. Kinley: You do not include that?

Hon. Mr. Pratt: No. What I am referring to is manufacturing, not mining or fishing.

Honourable senators, we also have some serious local situations. We have one which is extremely serious for Newfoundland and, in particular, for the people who live on Bell Island. Over the years, the iron ore operation there has been built up, and as a result there has been created a town with a population of about 14,000. During 1959 the company started laying off employees because of lack of markets for their ore, and today about one-third of the population of that town is on relief. I hope that this development board will make that a priority issue, to see what can be done to assist that area and its people in getting employment or creating new industry. It may have to be done by assisting industry, for it is just too bad that a town that has been built up over the years finds itself in this situation. Numerous homes have been closed because families have had to leave the area. However, the major part of the population remains, with about one-third being supported by relief. In dealing with the problems of the Atlantic provinces I believe that is one of the major issues which this organization will have to face, and I hope they will give it preferential treatment.

Honourable senators, there is just another matter to which I would refer. In co-operation with a movement such as this, there is an effort being made today in Newfoundland which I believe could tie in well with this organization. I refer to the establishment of vocational schools.

Hon. Mr. Kinley: Hear, hear.

Hon. Mr. Pratt: We have a vocational training college starting in St. John's, and I believe there are to be ten others in various parts of the province. Young people are being brought in to these schools to be trained, to gain skills in various classes of industrial work. It would be lamentable if after pursuing their various studies and courses we found we had no work for them within the province. We want people to learn how to work so that they can occupy the positions to be created or already existing. I hope that this organization will be able to pursue an active policy of creating industry whereby these young people who come in with the ambition to improve their future, and voluntarily go through these courses, will have a better opportunity to fit into industry in Newfoundland than is now in sight for them. As a matter of fact, I really believe that by training the many thousands of young people who will be coming into the labour market during the course of the next few years, we will be availing ourselves of one of the best aids in setting up an industrial policy for our province, and I hope that the scholars now going through will from time to time find opportunities made available through the operation of an organization such as the Atlantic Development Board.

Hon. G. Percival Burchill: Honourable senators, I am almost ashamed to rise to speak on this bill, and I want to assure the house that my remarks will be brief. Senator Brooks told us yesterday afternoon that we Maritimers talk too much, and I am inclined to agree with him. However, he also said that one of the reasons he spoke was that while he believed silence was golden, he was afraid his silence might be construed in his constituency in New Brunswick as a lacking of

interest in this great project and in matters which concern us so deeply in the Atlantic provinces.

In saying that he reminded me of something that happened in this chamber some years ago. I had complained that our public relations were not as good as they ought to be, and that our propaganda was not working too well, because since I had come to this chamber we had had many able speeches from some brilliant speakers on both sides of the house which I felt every Canadian should hear. Unfortunately, in the press there was hardly any reference to those speeches, and on one occasion I complained it was a pity that the Canadian public could not share my pleasure and my information in listening to these speeches. Senator Lambert rebuked me; he said that publicity was not one of the things we should seek in the Senate. Publicity was a matter of secondary importance. He referred me to the remark that Senator Meighen made on one occasion when he said that the Senate was the "workshop of Parliament, and not a theatre", and as members of the workshop we should not look for any publicity for our speeches.

I just wanted to pass that comment on to Senator Brooks or to any other senator who might think he should get recognition in the press for his remarks.

Now I wish to express my appreciation of Senator Lambert's remarks the other day about our efforts to bring industry to New Brunswick by establishing a plant to make spruce plywood. Senator Brooks made some kindly references yesterday afternoon, and those also I appreciate very much indeed. But as much as we extol big industry and big public projects as being necessary, I am concerned more with our rural areas in New Brunswick. The cities and towns of New Brunswick are comparatively prosperous. If one might use telephone messages as a barometer of our prosperity, the long distance messages this year in New Brunswick have shown a healthy and satisfactory increase.

But it is the rural areas, the agricultural and farming areas of the countryside, that I am concerned about. I refer to what the honourable Senator Taylor (Westmorland) has said on many occasions and which he repeated in introducing this bill, that any help, stimulation or encouragement that can be given to agriculture in New Brunswick is important and is something which should be given our first attention.

I am sad to say that in the province of New Brunswick many of our farms have been abandoned. In days gone by they were the backbone of our province, and they produced many outstanding men, men who achieved positions of prominence in the church, the state, the professions and business all over Canada. To illustrate this we need not look further than this chamber, for we have here some distinguished Canadians, who have had notable careers and have become prominent in many spheres, and who were raised on New Brunswick farms. I would refer to my friends Senator Taylor (Westmorland) and Senator Brooks as examples of what I mean. They will, I am sure, support everything I have to say.

However, we have had an unfortunate exodus from the farms during the past 25 to 50 years. Unfortunately, this exodus has not been merely to the cities of our own province, or of Nova Scotia, but to the cities of central Canada, to places where employment and wages were available.

I believe that this Atlantic Development Board might well start at the beginning, and in my view the beginning is our agriculture, the basic industry of our province.

It has been mentioned that certain industrialists have done something to improve the situation regarding employment in our province and to develop our natural resources. In the sphere of agriculture, I should like to refer to the McCain Food Company, which is comprised of four sons, encouraged by their distinguished mother, who have established a modern plant at Florenceville for the processing of frozen agricultural produce. This company goes back to the days of the grandfather, who was a prominent man in that community, a member of the legislature, and to his son, the late A. D. McCain. These four young men by their vision, their industry and ability, have built up a magnificent business, not only national, but international in scope in that they are selling frozen agricultural produce from New Brunswick in many markets of the world. They grow their produce not only in New Brunswick, but also in Nova Scotia and Prince Edward Island. This, I think, is the type of industry that should be encouraged and stimulated in the province of New Brunswick, and I give these young men and their business at Florenceville full credit for what they are doing.

Referring to Senator Isnor's remarks yesterday regarding fishing establishments, I might add that we have some modern fishing plants in New Brunswick. He mentioned the fishing plants in Nova Scotia. While I am not going to take time to mention our New Brunswick plants today, I shall just say that they are very modern, and if my friend thinks that Nova Scotia has a monopoly of modern fishing plants he should come to New Brunswick and see what we have done in this industry.

As I have said, I think everything possible should be done to encourage the small industries in rural communities. In saying this

I have in mind a small woollen mill in my own community, where a young man, Mr. Harry F. Brown, has been carrying on a textile business under extreme difficulties and in competition with the larger textile industries in Canada. This is the type of industry, the smaller industry in the rural community, which needs support and which will bring back a sound basic prosperity to our province.

I think that this bill now before us gives the opportunity of doing big things for our Atlantic provinces.

Motion agreed to and bill read third time and passed.

SPECIAL COMMITTEE ON AGING

MOTION TO APPOINT COMMITTEE TO CONDUCT STUDY—DEBATE CONTINUED

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

> That a Special Committee of the Senate be appointed to examine the problem involved in the promotion of the welfare of the aged and aging persons, in order to ensure that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community and the need for the maximum co-operation of all levels of governments in the promotion thereof;
>
> That the said committee be composed of twenty Honourable Senators to be named later;
>
> That the committee have power to engage the services of technical, clerical and other personnel as may be necessary for the purpose of the inquiry;
>
> That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate; and
>
> That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

Hon. Josie D. Quart: Honourable senators, as this is the first time I have spoken in this chamber since the winds of change or, should I say, the fickle fortunes of politics, placed us on this side of the Senate, I should like to associate myself with my colleagues and join in the chorus of praise to the honourable senators who moved and seconded the motion for an address in reply to the Speech from the Throne. Their oratory and excellent performance left nothing to be desired, and it is a pleasure to extend to them my congratulations.

(Translation)

To you, Mr. Speaker, I should like to offer my congratulations for the honour conferred upon you when you were appointed to preside over our deliberations. Regardless of political convictions, your friends are happy that a son of la belle province has been chosen to fill a position he deserves so well.

I must also commend the people of Lévis who expressed their gratitude by offering a magnificent reception to their illustrious fellow citizen who is also a native of that community. I am greatly flattered at having been invited.

From a strictly feminine point of view, I must say that Mr. Speaker is most fortunate indeed to have such a charming wife. Mrs. Bourget is beautiful and gracious, and is an excellent hostess; she knows how to please each and every one. I commend Senator Bourget on his good taste.

Mr. Speaker, I hope your career in the Senate will be a happy, successful and satisfying one.

(Text)

Therefore, from a Québecoise to a Québecois, félicitations. Personally, I shall endeavour not to cause you any trouble.

I was delighted to hear so many honourable senators pay tribute to our former Speaker, the honourable Senator George S. White, for the able, dignified and impartial manner in which he presided over the deliberations of this chamber.

Honourable senators, due to the unpredictable swing of the political pendulum, the former Leader of the Opposition, the honourable Senator Ross Macdonald, has crossed the floor of this house to become the Leader of the Government in the Senate, which I understand is a repeat performance. In his humility he wished to absolve any honourable senators from making complimentary remarks in connection with his new role. However, fully realizing that my expressions of appreciation may labour repetition, I shall not be deprived of the pleasure of voicing my congratulations and wishing him every success. Because of his long parliamentary experience, he is well qualified to carry on the arduous duties entrusted to him.

To our Leader of Her Majesty's loyal Opposition, the honourable Senator Brooks, I tender my congratulations coupled with my loyalty. And, as "turn about is fair play", I wish him a short but fruitful term on this side of the Senate chamber prior to once again becoming the Leader of the Government in the not-too-distant future.

Both he and the former Deputy Leader of the Government, Senator Choquette, can look back with satisfaction upon the manner in which they performed their duties when they led the Government in this chamber.

To avoid further repetition I shall be very brief in my words of welcome to the new senators. Although new in the Senate, they have already a long list of credits and achievements on the Canadian scene, and we can count on their making a worth-while contribution to the debates of this house.

I was in London when I learned of the passing of the late Senator Higgins. I wish to extend my heartfelt sympathy to his wife and family.

Now, as to the motion before us, may I congratulate its sponsor, Senator Croll, for a most timely and humane proposal to set up a special committee of the Senate to deal with the problems of our aged and aging citizens. This committee should prove a very rewarding, timely and creative project.

Senator Croll, your exposé in support of your motion covered almost all aspects of what could and should be done for our senior citizens, and there is really little that one can add to strengthen what you have already said. However, old age is of interest to everyone. We cannot dodge it if we live long enough. We all realize that the life span is lengthening, thereby increasing the number of old people who will live on to a ripe old age, and that medical science will even continue to prolong their years by the new miracle drugs, or by merely keeping them as active, mentally and physically, as their general health will permit.

In voicing my approval of this motion I trust, and I am confident, that this committee will not be just another committee, but will make full use of its members effectively and appropriately to explore all angles involved in the promotion of the welfare of Canada's senior citizens, particularly of those who find themselves in financial or other difficulties, or merely alone or lonely.

The former Conservative Government during its term of office made great strides towards alleviating some of the suffering caused by these problems, by increasing the old age pension from $55 to $65 per month. And, beyond a doubt, had they been re-elected they would have enacted further social justice legislation to increase benefits for our old age pensioners.

However, although an adequate income is an important aspect which cannot be overlooked, money alone is not sufficient to assure a happy and useful old age. A major challenge facing old people these days is the callous attitude of modern society to old age.

Many voluntary associations have become extremely conscious and deeply concerned about our aging citizens. Considerable funds have been raised to furnish institutions with equipment, libraries and even competitive games for the additional enjoyment and comfort of the inmates, as well as appropriating large sums of money towards research in the study of geriatrics.

Dr. David Sherman, the president of the American Geriatric Society, said recently that "our ultimate goal is creative aging".

It was noted as a dramatic coincidence that the 20th annual meeting of the Geriatrics Society in Montreal coincided with the passing to his eternal reward of Pope John XXIII, whose life was tangible proof of how much can be accomplished by making the last years of life the years of creative action. Pope John was frequently quoted as saying:

> It is true that your Pope is growing old, but also true that wisdom is part of age.

Old persons have a direct appeal to most volunteers, and this is a field of service which is constantly expanding. To meet this need, the army of volunteers of all ages is increasing to cope with the demand to help staff institutions for older men and women. They teach them handicrafts, play games with them, take them out for motor rides, and conduct all these activities to challenge and exercise their mental and physical capacities.

Volunteers render invaluable services. They help in these apartment-like homes which permit old married couples to live together and enjoy their last remaining years in each other's company. Volunteers teach them to cook, to try out new recipes, to budget their incomes and to perform many tasks to keep them active and interested in life.

It is my opinion that steps should be taken where possible to assist old people who are mentally and physically capable of finding part-time employment. This would not only be a valuable asset to the environment in which they live, but would also be an excellent means for the older folks to re-establish their confidence and assurance in themselves as individuals thus enabling them to feel they were not discarded citizens and written off as useful members of the community.

I was happy to hear that one of the objectives of this Senate committee would be to furnish guidance, not merely to government but to voluntary leaders in the domain of welfare for the aged and aging persons, and that the committee would in turn invite suggestions from professional and voluntary agencies and individuals specializing in social

welfare to arrive at an overall assessment of how best to cope with this area of social welfare.

I am sure that most honourable senators know that last month, on June 6, over 300 delegates attended the annual meeting in Montreal of the American Geriatrics Society, and were told by many speakers that elderly people make up the next lost generation unless more is done to help them enjoy the longer life now promised by the latest medical advances.

It was also stressed that young people should be educated not to fear old age, but to try to grow old gracefully and endeavour to retain a significant place in society; also, that a new approach should be taken to aging, instead of viewing the aged and aging through eyes veiled by eigtheenth and nineteenth century concepts.

Mr. Max Swerdlow, director of education for the Canadian Labour Congress, said industry had a social responsibility not to discard elderly workers "in the name of profit and progress". Some employers believed that older workers were less productive, more liable to sickness and accidents, and unable to keep up with continuous technological change. Nevertheless, studies in several countries have shown that capacity for work lasts longer than is commonly recognized.

Most men and women who have worked long hours for many years anticipate retirement—that longed-for leisurely time to be spent in full enjoyment of living—but frequently disappointment awaits around the corner. Disillusionment sets in and one becomes bored with so much free time. Even when financially secure, they become tired travelling about aimlessly. Well, that is the time when homes, clubs and activities for aging citizens fill a much-needed want.

In these clubs and homes for the aged, our elderly citizens are taught to forget the word "leisure" and to work at something, to develop their talents and hobbies, to take up new careers, and even to make new friends among the members of the retired society.

Doctors agree that the best prescription for many imaginary ills caused by boredom is work—even volunteer work. Dr. Joseph Peck, retired doctor, wrote that "it is only the retired person who fully appreciates the dignity of labour and realizes that work is the noblest word in the dictionary."

Dr. Penfield says:

> Toward the close of life, there is some misconception of the capacity of the human brain. . . Rest is not what the brain needs most at 60 or 65. It is challenge. Aside from the normal rhythm of sleep, too much rest destroys the brain and even destroys the health in time.
>
> This does not mean that a person need continue at the same pace as when younger. What an older person needs is to change harness and begin a second career, one more suited to the physical condition without decreasing the mental challenge.

I read an article in the Montreal *Gazette* of June 25 which gave me great pleasure. I heard a great deal about this golden age organization in the United States and of course in that paradise for the aged in St. Petersburg, Florida. I was never invited to one of their teas, but I heard that the undertakers there give teas to the aged. It is prospective business, of course. This golden age organization which is to be self-controlled, self-supervised and self-operated, was announced on June 25. I quote from the Montreal *Gazette*:

> The organization is called the International Golden Age Associations and its initial group is Montreal Unit No. 1.
>
> Made up originally of some 20 Montrealers over 65, it hopes to give birth to similar units in the immediate future. Each unit would be made up of a maximum of 100 members.

The article goes on to give the aims and objects of the organization. Its director said, as quoted by the Montreal *Gazette*:

> We want our club to be a veritable magnet for men and women so that they can participate actively instead of being bored over a card table or trying to dance some long-forgotten routine.

The newspaper report continued:

> In addition to regular club activities, the association plans to emphasize such things as the arts.
>
> The summer program will include visits to historical spots, picnics, and other events.

If the session had not been so prolonged, I should probably have been able to join in some of those events.

Many changes may be required in existing services to the aged, and further legislation may be needed. Ways and means of providing adequate and desirable additional services will no doubt be studied.

This special Senate committee is bound to promote action and speed up co-operative planning by governments, as well as by public and private organizations on the national, provincial and local levels. As the honourable Senator Croll said yesterday, it will undoubtedly conduct surveys, compile statistics

and undertake research. In short, it will pilot projects and give leadership in improving the existing services, so that our senior citizens may spend their twilight years in happiness and comfort.

This pretentious program may require a considerable expenditure by the Government, but I have no doubt that the sponsor of the motion (Hon. Mr. Croll), will be able to use his influence, persuasion and perseverance to see that the necessary funds are made available to the committee to assure its success. Let us then look forward to this Senate committee, which will be composed of 20 honourable senators, as being dynamic, and never static.

One of Canada's greatest assets is her people—and not least of these are her aging citizens. For what they lack in youth and vigour they make up with their wealth of experience. Therefore, it gives me great pleasure to support this motion.

On motion of Hon. Mrs. Inman, debate adjourned.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-6, to make provision for the disclosure of information in respect of finance charges.

Hon. David A. Croll: Honourable senators, I would like to say a few words at this time about this bill. However, for reasons which will become apparent to you, I do not propose to conclude today the debate on the second reading of the bill.

Two significant events have occurred since I moved the second reading of the present bill on June 5 last. There now appears on the Order Paper in the House of Commons a Government notice of motion, the operative portion of which reads as follows:

> That a joint committee of the Senate and House of Commons be appointed to enquire into and report upon the problem of consumer credit, more particularly but not so as to restrict the generality of the foregoing to enquire into and report upon the operation of Canadian legislation in relation thereto; . . .

That is an event of great importance, not only to this country but to other countries as well. Britain has a situation not dissimilar to ours, which has been referred to in the London *Times* as being pregnant with social evil and legal injustice.

In Britain, somehow or other, they have been able to work out the rates of interest and they indicate them in the contract. I do not think there is any real trouble in disclosing the simple rate of interest, but there is much being said about it that is misleading.

I do not wish to comment at this time on this notice of motion, except in so far as it affects the situation regarding this bill now before the Senate. A further and better opportunity will be afforded to me when that motion is brought before the Senate for consideration. I feel compelled to remark however that, in so far as I know and in so far as I have been able to ascertain, it will be the first large-scale examination in depth of the problem of consumer credit inaugurated in a parliamentary body anywhere.

Honourable senators are aware of the frustrations which have attended the efforts of Senator Douglas of the United States Senate and others, including President Kennedy, to have something done by the Congress of the United States.

A vast and growing segment of our economy, which is generally known as consumer credit, is to a large extent not only uncontrolled but is unexplored. Perhaps this is because it is in some respects comparatively new in our economic experience, and also because, like Topsy, "it just growed".

At this time I must express my pleasure and delight that a decision has been taken by the Government of the day to explore this vital and, indeed, sensitive area in all its aspects and in depth.

When I speak of the action taken by the government of the day, I think I should make it known to this house, for the purpose of the record, that it is supported by all the parties in the other house; that there were some nine bills on the Order Paper, some from Conservatives, some from Social Crediters, others from the N.D.P. and from Liberals. This motion, of which notice has been given, is not a party measure.

What may emerge from the parliamentary investigation, we do not know; but I indicated on an earlier occasion that there may, as a result of this investigation, be exposed a need for a consumers' bill of rights, which will have regard for the fact that we are living in the last half of the twentieth century.

On another occasion I spoke about a consumers' bill of rights. I think this investigation or this hearing will raise the question. It is my view, and I present it in a preliminary sort of way, that a consumers' bill of rights will have to be considered, will have to give attention to interest rates on consumers credit, consider what is fair, and, in the same manner that we control the small loans interest, there will have to be controls of finance charges. They will have to concern themselves with advertising, in an effort

to raise it above the level of a carnival barker; they will have to concern themselves with the matter of packaging, to avoid deception; and with labelling, to indicate the quality of goods.

There is also the question of repossessions, to protect the equity of the purchaser. We have not done enough in that field. The British are far ahead of us. They will also have to consider a time lapse for the consummating of contracts made by door-to-door solicitation without the signature of both the husband and wife.

We are now entering into a new phase, and it is well for us to realize that we are not living in the age of the dinosaur, nor even of the horse and buggy, but of the credit financier, who in some form or other is ever present in our day-to-day existence.

So far as legislation or investigation is concerned, one would think that we did not know the facts, or at least that we are determined to ignore them. There has been some apathy and some ignorance about consumer credit. I do not think that we are now suffering from apathy. On the contrary, there is every evidence that the people of Canada are far from apathetic about this ever-present phenomenon.

I am glad that the Senate has been a forum in which it has been possible to play some small part in bringing the problem to the attention of the public. There remains, however, a great deal of ignorance, much of which may well be removed as a result of the investigation about to be undertaken in consumer credit. For this reason, at the conclusion of my remarks I shall propose to move the adjournment of this debate, thus keeping the bill alive but not pressing it at this time to a conclusion.

I have already dealt with event No. 1, which is the government notice of motion to establish a joint committee of both houses on consumer credit. I said two events have happened since I last spoke to the bill. Event No. 2, to which I must refer, has to do with the question of the constitutionality of the Unconscionable Transactions Act of Ontario. That question was pending before the Supreme Court of Canada when I moved the second reading of the bill. I pointed out then that the unanimous judgment of the Court of Appeal of Ontario, which found that the act in question was beyond the powers of the province of Ontario to enact, was relevant to the question of the constitutionality of the present bill. The appeal of this judgment to the Supreme Court of Canada, supported by counsel for the provinces of Ontario and Quebec, and resisted on behalf of the Government of Canada, has already been heard. Judgment has been reserved by the Supreme Court.

My suggestion is that it would be the course of wisdom for us to reserve judgment until the verdict of the Supreme Court of Canada is made known. That court is now, of course, our court of last resort on questions of constitutionality and of other matters. Even now it is giving consideration to the ambit of the legislative jurisdiction of Parliament and of the provincial legislatures in respect of interest, as the expression appears in section 91 of the B.N.A. Act of 1867.

When a final judgment is rendered, one of three things will inevitably emerge. First, there may be a clear indication that the present bill is valid, as being properly within the scope of the legislative authority of Parliament. Secondly, it may become clear that the present bill, regardless of its merits, is within the exclusive jurisdiction and competence of the provinces. Thirdly, since judges do not always express themselves on questions not strictly germane to the narrow issue before them, the question of and the answer to the constitutionality of the present bill may remain obscure and unresolved. This will give us further opportunities for deliberations and discussions on the constitutional question. I hope that does not happen.

I do not suppose that the judgment of the Supreme Court of Canada in this matter will long be delayed. The appeal was heard about a month ago. Not only the Unconscionable Transactions Act, but the present bill, as well as a dozen or so bills with comparable purposes which are on the Order Paper of the House of Commons, may well hinge as to their constitutionality on the judgment to be rendered.

Moreover, I would anticipate that the judgment of the Supreme Court of Canada will be available in due course for the guidance and assistance of the joint committee of both houses which will be examining the problem of consumer credit. That committee should be in a good position, as a result of that judgment, to determine the ambit of the federal power, and therefore of the federal responsibility in relation to "Interest".

Honourable senators, probably I should make some observations concerning the remarks made last evening by my honourable friend, Senator Hayden, who has been as persevering in his opposition to this bill as I have been in sponsoring it. Of course, if I had agreed with him in the past I would not have persevered with my bill. Moreover, I have not found myself in agreement with him in the past and I do not agree with him now.

Senator Hayden took considerable time yesterday in reaching the conclusion that

the bill would accomplish nothing. Yet, the warm support that has been indicated for the principle of this bill in all parts of Canada, and indeed even the hard core of opposition which has persisted in some quarters, does not suggest to me that anybody, whether for or against the bill, really believes that it would not be effective.

Since the last election some of you may not be reading the *Globe and Mail* as religiously as you did before the election. If that is so, you would have missed an article in this morning's edition which started out by saying "Jesse James Piker Compared with Money-lenders."

The provincial Government, in its wisdom, has a committee looking into the matter of consumer credit, and for weeks the evidence before it has been disclosing practices that ought to horrify most people. According to the newspaper report there was before the committee yesterday a corporation, the owner of which admitted that he was not aware, in fact he did not know, that the interest rates were so high. The record indicates that he was receiving rates of 87.3 per cent, 37 per cent, 55 per cent, and some even as low as 30.5 per cent.

I am not suggesting that these are normal, but they are some of the disclosures that are being made before a committee of the Legislature of the province of Ontario on consumer credit.

Hon. Mr. McCutcheon: Would the transactions referred to be affected by my friend's bill?

Hon. Mr. Croll: No, not entirely, but I made it quite clear that the select committee on the cost of consumer credit was dealing with the point of consumer credit not directly affected by this bill but correlated to it. It would have been affected by the bill as I originally had it drawn, but I have since modified it.

Nevertheless, it was in that climate and in that atmosphere that that information became available. Over a period of time I have put on the record consumer credit interest transactions that are as smelly as these, but 87 per cent is one I never cited on other occasions.

Hon. Mr. Burchill: Are these real estate transactions that are referred to?

Hon. Mr. Croll: Yes, in the main they are.

Hon. Mr. Lambert: Do they come under the Small Loans Act?

Hon Mr. Croll: No.

Honourable senators, I have, in addition to perseverance, some degree of patience and, therefore, I am prepared to hold this bill in abeyance pending a determination by the Supreme Court of Canada as to the constitutionality of the Unconscionable Transactions Act of Ontario, and pending also the report of the proposed joint committee of both houses of Parliament on consumer credit. On the one hand, I believe that a broad and liberal, rather than a narrow and technical, construction will be placed on the word "interest" as it is used in section 91 of the British North America Act of 1867; and, on the other hand, I am satisfied that the parliamentary examination that will be given to the whole field of consumer credit will indicate the need and the desirability of positive and remedial legislative action by the Parliament of Canada.

Honourable senators, I move adjournment of this debate until July 30 next.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, July 11, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Muriel McQ. Fergusson: Honourable senators, although I had a previous opportunity to extend my congratulations to Mr. Speaker and the leaders on both sides of this house, I have not congratulated the mover and seconder of the motion for an address in reply to the Speech from the Throne for their excellent speeches, and I would like to do so now. I also wish to compliment the speakers who have preceded me in this debate. I have found all their speeches most interesting.

In the Speech from the Throne it was pointed out that the principles of Canadian external policy are those of the United Nations Charter: to maintain peace and justice and respect for human rights and fundamental freedoms. I found this exemplified by our Canadian mission to the United Nations, and today I would like to tell you a little about my experiences when I was at the United Nations last year as a parliamentary observer with our Canadian delegation.

I would have preferred to give you some idea of my experiences as an observer at the United Nations immediately after my return from New York while I was still living—mentally at least—in what was to me the rarified and exciting atmosphere I found at the United Nations. However, as I did not have the opportunity at that time—now that I have mentally and physically settled in the

more normal, although still exciting atmosphere of Ottawa, I would like to tell you about a few of the things that made life as an observer at the United Nations a thrilling experience for me.

This experience was veritably a highlight in my life and it seemed to be the focal point to which many of my previous experiences led. Many honourable senators may know that through the years I have worked with and for, on local, provincial and national levels, various Canadian organizations having international connections or affiliations. Among these have been UNICEF, United Nations Association in Canada, Canadian Federation of Business and Professional Women's Clubs, Women's Councils, University Women's Clubs, Women's Institutes and others.

UNICEF, the United Nations Children's Fund, has its headquarters at the United Nations with a staff there of 570 and 30 field offices throughout the world. It was fascinating to me to meet many of the people from all over the world who, in these offices in the Secretariat building, are carrying on that very worthwhile work of helping children in the under-developed countries of the world. Maurice Pate, the director of UNICEF, prefers to use the word "developing" countries rather than "under-developed" countries, and I shall adopt this more appropriate word in the future.

You may be interested to know that Sir Zafrulla Khan, President of the 17th Session of the General Assembly, says that two-thirds of the membership of the United Nations are in his classification. At the United Nations the UNICEF staff are planning the programs to make the best possible use of the $30 million raised for this work this year through donations from over 60 different governments and also from voluntary UNICEF committees in a number of countries, including Canada. Last year the Canadian Government gave $800,000 to this work, and in addition voluntary groups organized through the Canadian UNICEF Committee of the United Nations Association in Canada, by means of their Hallowe'en project and the sale of UNICEF Christmas cards, raised over a half million dollars for the work of UNICEF.

My good friend, Mrs. Adelaide Sinclair, one of Canada's most distinguished women, formerly with the Department of National Health and Welfare, now holds one of the highest posts yet given to any woman at the United Nations, that of Deputy Executive Director of UNICEF.

Miss Phyllis Burns of Canada, another friend who was formerly with the Canadian Welfare Council, is now employed with the Economic and Social Affairs Branch of the United Nations and is liaison officer to the UNICEF Program Committee.

Although Adelaide Sinclair is a very busy woman and, as she told a reporter who interviewed her last fall—the report of the interview was published in the Toronto *Globe and Mail* in November, 1962—she is sometimes at her desk all day, late in the evening and sometimes even until two o'clock the next morning. Nevertheless, she was kind enough to arrange many pleasant contacts for me and to entertain me at dinner in her delightful home where she had as guests a number of people connected with UNICEF. Because of my special interest in this work Miss Burns also gave a reception for me to which the senior UNICEF officials at the United Nations, who come from many countries, were invited. It was fortunate for me too that, just after adjournment of the General Assembly and before I left New York, there was a meeting of the executive board and of the Program Committee of UNICEF which was attended by representatives from many nations. I had the privilege of attending these meetings.

Canada has been a member of the UNICEF board ever since it was created in 1946, except for a short period from 1958 to 1961. As we are again members of the Board our country was ably represented at the December 1962 meeting by our Deputy Minister of Welfare, Dr. Joseph Willard, and by advisors from the Canadian Permanent Mission to the United States. The opportunity to attend this meeting gave me a much clearer understanding of the changes which are taking place in the UNICEF program.

I learned that, although in earlier stages UNICEF specialized in projects that would bring food and medicine to hungry and sick children, they are now trying to do more than this. They believe there is little point in keeping children alive if you cannot teach them to earn their own living when they grow up. New, extensive educational projects will be undertaken and will probably take third place hereafter in UNICEF programs. Because of the great need which still exists in many countries, health projects will still receive the highest proportion of available money, followed by nutrition projects, and for some time yet both of these will rate much higher than the new projects in regard to education.

Honourable senators probably know that to plan the annual program for UNICEF is not only to plan how to spend money to bring medicine and food to sick and hungry children although, as I said, it will assist in this way in emergencies. However, UNICEF normally provides only the material and the personnel sufficient to enable the recipient countries to

go ahead on their own and provide for the needs of their own people. UNICEF will draw up plans for a project, will provide essential supplies that are unavailable locally, and will see that proper use is made of supplies. Beyond that, except in emergencies, it will not go; and, as things have worked out, UNICEF spends one dollar for every two and a half dollars contributed by the countries aided. To overcome hunger and malnutrition, many dairies and milk-drying plants have been set up under these programs.

UNICEF collaborates with other United Nations agencies such as UNESCO—United Nations Educational, Scientific and Cultural Organization; FAO—Food and Agricultural Organization; and, WHO—World Health Organization. These agencies collaborate in many projects, including educational projects and projects to arrest child-killing diseases such as malaria, TB, yaws and leprosy, in giving help and services to blind children. UNICEF is welcomed throughout the developing countries as the bearer of health, happiness and nutrition to millions of deprived and underprivileged children of the world.

I was happy to learn that besides those I mentioned there are other Canadians who have given outstanding service in this field, such as Milton F. Gregg, a former minister in our federal cabinet, who has just returned after spending three years representing UNICEF in Indonesia. Mr. Stewart Sutton, another well-known Canadian who was the former head of Welfare Services for the Canadian army, has been Regional Representative of UNICEF for Africa. Another was Newton Bowles, one of the senior administrators in UNICEF. I was proud to know we had a number of Canadians contributing to this work.

I welcomed the opportunity to learn about what this great organization is doing, and I assure you that I will work with added enthusiasm for the Canadian UNICEF committee. I hope that this year our Government's contribution to this work will be increased from $800,000 to at least $1 million; and I hope, too, that our Canadian voluntary UNICEF committee will be able to raise more than it did last year.

Honourable senators, you may wonder how my association with other organizations in Canada would contribute to making my stay at the United Nations more interesting. The reason is that practically all of these great Canadian groups are affiliated with their own international organizations, and these international groups—voluntary, non-government organizations—have consultative status with one or more of the agencies which are connected with and form part of the United Nations. Most of these non-government organizations send representatives to the United Nations when the General Assembly meets, and my previous contacts with many of them proved very useful to me. In fact, if during my life I receive no other recompense, while in New York last fall I felt I was fully rewarded for all the hours I have spent, and will spend in the future, on the projects of these groups in Canada.

These international representatives of non-government organizations at the United Nations are known as N.G.O.'s. They have been given their own lounge in the United Nations Building, have the freedom of the building and are recognized as being very useful to the United Nations, for they can give advice and information on the opinions of their national organizations in various parts of the world. Many of the delegates and observers to the General Assembly of the United Nations from various parts of the world are members of the same organizations which the N.G.O.'s represent, and through the N.G.O.'s I was able to make friends with people of many countries who are working on the same or similar projects in their own country as I have been working on for years in Canada. Toward the end of the session I felt I had almost as many friends in the United Nations as I hope I have in the Canadian Parliament, and I found it a stimulating experience.

One of the experiences I will always remember was sitting in the General Assembly with our delegation while tributes were paid by delegates from all over the world to the memory of that wonderful woman, Eleanor Roosevelt. I had long held the greatest admiration for her and it was very moving, in the midst of that large gathering where 110 countries were represented, to see them all, with one accord, set aside any acrimonious debate which was taking place in any committee or elsewhere and pay wholehearted tribute to a woman they all loved and respected.

As time did not permit each of the delegates from the 110 countries to speak from the podium, in some cases one person spoke for a group of countries. For instance, Mrs. Agda Rossel, Permanent Delegate for Sweden, formerly Acting President of the International Federation of Business and Professional Women's Clubs, whom I have known many years, spoke for the Scandinavian countries of Finland, Denmark, and Iceland, as well as for her own country. She and Miss Helen Marsh, member of the Canadian delegation who spoke on behalf of Canada, were the only women chosen by their delegations to

speak on that occasion and I thought it was most appropriate that women should be chosen to pay their country's tribute.

In speaking for the United States, Adlai Stevenson, United States Ambassador to the United Nations, said of Mrs. Roosevelt:

> She would rather light candles than curse the darkness, and her glow has warmed the world.

Honourable senators, I was also privileged to attend, as the only representative of the Canadian delegation and of the Canadian mission, the memorial service for Mrs. Roosevelt, held in the beautiful cathedral of Saint John the Divine, where more than 10,000 people gathered and listened to a moving eulogy given by Adlai Stevenson. Friends of the Roosevelt family and United Nations representatives were assigned to a special section of the cathedral and, following the service, were thanked for attending by the members of Mrs. Roosevelt's immediate family, to whom I was introduced as the Canadian representative, by an American woman judge with whom I had become acquainted immediately preceding the service.

This was really a memorable occasion for me. I will never forget that beautiful cathedral, the impressive procession of bishops and other clergy, the wonderful music, the sight of Adlai Stevenson standing in the pulpit in his crimson academic robes, and the deep grief and sorrow in his voice and on the faces of the thousands listening to him.

There were many gay occasions that I shall also remember, one of which was an elaborate reception at the beautiful private home of the President of WAIF—which is the designation for an organization known as World Adoption International Fund—followed by a dinner and entertainment at the wonderful Hotel Pierre. Our ambassador to the United Nations had been invited but because of previous engagements was unable to attend.

As WAIF is a branch of the International Social Service, and as the ambassador was aware of my interest in several social work organizations, he asked if I would like to substitute for him. I was permitted to take someone with me and chose Phyllis Burns who, through her work on the Social Affairs Branch of the United Nations, has wide connections with such groups. This group has been written up in various magazines as being dedicated to bringing for adoption in the United States children who have been abandoned in other countries. The International President is the well-known actress Helen Hayes, who was not able to be at the dinner, but Jane Russell, of motion picture fame, was mistress of ceremonies. Entertainers, who gave their time voluntarily, included Rudy Vallee and Alan King.

As representatives of the Canadian Mission to the United Nations, Miss Burns and I sat at one of the two small headtables and the hostess at our table was the fabulous Perle Mesta, "the hostess with the mostest", and I might add that she has the "mostest".

We met many of the members of this group who have brought to the U.S.A. and have adopted into their own homes one, two, three and even more of these abandoned children. We learned that more than 10,000 children have been brought to the United States under this plan. If you inquire you will find that Canada has done little for children such as these.

I would not want you to think that all I did was make friends, pleasant as that was. Early every morning except Saturday and Sunday we went to the office of the Canadian Mission where there were about 80 employees, members of the Department of External Affairs. It seemed to me these people were all greatly interested in their work, which I feel they do very well. The Ambassador, His Excellency Paul Tremblay, former Canadian Ambassador to Chile, was a Canadian delegate to the 16th session of the General Assembly and again last year to the 17th session.

Few people realize the responsibility that rests on the shoulders of our Ambassador to the United Nations. Not only must he represent Canada and Canada's ideas, and the stand that Canada takes on all matters that arise in connection with the United Nations—which in itself is an occupation that takes more than a 40-hour week—but he must also be prepared, as far as humanly possible, to accept invitations from the representatives of the other 109 United Nations countries, and from many organizations which honour Canada by inviting our representative to be present on various important occasions.

Mr. Tremblay and his wife are charming and delightful representatives, and did all they could to make the work of the delegation successful, and to make the delegates and observers feel welcome. The same can be said of all the other members of the Canadian Permanent Mission with whom I came in contact. Three meetings a week of the members of the delegation, including the Parliamentary observers, took place at the Canadian Mission where the Canadian representatives on various committees reported what had taken place in their respective committees since the previous meeting and discussed the stand they proposed to take in forthcoming meetings.

Immediately after the session at the Mission, and earlier on other mornings, we all went to the United Nations to sit in on the committees to which the delegates were attached, or in which observers were interested, or to sit in on a plenary session of the General Assembly, if one were scheduled for that day. Personally, I tried to make a point of being present at any committee where I knew Canada proposed to make an intervention, and I was pleased to hear that Senator Blois apparently noticed me on those occasions. However, I did not want to confine myself to one committee, for I was interested in everything that was happening.

When I arrived in New York the Cuban crisis had just passed, but one could still sense great tension and concern among the delegates. They realized that nuclear war over Cuba had been avoided only by a hair's breadth, and pleas for disarmament, which obviously came from the heart, replaced what I was told had previously been more perfunctory statements.

On looking over previous volumes of *Hansard* I found that a number of earlier representatives to the United Nations have described in detail the set-up there, including the General Assembly and the six regular committees and one special committee which meet during each session. It is not necessary for me to do this again, but I would remind you that in the various committees, each one being comprised of 110 members, or one member from each country, many matters placed on the agenda of the Assembly for the current session are debated at length. When a committee has completed a debate and passed resolutions or recommendations, these are brought before the General Assembly in plenary session where they generally pass through fairly quickly, although sometimes there are further debates and amendments.

Many honourable senators are aware, from speeches I have made, that it is my opinion that women, if they are qualified, should take part in the work of government and of planning boards on the policy-making level, and that their contribution to such work should not be restricted to cultural and welfare fields. For this reason over the years I have been openly critical because the women who have been sent by Canada as delegates to the General Assembly of the United Nations have invariably been assigned to the Third Committee which considers social, humanitarian and cultural matters. I have argued that men should sometimes sit on this committee as they too should have interest in such matters. I have also contended that women should sit on other committees, such as the Second Committee, which deals with economic subjects —many Canadian women have an excellent understanding of, and training in, economics —or on the Fourth Committee, which deals with trusteeships and in which problems that have to do with oppressed minorities, a subject close to women's hearts, are often debated; or the Fifth or Budget Committee which, in effect, does the housekeeping for the United Nations and decides how the budget shall be set up. Who has more experience with housekeeping and drawing up and keeping within budgets than women? I have asked why properly qualified women delegates should not be on the Legal Committee.

Mindful of my previous statements in this connection, when I had the opportunity to attend as an observer whichever committee I wished, I visited first the Fourth or Trusteeship Committee in which Canada's representative was His Excellency Jean-Louis Delisle, Canadian Ambassador to Costa Rica, who is very knowledgeable indeed regarding the countries of Latin America. At that time Sir Edgar Whitehead, Prime Minister of Southern Rhodesia, was presenting arguments on behalf of his government, and Afro-Asian delegates were replying to his arguments, all of which I found extremely interesting. In spite of Sir Edgar's arguments, the Fourth Committee passed a resolution, which was later adopted in the General Assembly, requesting the United Kingdom to intervene in Southern Rhodesian affairs by rescinding the constitution, cancelling the election scheduled for early December and calling a constitutional conference with a view to setting up an African majority government with complete independence. Canada was amongst the nations that abstained from voting on this resolution—I believe because Canada agreed with the contention of the United Kingdom that the United Kingdom did not have a constitutional right to intervene in this matter.

When I visited the special Political Committee where Canada was represented by Mr. Morley Scott, who has served External Affairs in London, Berlin, New Delhi and Tokyo, and who from 1954 to 1957 was High Commissioner to Pakistan and who, at the time, was a counsellor in External Affairs, a debate was taking place on the policy of apartheid of the Government of the Republic of South Africa. I watched with bated breath when the resolution was passed which recommended that each member government should impose diplomatic and economic sanctions against South Africa, and which also recommended the expulsion of South Africa from the United Nations.

I was naïve enough to feel that with the passing of such a resolution, member nations

which supported the United Nations would be morally obliged to comply with it even though they had not voted for the resolution. As it has turned out, obviously I was wrong, and I have been advised since that the Afro-Asian countries, although they had pressed for and voted for this, had had little hope of the resolution being implemented by the countries that voted against it. However, they wanted to have it passed for the moral effect it might have on South Africa and as a statement of principle. Although Canada had expressed opposition to apartheid, our country voted against this resolution on the basis, I believe, that the sanctions seemed likely to be ineffective to persuade South Africa to change its policy. I understood that Canada was also opposed to expulsion on the grounds that the United Nations would have more opportunity to influence South Africa to abandon this policy if South Africa remained within the organization.

This last argument against expulsion seemed inconsistent to me on the part of Canada in view of the fact that Canada had previously voted against the admission of Red China to the United Nations. It would seem to me it would be equally important to have Red China within the organization if the United Nations hopes to bring influence to bear on that country.

In the Second Committee, which deals with economic and financial matters, I felt very much at home because the Canadian representative was our colleague, Senator Blois, and the reporteur was Miss Gay Sellars, Counsellor for External Affairs, who was attached to the Canadian Permanent Mission to the United Nations, and who was attending the General Assembly as an adviser.

Miss Sellars was the only Canadian elected as an officer at the 17th session of the General Assembly and her reports to the plenary session of the General Assembly, most of which I heard, were well prepared and well delivered, and reflected credit on Canada's Department of External Affairs.

One of the subjects debated in meetings of this committee when I was present was the proposed World Trade Conference. I am sure all honourable senators have either read in the press or heard on the radio and television reports of the good work which Senator Blois did in connection with this proposed conference. All members of our delegation were disappointed when the resolution of the Second Committee regarding this trade conference, at the insistence of the smaller nations, set a date for the conference which was unacceptable to the larger trading nations, a date at which the larger trading nations would, in all probability, have declined to be present. This would have made the results of such a conference practically useless.

Between the passing of this resolution by the Second Committee and the time when the matter reached the plenary session of the General Assembly to receive approval or defeat in the General Assembly, I watched with interest and with sympathy the prolonged negotiations carried on by Senator Blois and others with representatives of many nations, in an effort to find a formula which would establish a new date for the conference that would be satisfactory to all.

After many meetings with various groups, the result was that when the resolution came before the plenary session of the General Assembly, Senator Blois, on behalf of Canada with the co-sponsorship of Peru, was able to introduce an amendment to the original resolution, which set a date for the conference that was acceptable and which received practically unanimous approval when the vote was taken in the General Assembly. This will make it possible for a trade conference to be held that has some hope of success.

Honourable senators will remember that Senator Blois was a member of the Canadian delegation to the 15th session of the General Assembly of the United Nations, and I feel sure that, had he not had that previous experience through which he had become known to the delegates of many countries and had become familiar with procedure, in all probability he would not have been able to carry out such satisfactory negotiations. This supports my previous statement in this chamber on January 30 last that on our delegations to international meetings we should have at least a nucleus of representatives who have had some previous experience in the same field.

The next committee I visited was the Fifth or Budget and Housekeeping Committee where General Price, a well-known business man of Montreal, represented Canada. I was aware that for years Canada has pressed for serious consideration of the grave problems involved in financing the United Nations. I realized how important that is, and I realized also how necessary it is that some arrangements be made to cut down the congestion in the committee rooms of the United Nations, and in the delegates' lounges and dining room. All of these were designed when the membership was not more than 51 nations, and it is now 110. Each nation has five delegates and five alternates, as well as observers and a large number of advisers.

When the United Nations was built plans had been made for expansion but not for expansion on such a large scale. It was envisaged that membership might reach 75 at the most.

The providing of money which was being discussed is basic, I know, as is the provision for adequate space, and if I were charged with the responsibility of representing my Government, I would devote my time and energy to it, but as a free-lance observer I sought subjects more interesting to me.

In the Sixth Committee Mr. Ralph Genser, Q.C., a well known lawyer of Montreal, represented Canada. There I found debates were taking place regarding the principles of international law concerning friendly relations and co-operation between states. In this committee Canada took the lead in the debate by introducing with co-sponsors a resolution calling for an affirmation of the rule of law and of the United Nations Charter as the fundamental statement of principles underlying friendly relations between states.

Of course, I was deeply interested in the debates of the First Committee where Lieutenant-General E. L. M. Burns, former commander of the United Nations Emergency Force in the Middle East, represented Canada, and where discussions on general and complete disarmament were in progress.

However, to my surprise I found that my deepest interest drew me to the Third Committee which considers social, cultural and humanitarian matters and to which I had said I did not think Canadian women delegates should invariably be assigned. I found the Canadian delegate on that committee, Miss Helen Marsh, Editor of the *Herald* of Dauphin, Manitoba, deeply concerned with her work. A number of delegates made the comment to me that Canada could well be proud of her.

The matters that were being debated in that committee were of the greatest interest to me because in relation to many of them I had done considerable research for Canadian organizations. They included the Convention on Marriage, which aims to protect the rights of women. The rights of the child, and the right of asylum, were also being discussed. This committee was also considering measures to eliminate manifestations of racial and religious intolerance.

I heard discussions on the draft covenants on human rights regarding the inclusion in the proposed covenants of guarantees that the rights mentioned in the covenant should be exercised without distinction of any kind on the grounds of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status, and whether there should also be included special sections to insure the equal rights of men and women to the enjoyment of all economic, social and cultural rights.

In addition, in the Third Committee the work of UNICEF was reviewed following a report from the director of the United Nations Bureau of Social Affairs, and a resolution was passed by the committee commending the work of UNICEF in developing countries. The chief initiative of Canada in this Third Committee dealt with questions of the renewal of the mandate of the United Nations High Commissioner's office for refugees for another term of five years. I followed the work of the Third Committee on this resolution, and certainly commend Miss Marsh and her advisers from the External Affairs Department for doing an excellent job.

It was with pride that I saw this Canadian-sponsored resolution, due to the work which had been done on it, go smoothly through the Third Committee and the General Assembly without even one amendment. Less well prepared resolutions often had to face many amendments, and were hardly recognizable when they were finally passed. This Canadian resolution passed with almost unanimous support—only one nation voted against it, without giving an explanation for the vote.

I found that in the Third Committee I was most at home. I followed its work so closely that toward the end of the session, when Miss Marsh and I were being entertained by the Ceylonese delegate, she introduced Miss Marsh as "my fellow-Canadian colleague on the Third Committee," and me as "my fellow-Canadian semi-colleague on the Third Committee," which I took as a real compliment.

There were many experiences which I had that will never be forgotten. Just to sit with the Canadian delegation in the General Assembly or in committees between the Central African delegates and the delegates from Cameroons, for we sat in alphabetical order, was an experience. To see in the delegates' lounge the Middle East diplomats in turbans talking to men in conservative English tweeds, to see distinguishedly greying western statesmen talking to African men and women delegates in beautiful and colourful national robes, gave a truly international flavour to the scene. To get to know so many people, as I was fortunate enough to do, makes life more interesting and, as Helen Marsh said, "I will never be able to get through reading the papers now for any news about people from the 110 countries of the United Nations is news about personal friends, and has to be read in detail". To sit in the General Assembly and hear delegates from all over the world

speak for their respective countries, supporting or attacking decisions reached in the various committees, made one understand better their philosophy and motives.

We may be critical of the United Nations but any of you who visit it must, like me, come to realize it is our one hope of world understanding and world peace. Besides the matters reported to the General Assembly after debate and resolutions passed in the various committees, I also watched numbers of items considered initially by the General Assembly, such as the debate on the admission of Red China, which last year was defeated by 56 to 42, with twelve countries abstaining and Canada voting against the resolution.

I also watched the election of U Thant as Secretary General and this was a memorable ceremony. From what I saw of him, I believe that under his steady hand United Nations can be expected to maintain the stability needed to face the complications of today's international developments.

It is necessary that we in Canada should know more than we do of the United Nations and its work. You may be aware that the United Nations Association in Canada is dedicated to spreading understanding of the work of the United Nations. One of the most devoted members of the United Nations Association in Canada, when he made his first visit to the General Assembly, was so moved that he wrote with a pencil on the back of an envelope a short set of verses which have been published in the press. Mr. Willis does not claim to be a poet, but he has expressed very well in his verses what I feel about the General Assembly, and I would like to quote them to you:

Here, clothed in Flesh, and world's opinion stands
To judge and to be judged of all mankind,
Here mortal men, wise, selfish, or purblind,
Speak for whole nations, and with lifted hands
Lead on to realms where we perchance, may find
Justice and peace to bless earth's weary lands.

Bethink you, ye at home who idly prate
What you would do if you were in their place
That in this hall those men must vote the fate
Of unborn generations and must face
Posterity's encomiums or hate
For leading up or down the human race.

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

The Senate adjourned until tomorrow at 3 p.m.

28906-6—25½

THE SENATE

Thursday, July 25, 1963

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

Prayers.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, June 12 and 26, and July 10, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952 (English and French texts).

DIVORCE

PRESENTATION OF PETITION

Hon. Arthur W. Roebuck: Honourable senators, I present a petition in divorce by one Herscovitch. This petition was inadvertently omitted from the list of those presented on July 22.

REPORTS OF COMMITTEE ADOPTED

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 152 to 252, and moved with leave of the Senate that they be adopted.

Motion agreed to.

BILLS—FIRST READING

Hon. Mr. Roebuck presented the following bills:

Bill SD-151, for the relief of Franklin Dale Hufford.

Bill SD-152, for the relief of Carroll Lynne Milette.

Bill SD-153, for the relief of Evelyne Millette.

Bill SD-154, for the relief of Leo Rene Maranda.

Bill SD-155, for the relief of Edward Sidney Mansfield.

Bill SD-156, for the relief of Elizabeth Angela Stirling.

Bill SD-157, for the relief of Patricia Ann Small.

Bill SD-158, for the relief of Jeanette Rosenberg.

Bill SD-159, for the relief of Phyllis Siev.

Bill SD-160, for the relief of Joseph Maurice Sealy.

Bill SD-161, for the relief of Helena Jadwiga Igiel Wodnicki.

Bill SD-162, for the relief of Amira Wilson.

Bill SD-163, for the relief of Hyman Omri Tannenbaum.

Bill SD-164, for the relief of Doris Irene Trerice.

Bill SD-165, for the relief of Glen Stewart Tornay.

Bill SD-166, for the relief of Audrey Barbara Sutton.

Bill SD-167, for the relief of Adele Kathleen Strachan.

Bill SD-168, for the relief of Bertha Staruch.

Bill SD-169, for the relief of Mihaly Szakacs.

Bill SD-170, for the relief of Doreen Dreyer Eastwood.

Bill SD-171, for the relief of Jacques Ekaireb.

Bill SD-172, for the relief of Rosaire Gauthier.

Bill SD-173, for the relief of Gertraud Holzer.

Bill SD-174, for the relief of Marie Joan Patricia Jeffries.

Bill SD-175, for the relief of Anita Guido Knezevic.

Bill SD-176, for the relief of Celia Lesnik.

Bill SD-177, for the relief of Joan Mary Pearson.

Bill SD-178, for the relief of Georgine Plzak.

Bill SD-179, for the relief of Marcelle Rosenberg.

Bill SD-180, for the relief of Helen Beverley Sabo.

Bill SD-181, for the relief of Ruby Rita Smith.

Bill SD-182, for the relief of Marketa Tata.

Bill SD-183, for the relief of Ellen Smolar.

Bill SD-184, for the relief of Carmen Abrams.

Bill SD-185, for the relief of Margaret Ellynore Abbott.

Bill SD-186, for the relief of John Andre Anderson.

Bill SD-187, for the relief of Anne Marie Asselin.

Bill SD-188, for the relief of Percy Beauvais.

Bill SD-189, for the relief of Shirley Brimacombe.

Bill SD-190, for the relief of James Coade.

Bill SD-191, for the relief of Ann Marie Cooke.

Bill SD-192, for the relief of Kathleen Sangster.

Bill SD-193, for the relief of Margot Scott Connor.

Bill SD-194, for the relief of Stasys Vysniauskas.

Bill SD-195, for the relief of Francoise Campion.

Bill SD-196, for the relief of Claire Bradford.

Bill SD-197, for the relief of Sylvia Evelyn Lyon.

Bill SD-198, for the relief of Gerald William Henderson.

Bill SD-199, for the relief of May Margaret Morelli.

Bill SD-200, for the relief of Franz Zeitlhofer.

Bill SD-201, for the relief of Lily (Laura) Anita Karbelnik.

Bill SD-202, for the relief of John Matthew Hardman Pickford.

Bill SD-203, for the relief of Jean Alice Rinder.

Bill SD-204, for the relief of Donald Beakes.

Bill SD-205, for the relief of Guy Bertrand.

Bill SD-206, for the relief of Lloyd Carlton Willard.

Bill SD-207, for the relief of Francis John Nobbs.

Bill SD-208, for the relief of Marie Jacqueline Dusablon.

Bill SD-209, for the relief of Helen Oulton.

Bill SD-210, for the relief of Gwendolyn Grace Lanctot.

Bill SD-211, for the relief of Margaret Kathleen Lister.

Bill SD-212, for the relief of Judith Joy Spector.

Bill SD-213, for the relief of Myrtle Alice Southwood.

Bill SD-214, for the relief of Teresa Lesiuk.

Bill SD-215, for the relief of Ion Ignatescu.

Bill SD-216, for the relief of Mary Gallagher.

Bill SD-217, for the relief of Mary Catherine Weatherby.

Bill SD-218, for the relief of Linnea Erna Barbara Walker.

Bill SD-219, for the relief of Rhoda Lipschutz.

Bill SD-220, for the relief of Leslie Thomas Norval Modler.

Bill SD-221, for the relief of Lajos Nagy, otherwise known as Louis Nagy.

Bill SD-222, for the relief of Paul Orlivsky.

Bill SD-223, for the relief of Marie Jeanne Beaulieu.

Bill SD-224, for the relief of Rachela Zimber.

Bill SD-225, for the relief of Jacqueline Henriette Pujol.

Bill SD-226, for the relief of Rebecca Rosenstrauss.

Bill SD-227, for the relief of Irene Tyminski.

Bill SD-228, for the relief of Frances Lyman.

Bill SD-229, for the relief of Andre Durocher.

Bill SD-230, for the relief of Anna Elizabeth Strickland.

Bill SD-231, for the relief of Michele Breuer.

Bill SD-232, for the relief of Magella Bergeron.

Bill SD-233, for the relief of Lucien DeCoeur.

Bill SD-234, for the relief of Marie Henriette Antoinette Marguerite Bloodworth Pringle.

Bill SD-235, for the relief of John Joseph Laflamme.

Bill SD-236, for the relief of Eliane Trottier.

Bill SD-237, for the relief of Sylvia Bertha Spires.

Bill SD-238, for the relief of Albert Henry Grabeldinger Willis.

Bill SD-239, for the relief of Ivy Elizabeth Sherry.

Bill SD-240, for the relief of Susanne Reiner.

Bill SD-241, for the relief of Elaine Redmond.

Bill SD-242, for the relief of Paul Emile Niquette.

Bill SD-243, for the relief of Robert Fernand Marcoux.

Bill SD-244, for the relief of Harold Moreau.

Bill SD-245, for the relief of Philip Dalgleish.

Bill SD-246, for the relief of Daniel Gaston Jules Caron.

Bill SD-247, for the relief of Alexander Burke.

Bill SD-248, for the relief of Aurella Breard.

Bill SD-249, for the relief of Laurier Allain.

Bill SD-250, for the relief of Agnes Agai.

Bill SD-251, for the relief of David Filmore Sadler.

Bills read first time.

SECOND READING

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

Hon. Mr. Roebuck: With leave of the Senate, I move that the bills be read a second time now. I may say that in the last three days I have presented 251 of these bills.

Hon. Jean-François Pouliot: Honourable senators, I oppose the second reading of these bills. This procedure must come to an end. It is a real farce; it is a racket. This has been done on two days in succession; it was done the day before yesterday, and yesterday. It is nonsense; it is a farce, and it throws ridicule on the Senate. We pass these bills at full speed, faster than the astronauts could go around the world. I object to it; I put my veto to it; I cannot agree to the second reading today. It is a shame.

Hon. Mr. Roebuck: It is neither a shame nor a fiasco nor anything else, but is ordinary routine. Most of these bills were passed two years ago and some were passed one year ago. The present action by the house is the mere routine of sending them back to the House of Commons. Of course, they are not now being considered by this house: they have been considered by the Divorce Committee, and they have been brought up to date, in each instance, by an affidavit of the applicant. The circumstances have not changed; that is to say, the offence upon which each report is based has not been condoned. The parties have not lived together, or done anything of that nature, and now request that the bills go forward, notwithstanding the delay.

I repeat, it is purely a matter of routine and nothing more. It is not a fiasco, nor is it something of which to be ashamed. We are getting them over to the Commons in the hope that they will be passed before we rise for the summer recess. If we take the time, day by day, Parliament will probably have risen before they can be acted upon in the other house. For this reason it is a matter of urgency. In my view it would be an injustice if we were to stop now with respect to the few bills that are left.

Hon. Mr. Pouliot: Honourable senators, if you will permit me—yesterday, Wednesday, was the 32nd sitting day of the Senate in the present session of Parliament. There were many sitting days when nothing was done with regard to these bills; we waited until we were near the adjournment for the summer and then we find ourselves in a terrific hurry to pass these bills. We are told that everybody will suffer an injustice if they are not passed. They will go nowhere because they will be in No Man's Land and will remain there until they are disposed of by a real tribunal, a federal court of justice. They cannot pass against my protest; it is just to stop them; there must be an end to it.

Hon. W. Ross Macdonald: Honourable senators, as I understand the situation, it is that these bills were all passed last year by this house. The petitions were considered by the Divorce Committee and bills were brought in and, as I said, passed by this house and were then sent to the House of Commons. If Parliament had not been dissolved the bills would still be there or would have been passed. So, this is just a procedural motion.

I would agree with Senator Pouliot if these were new bills, and if they had not been considered by the committee before, but some of these bills that are now going over to the House of Commons were considered by our Divorce Committee two years ago. They were sent over to the other house at that time, they were held up, and they came back here; they went through this same process last session, and they were sent to the other house for the second time.

In view of the fact that this is the third consideration being given these bills perhaps Senator Pouliot might consider letting them go to the House of Commons where they were before. I wonder if Senator Pouliot would reconsider his decision.

Hon. Mr. Pouliot: Honourable senators, I cannot refuse anything which is asked in such a nice manner, and especially by my Leader, but what I wanted to do was to take each one of these bills and check them to see if any evidence which led to these reports was given by the investigators who are now in jail. I do not know if there is any evidence from the jail-birds which resulted in those reports. This is why I am so much interested in the matter.

However, to finish this graciously I will not insist any more, and just to show my good will I will say, "This time, but not Monday".

Motion agreed to and bills read second time, on division.

THIRD READING

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

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

Motion agreed to and bills read third time and passed, on division.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. W. Ross Macdonald: Honourable senators, before I move the motion for the adjournment, may I comment on the business of the house. Honourable senators will note from the Order Paper that when we conclude our

business today there will be very little left, and because of that I am going to move that we adjourn today until Monday afternoon.

Items 1 and 2 on the Order Paper are third readings of bills; item No. 3 is the consideration of a report of the Standing Committee on Banking and Commerce. These three items will no doubt be passed quickly. Item No. 4, the adjourned debate on Senator Croll's motion, will, I think, stand this afternoon as Senator Inman is not ready to proceed.

I presume Senator Horner is ready to proceed with item No. 5. Item No. 6, which is the second reading of a private bill, will be disposed of this afternoon. Item No. 7 will stand until Monday, but I hope that we will be able to proceed with item No. 8, the second reading of Bill S-5 respecting public harbours in Ontario. I hope that early next week we can dispose of the motion to set up the Special Committee on Aging.

My information is that little further business is likely to come from the other house before we adjourn for the summer recess. I understand that we will receive the bills on the Budget resolutions and probably a bill in connection with the resolution on surcharges.

There will also be the bill respecting the Economic Council, the interim supply bill, and the bill on municipal development.

Apart from that, I do not know of any business that will come forward. I cannot be certain, but that is the conclusion at which I arrive from reading *Hansard* of the other house.

Honourable senators, I hope we may get through for the summer on Wednesday or Thursday of next week. I would like by that time to have disposed of the address in reply to the Speech from the Throne. After honourable Senator Horner speaks today, that debate will be either continued or adjourned, but it is unlikely that we will have many speakers on it next week.

In reference to the Special Committee on Aging, honourable senators will realize how important it is that we should dispose of that motion soon, so that the committee can be set up before we adjourn.

I am sure I will have your co-operation in concluding expeditiously the business at present on our Order Paper, so that we may be free to consider any further business that comes to us.

Hon. A. J. Brooks: Honourable senators, I see no objection to carrying out the wishes of the honourable Leader of the Government. In regard to item No. 7, an Act to amend the Bankruptcy Act, may I ask him why we have not made more rapid progress with this? I should also like to know whether the interim supply bill will be for one month or for two months.

Hon. Mr. Macdonald (Brantford): I do not know the answer to the last question, as I have not seen the bill. I was about to ask the Leader of the Opposition the same question, thinking he might know more about the number of months for which supply would be granted. I have been informed by the grapevine that it will be for two months, which means that supply would be for August and September. If that be so, we would have to be back here at the end of September. It would appear that when we adjourn, we will stand adjourned until September 29.

Hon. Mr. Brooks: Might I ask the honourable Leader of the Government why it is that he, as a member of the cabinet, has to receive his information through the grapevine?

Hon. Mr. Macdonald (Brantford): I do not see what being a member of the cabinet has to do with that.

With regard to the Bankruptcy bill, it cannot be proceeded with this afternoon, as honourable Senator Croll will not be here.

Hon. Mr. Hnatyshyn: I think the honourable Leader of the Government mentioned September 29. That is a Sunday. Surely we will not come back on Sunday.

Hon. Mr. Macdonald (Brantford): I understand it will be the Monday nearest to Sunday, September 29.

Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday next, July 29, 1963, at 3 o'clock in the afternoon.

Motion agreed to.

[*Later:*]

Hon. Mr. Macdonald (Brantford): Honourable senators, apparently I did not make myself clear with respect to the adjournment until Monday afternoon. I meant to say that I was sure there was enough business to keep the house in session both Monday afternoon and evening.

RIGHTS OF WOMEN

JURY SERVICE IN NORTHWEST TERRITORIES—INQUIRY ANSWERED

Hon. Muriel McQ. Fergusson inquired of the Government, pursuant to notice:

> (1) If the statements and a recommendation to continue to exclude women in the Northwest Territories from serving on juries in certain cases, which statements appear in the Ottawa *Journal* of July

17th, were actually made by Mr. Olson, who, it is stated, is Legal Counsel for the Parliament of the North?

(2) If the statements and recommendations were made by Mr. Olson, did he seek or obtain any authority from the Department of Justice or any other department of Government for taking such a position?

(3) If no such authority was obtained, what action will be taken to discipline Mr. Olson for taking this position which is definitely opposed to the rights of women in Canada?

Hon. Mr. Macdonald (Brantford): The answer to the honourable senator's inquiry is as follows:

Mr. Olson is a senior officer of the Department of Justice and for many years was the Justice officer assigned to the Department of Northern Affairs and National Resources; he has also been designated by the Council of the Northwest Territories to be their legal adviser. At the meeting of the Council at its last session consideration was given to a measure to extend to women the obligation of serving on criminal juries. It was pointed out to the Council that certain practical difficulties were involved by reason of the requirement that jurors in criminal matters must be kept together, and if women were required to serve it would be necessary to provide matrons and more elaborate living conditions, which might not be possible, having regard to the conditions in the Northwest Territories, particularly in the eastern and high Arctic. The Council, therefore, postponed consideration of the measure until it could be given further study, and it was contemplated that the local Bar and Judiciary, as well as the Department of Justice, should be consulted. After the Council had decided to postpone consideration of the measure, an informal discussion took place, at which various views were expressed.

The answers to the questions are therefore as follows:

(1) The newspaper report referred to is not accurate in stating that Mr. Olson recommended that women should continue to be excluded from serving on juries in certain classes of criminal cases.

(2) Mr. Olson did express a view along the lines of that indicated in the report after the Council had decided to defer consideration of the matter, but had not received instructions from the Department of Justice to express or refrain from expressing any views in this matter.

(3) On a measure of such importance as this, it would obviously not be desirable to impose any restriction on freedom of expression. No disciplinary action is therefore contemplated.

CUSTOMS TARIFF

BILL TO AMEND—THIRD READING

Hon. T. D'Arcy Leonard moved the third reading of Bill C-187, an act to amend the Customs Tariff.

Motion agreed to and bill read third time and passed.

THE NEWFOUNDLAND SAVINGS BANK ACT, 1939

BILL TO REPEAL—THIRD READING

Hon. W. Ross Macdonald moved the third reading of Bill S-4, to repeal The Newfoundland Savings Bank Act, 1939.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

CO-OPERATIVE FIRE AND CASUALTY COMPANY—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill S-26, respecting Co-operative Fire and Casualty Company.

Hon. Donald Cameron moved that the report be adopted.

Motion agreed to.

THIRD READING

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

Hon. Mr. Cameron: Honourable senators, with leave of the Senate I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Honourable Mr. Lefrançois, seconded by Honourable Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. R. B. Horner: Honourable senators, it has been some time since the Speech from the Throne was delivered, but even at this

late date there are some remarks that I wish to make. Before doing so, however, I would like to congratulate you, Mr. Speaker, on your appointment to this chamber and also on your appointment to the office of Speaker. It is indeed a pleasure to hear your clear voice at all times, and may I say that this is one of the important requirements for a Speaker. I often think of Professor Leacock's amusing account of the many meetings he attended and the different chairmen of those meetings.

I also wish to congratulate the mover of the address in reply to the Throne Speech (Honourable Mr. Lefrançois), and the seconder (Honourable Mr. Taylor, Westmorland). Later I may have something more to say about them. As to the speech itself, for the little there is in it may I say that some of it requires a little elaboration, in view of the campaign that has been going on continually since the defeat of the previous Liberal Government.

Honourable senators, this paragraph in particular interests me:

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

Another sentence in the speech that interests me is this:

> —it is the purpose of my Ministers to expand Canada's export trade, to strengthen our payments balance with other countries, and to ensure increasingly high confidence in our economy and currency.

During all the years that the Conservatives were in power we heard a continuous wailing throughout this country, a wailing that I promise the Government in power today will never hear from the Conservatives in Opposition. From them the Government will get nothing but helpful suggestions. I hope that no Conservative will belittle his country for the sake of political gain, and that is what I accuse the Liberals of doing deliberately for political advantage.

I am sorry that I interrupted the honourable senator from Toronto-Trinity (Honourable Mr. Roebuck), during his speech last week on the Department of Industry Bill, and I am disappointed that he is not at the moment in the chamber because I have some things to say to him. I am also sorry that Senator Farris is not present, because I have some things to say to him.

Hon. Mr. Macdonald (Brantford): He will be here next week.

Hon. Mr. Horner: Well, he should have been here this week.

Hon. Mr. Macdonald (Brantford): I was just warning you.

Hon. Mr. Horner: You will remember that he told us his grandfather was a Liberal.

There is something else in the Throne Speech that I question and that is the word "biculturalism". "Bilingualism" I understand, but I am in the same position as many others as far as "biculturalism" is concerned. I am worried about that. I would say it is one of those things that we were doing very well by leaving alone, that everything would work out right. I think it is asking for trouble when you start drawing compartments, placing people here and there, and ruling this and ruling that. Take the matter of the appointment of those ten persons to the commission dealing with that subject: I ask if anyone can tell me where their discussions will begin and where they will end. Just what will they talk about? I think I have some idea.

The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), and the honourable senator from Vancouver South (Hon. Mr. Farris) told us that they were Liberals. Senator Farris said that his grandfather was a Liberal and I imagine the senator from Toronto-Trinity is in the same fix. I am going to tell you why I am a Conservative, and I think it may be interesting in view of this question of biculturalism, and so on.

Some 57 years ago I left the Ottawa Valley and made my way to western Canada, and there I found myself placed with people from all over the world, as I thought at the time; and, after quickly realizing their culture and what they would do for Canada, I determined in my own mind to at least try to set what I thought was an example of what a decent Canadian ought to do.

Hon. Senators: Hear, hear.

Hon. Mr. Horner: I know that some people may make the crack that I was a horse dealer. Yes, honourable senators, that is true. Yet I can still go all over that country and my word will be taken, even if I do boast a little.

At the time of the first election there I had never voted in this country, and my

father, I know, had voted both Conservative and Liberal—he was not a party man at all. Well, at that time I was annoyed at what was going on and at what I heard. This is what was being said: "You must be very careful. You have to vote Liberal, or the Conservatives will run you out of the country. They will take your homestead away from you; you will never get your patent", and so on. It annoyed me. I had to explain to them that no such thing could be done so long as they obeyed the laws of the country. Then came the war.

During the debate on the Throne Speech at the last session, Senator Farris criticized the senator from Peel (Hon. Mr. Willis) for praising the then Prime Minister as being the greatest of all Canadian Prime Ministers. Well, that was to be expected, for he certainly would not scold the man who appointed him to this chamber. However, the senator from Vancouver South was greatly annoyed and proceeded to mention the names of other Prime Ministers, among them Mackenzie King. He wobbled about a bit on that, but he said:

> Mackenzie King had a great deal more criticism than that which my friend is worrying about concerning Diefenbaker, but I want to tell you that, in my book, Mackenzie King contributed something to the unity of Canada that no other man in Canada at that time could have done.

I say that Mackenzie King contributed more to disunity. I hesitate to talk about these things because they are in the past, but in considering Canada's culture as it is today you must look to the past. If you want to make a survey line you have to look back to run your line; you cannot always look ahead. Certain things were done when the war came that should not have been.

This same Mackenzie King went out to Blaine Lake at the time my Doukhobor friends were having their St. Peter's Day celebration, and he told them if they voted Liberal there would never be a war, that the Conservatives were the party for war. What about that for unity in Canada? Then at a later election he went where it suited him. I know that he went to neighbouring villages near my own, and I went to listen to him. He was fighting over the Lord Byng affair and the election of 1925-26. He was fighting the Englishmen and denouncing them, saying that no Englishman was going to tell us how to run our country, and so on.

So, I make the statement that he did more for the disunity of this country, for political purposes, and told a different story in Quebec from that which he told in other parts of the country.

Hon. Mr. Macdonald (Brantford): Did not Mr. Diefenbaker also address the Doukhobor women?

Hon. Mr. Horner: Yes. They attended a meeting that he was holding but he did not tell them that the Liberal party was the party of war, to secure their votes.

In 1917, when I was a candidate for the provincial house, a big man, weighing 250 pounds, came along to vote. When this poor man came out of the polling booth it was explained to him where the names of the individual candidates were to be found on the ballot. As a result he told them that he had voted for me. Then he leaned against the school house and the tears came rolling down his face; he wept and asked the Lord to forgive him for voting for a man who would make war.

Then the years 1939 and 1940 came along, with the strain that everyone was under, and we had a Liberal Government under Mackenzie King who said there could be no war. I said all along that no one in Canada wanted war. I thought of that situation last year when there was a great deal of discussion about the trouble the Doukhobors were causing in British Columbia. Some of the trouble may have developed from that.

To get back to what I wish to stress concerning what Canada went through during the recent election, there is a man in Saskatoon, Pat Waldron, who for many years was editor of the *Western Producer*. He now writes for that journal a column entitled, "Notes and Comments". I do not seem to have the excerpt here.

Hon. Mr. Macdonald (Brantford): We have lots of time; find it.

Hon. Mr. Horner: I cannot find the article, but in it he pointed out that Canada could not afford another election like the last one. I do not know what his politics are, but when you stop to think of it, what he said is true. During the last election one party promised to extend the age limit for receiving the baby bonus, if the youngster was going to school, to 18 years of age, and another promised to raise it to 20 years of age. All sorts of promises were made, including $2 a bushel for wheat to the western farmers as a floor price.

On the question of nuclear power and war, that is one thing my friends have convinced me of, and I can express my opinion on it. I am opposed to any kind of war and any kind of build-up for war. I am a complete Doukhobor in that regard. I have come to the conclusion that if the whole world could be

converted to the Doukhobor way of thinking, there would be no war. Just consider for a moment what Bertrand Russell, the great philosopher, said when asked a question by a newspaperman. I believe he is an atheist, but he is 91 years of age and has behind him a lifetime of experience. He was asked how he thought the emerging nations—the black nations, if you will—would do. He replied that he thought they would do a good deal better than we have done.

Just stop and think of what we, the so-called advanced Christian and civilized nations, did in the last two wars. We produced machines to wipe out one another in the first Great war, the war that was to end all wars. In 1939 and 1940 we had a real war on our hands, and throughout this period, in fact for 22 years, we had a Liberal Government. Fortunately, Canada survived practically untouched. We had wonderful opportunities to expand the Canadian economy throughout the twenties and during those years of Liberal Government.

They talk in the Throne Speech of manufacturing and exports. Why did not they the Liberal Government take advantage of the situation? They did not need to send salesmen to other parts of the world that were laid waste. The markets collapsed in 1929 and 1930, and we still hear Liberals criticizing the Government of that short period. Then Mr. Dunning, as Minister of Trade and Commerce, came out to western Canada, to Regina, and said there was only the British market left for Canada, that there was an 80 cents-odd a bushel duty against our wheat in Germany and the other European countries, and that was the only market left for us.

Then, honourable senators, a lot was made of the devaluation of the dollar to 92½ cents. What of those earlier years of prosperity, when Canada could sell anywhere in the world without having to use a salesman?

I remember settling for some land and, as many people do, I had signed the agreement without reading the fine print. In the fine print it was stated that the purchase price was to be paid in gold, or its equivalent, and I had to pay $114. I said to the vendor: "Look, you bought that land in Canada, and you made a lot of money on it. I think I will take you by the arm down to the bank and offer you full payment in Canadian money." He said that he was an old man, which he was, and then added, "If you have any law in this country..." I said, "Don't start that, or we will have a real row." He told me he could not take care of my troubles, as well as his own, and that I did not need to pay right then. I replied that the experience had taught me a lesson.

On another occasion there was a 13 per cent discount. Then I did not go raving around the country saying that Canada was ruined and that our monetary supply was depleted. On one occasion I remember visiting a big city in the United States, and had a meal at one of those great open-air restaurants. When I went to pay my bill I found that there was 20 per cent discount on the Canadian dollar. I remarked that it was not very nice, when I was visiting the States and offered Canadian money, to find they did not even know what it was. It was a great opportunity for me—I was younger then—and I made quite a speech about the value of Canadian money, and what was behind it, and that it was the best money in the world. I did not say, we have a Liberal Government that is no good up there. You would not hear a Conservative saying that.

In reading the remarks of the honourable Leader of the Government of a few months ago, I notice that he laid great stress on the fact that the then Prime Minister had visited England, without first calling the house into session when he was heading a minority Government. Of course, we must recognize that we still have a minority Government, after all this wailing up and down the country.

I have before me an editorial from the Toronto *Globe and Mail* of May 16 last entitled, "Confidence in Canada." How conditions have changed since then. They could not write an editorial like that today. And why not? Well, what of the budget? What of these other things that have happened to shake confidence in Canada?

There has been some criticism of appointing two ministers of agriculture. It is mentioned in the budget, and it has been criticized. I think it is unnecessary and I also criticize it. I notice that the *Globe and Mail* says "Sure, fine, he is an auctioneer". But, whether he is going to donate the proceeds and all his commission is not really the question. There are a lot of good auctioneers in western Canada. In fact, I did some auctioneering myself. But when I was appointed to the Senate, I decided I would leave the other fellows to do the auctioneering and I would not go about the country on a Government pass competing with other auctioneers who had to depend upon this occupation for a livelihood. But this is true Liberal policy, a kind of clean-sweep, take-all policy—and then to make a political act of attending these sales is taking advantage of one's position. But that should not be his dish.

This situation reminds me of the early days of homesteading. Honourable Senator Croll should hear this, though likely he knows all about it. The homestead inspector was working for a mortgage company and he

travelled about inspecting the homesteads. Most of the homesteaders took a mortgage on their property as soon as they had title to it, and of course the inspector knew when they were getting title. They also had other papers, and he took the mortgage at the same time, and the homesteader paid 8 per cent and $50 for the inspection of the place. The inspector was being paid by the Government for inspecting as well, so he had a very nice business. But the homesteader was charged interest on a full $1,000 although he only got $940. That meant his interest was quite a lot more than it should have been.

This was typical of the seemingly God-given right that the Liberals assumed they had to take everything in the country, and also to remain in power forever and ever, and that no other party or people had any right to govern Canada.

Hon. Mr. Macdonald (Brantford): That is pretty severe.

Hon. Mr. Horner: That was their attitude, to my way of thinking.

I have a map of northern British Columbia in my room which many members will have seen, and I mention it for this reason. Many people are alarmed by the idea of debt. From my experience in life I should say it all depends on the reasons for which you go into debt. One thing is certain, everybody must go into debt at times. If some man in Canada had been sufficiently wise to buy Alaska, that would have been a worthwhile debt and would have been worth any interest cost. As you can see on the map I have mentioned, there is a big jog into British Columbia just above Prince Rupert, a kind of panhandle that belongs now to the United States. To incur a debt to purchase this land would have been a very wise move.

The senator from Toronto-Trinity (Hon. Mr. Roebuck) started off by accusing the Conservatives of holding back on the breeching straps, and told an amusing story about the woman at the top of the hill depending upon God and the breeching straps. He said the Conservatives were always holding back on the breeching straps.

Well, honourable senators, who was holding back when the great events which made this country took place? Who was holding back when the question of a railroad to British Columbia was proposed, before that province became a part of Canada? We remember the Liberals said that this was throwing money away, and that there would not be sufficient money to pay for the axle grease.

Who opposed the establishment of a central bank in Canada? Of course the chartered banks did not like it, and of course bankers had votes. Senator Roebuck spoke of the old lady in the buggy. In reply I would say that any kind of an old horse can stagger uphill, but you have to have a good horse to go downhill. This is also true of trucks because there have been many accidents when brakes have failed. To go downhill successfully requires a sound machine or a well-trained horse.

I remember as a boy my father had a white horse that was over-trained. It was up in Mattawa where a fellow had a job taking timber from the mountain. This horse would come to the brink of the hill and he would stop there for a moment and then he would light out and run like a deer to the foot of the hill where he knew the level ground was and then swing off sharply. We had a man working for my father at that time who had a very nice covered buggy and he liked to take young ladies out for a drive. He borrowed this white horse once and when it came to the top of the hill it ran down to the bottom and, swinging off sharply, it upset the buggy. He had also been trained to protect his heels from the logs that came behind him.

I suppose I am the only man in this chamber who knows what it is like to ride a set of sleighs. It is a sensation that is really horrifying. Sometimes when you are on a sanded hill the sleigh runners get hot, and they start shaking violently and shake the logs loose in the binding chains causing them to roll out onto the horses. These and other thoughts ran through my mind when the honourable senator spoke of the breeching strap and the trip downhill.

Honourable senators, I have spoken about the lack of confidence and the story that was put up by the Liberals throughout the country and about what happened in 1929 and 1930 and the men we backed. Senator Roebuck took exception to Senator O'Leary (Carleton) talking of the men in the grey flannel suits. Well maybe they are like brokers' agents, or like men who have no money, or who are afraid to invest what little they have of their own, and they get a room and start a business by running a poker game and taking a rake-off. They are perhaps a little out of the game, but at the same time they like to be near where the money is and take a rake-off.

The honourable senator from Toronto, Senator Hayden, in his remarks quoted something very interesting that some banker had said. But I have here a book called *Tides in the West*. It is the story of the Wheat Pools and it is quite an interesting book. The writer in one paragraph says:

> In the summer of 1929, the failure of the Hatry financial interests in London, England, precipitated a flood of selling on the stock markets. Then an important

bank in Vienna, Austria, closed its doors and admitted bankruptcy. The long established grain firm of Strauss & Company, London, England, collapsed with losses of around $5,000,000. The failure was brought about through speculation in oil seeds in India and created a sensation on the Baltic Grain Exchange. The general manager of the branch of the firm in India committed suicide...

Then it goes on to point out:

October 29, 1929, is a date to be remembered. On that day the volume of trading on the New York Exchange was 16,410,030 shares, the greatest of all time, and the paper loss was $9,000,000,000. Between October 14th and October 29th the list as a whole fell $18,000,000,000. On the morning of October 30th, John J. Raskob was telling the American people "now is the time to buy stocks." A year or so later he admitted to a congressional committee that he had been selling "short". The banking firm of J. P. Morgan & Company declared that "bankers feel that the present price levels are safe". Bankers, businessmen and government officials united in a campaign to convince the public that prices were going to rise, even when at least some of them were convinced of the opposite. Hornblower & Weeks ran an advertisement in forty-five prominent newspapers, declaring that "present conditions are favourable for advantageous investment in standard American securities".

President Hoover called a conference of leading industrialists and they promised to maintain business activities and wage levels; but many of them went home and shut down their plants. They felt that there was obviously an overproduction of manufactured goods and a downtrend in public purchasing. The orgy of wrong guessing and misrepresentation continued, and subsequent court and congressional investigations revealed unsavoury activities on the part of prominent bankers, businessmen and stock promoters.

Hon. Mr. Macdonald (Brantford): Their judgment may have been poor. They were not necessarily dishonest.

Hon. Mr. Horner: No, they had no business advice. They did it for an ulterior motive, in some cases.

The public of that period lost a lot of previously held faith in business leadership.

As the great city of New York had become the financial centre of the world, the collapse there had reverberations in all countries. When the depression deepened and widened, it seemed that the whole world had sunk into misery and despair. Of course, the prices of commodities followed the downward trend of stocks to ruinous levels. The strivings of statesmen in about every country proved, for the most part, ineffective in relieving the impact of the greatest depression the world had ever known.

I merely quote these paragraphs to set at rest the minds of those people who believe that it was because of the Conservative Government that we had a depression during the years 1930 to 1935.

Let me read some more, and see what became of values:

Similar conditions to these in the United States were experienced all over the world, and Canada was no exception. The depreciation in the value of stocks on Canadian exchanges in the five months following October 1929 was $6,000,000,000. Premier Taschereau of Quebec said in 1932: "A few years ago the capitalization of the power, paper and pulp companies of Eastern Canada was $30,000,000. By 1929 these companies had financed themselves into a capitalization of $714,000,000. By 1932 the valuation on the stock market was back to $25,000,000. Who lost the $690,000,000?"—

Hon. Mr. Macdonald (Brantford): I lost some of it. I remember it well.

Hon. Mr. Horner: The honourable senator says he lost some of it. Well, it was:

—Principally the unsuspicious and gullible small investors of Canada."

Hon. Senators: Oh, oh.

Hon. Mr. Horner: Now, I am keeping honourable senators too long.

Hon. Mr. Brooks: No, there is lots of time.

Hon. Mr. Horner: Perhaps I can go back for a few minutes to the matter of this Royal Commission on Biculturalism. We now know that the ten members have been chosen. But, as I say, we in Canada have benefited by many cultures other than the English and French. There was a lot of comment going on about it in the press, which I read while I was lying in the hospital. At that time I had plenty of time to think, and the thought occurred to me that in such a situation one soon realizes the meaning of the phrase in the Bible:

—for better is a neighbour that is near than a brother far off.

There were many expressions such as "two great cultures" and "two great nations", and I sometimes paused to think just how the two great nations would fare if they were forced to start from scratch.

I am sorry to admit that my people would not come out first, but neither would the French. I think we would be about the third or fourth in line of all those who came out to make a living in really difficult circumstances.

Some things have been done which, I suppose, neither of the two so-called great cultures can be very proud of, and for this we ought to make amends. But, I am very disappointed in the choice of the man from western Canada. He is a man who has lived most of his life, I believe, in Poland, yet he is chosen to serve on this royal commission when we have thousands upon thousands of outstanding men whose cultures have been mixing with ours for over 55 years, and who have demonstrated their very great ability in mixing their cultures with ours. Why was not one of those men chosen instead of a man who has been in the country for only ten years, and who, during that time, has not been in a position which would afford him an opportunity of visiting and knowing the country as a whole? As I said before, I am afraid that this appointment will do more harm than good, but I hope for the best.

Everybody passes through a period of intolerance in his or her life. I know that I did as a young man, but I think I have managed to get completely free of it. The thing that concerns me now, and which is something that should concern the Government because it concerns everybody in western Canada, is the fact—and a very serious fact it is—that we are being watched by the world, and particularly by China. Senator Fergusson yesterday, in a very fine speech, touched upon a point that I have been maintaining for a long time, that it does seem ridiculous that we are not recognizing China. We should have recognized China when Britain did, and China should be seated at the United Nations.

Attempts were made to start a campaign to force the Conservative party in this respect. We are close friends with the United States. We visit back and forth with people in the United States and I do not understand how we could have any quarrel with that country. Unfortunately, they prevented us from recognizing China. At the time of that discussion the present Prime Minister was Minister for External Affairs, and I was very disappointed with his action.

When the late Judge Davis was returning from China I met him in Victoria. I know he was determined to recommend to the Government that China be recognized. However, all that occurred many years ago and we have to consider the position as it exists now.

Honourable senators, there were questions in this chamber as to whether we should sell wheat to China and whether China would ever pay for it. Now we would give anything to be able to sell more wheat to them, but China is buying from France and is giving us a bad time simply because of our actions. They have backed Chiang Kai-Shek. Another unfortunate situation arose in regard to Syngman Rhee in South Korea.

Honourable senators, some people may consider that I am going a step out of bounds, but after all a person has some responsibility, has but one life to live, and I am in duty bound to do the best I can for world peace. This man was educated in the United States of America and proved to be a vile dictator.

During the last election campaign we were asked to respect Canada at home and abroad I had a young engineer come to dinner one day. He had been all over the world, as his company had large contracts in Nigeria. I asked him what people in other countries thought of Canada. He said that everyone talked very highly of Canada and regretted that there was a move for separation.

Then we can take Dr. Penfield, a very great brain surgeon, of McGill University, who has retired now and who has travelled in many parts of the world. He spent some time in China, and has reported that Canada is very highly thought of in that country and that we could do business in a short period of friendliness. I hope that point will be attended to and that we will move quickly to take advantage of good feeling before it is too late. Canada is a country of 20 million people, while China has 700 million people.

Then there is India and Pakistan.

Recently a great gathering was held at Addis Ababa in Ethiopia, at which President Nasser attended. That meeting took in the whole Asian territory. Thinking of Ethiopia reminds me that Canada had a chance to do something worth while in the old League of Nations. Speaking of Mackenzie King, the Leader of the Government knows what he did. I remember when Dr. Riddell instituted sanctions at the League of Nations to prevent Mussolini raping Ethiopia. The Italian ambassador to Canada waited on Mr. Mackenzie King, and Mr. King said he was not speaking for Canada. Mussolini went on with his actions. The Hitler and Mussolini troubles might never have occurred if we had stepped in at that time.

In connection with all that, I would advise all honourable senators who may not have

done so to read *The Days of our Years* by Pierre Van Paassen, who was world correspondent for world newspapers and for Canadian newspapers. I have just recently read that book a second time. Writing about the Second Great War, he tells us that when the blood and the treasure was being poured out France was making a deal to set up a dictatorship. Pierre Van Paassen goes on to say that if it were not for the kindness of the Ethiopian people he would have been torn limb from limb because he was white. The attackers of Ethiopia were not satisfied with flying over the country and shooting the poor people from aeroplanes, but also they unleashed mustard gas. The poor people of Ethiopia had no defence against that and could not understand it; and they suffered. It was on that account that the author said if it were not for the kindness of Ethiopians he encountered he would have been torn to pieces simply because he was a white man in their country. This is all history of which Canada can well be ashamed.

Honourable senators, there are many more matters to which I intended to refer. However, I have endeavoured to do my part as I see it and to hope for the best.

Let me assure the Leader of the Government again that the members of the Conservative party will not go around the country wailing that it is ruined and that our money and credit are no good. We will not do that. We will leave that and we will encourage the people and the Government to get along as best they can.

On motion of Hon. Mrs. Quart, debate adjourned.

PRIVATE BILL

THE CROWN LIFE INSURANCE COMPANY— SECOND READING

Hon. A. Neil McLean moved the second reading of Bill S-35, respecting The Crown Life Insurance Company.

He said: Honourable senators, the purpose of this bill is to change the name of the company in English from The Crown Life Insurance Company to Crown Life Insurance Company and to add a French version to its name.

The Crown Life Insurance Company was founded in 1900 under a special act of Parliament. The present president is Mr. C. F. W. Burns, and the chairman of the board is Mr. H. R. Stephenson.

Canadian residents own 78.93 percent of the shares of the company. The company operates throughout the world. To the end of the fiscal year 1962 the total assets of the company were $396 million, and at the end of June 1963 these total assets had increased to $114 million. To the end of the fiscal year 1962 the total assets of the company in Canada were $250 million, of which $55 million were assets situate in the province of Quebec. Of these $55 million of assets in the province of Quebec, $28.5 million were investments in real estate mortgages.

To the end of the fiscal year 1962 the total insurance in force was $3,364 million. Of this total, $1,766 million was in force in Canada, of which $578 million was in force in the province of Quebec.

All of the company's policy forms have been printed in French since the beginning of the company's operations in the province of Quebec. The company's application forms, claim forms and annual reports are also printed in French. The company has seven branches in the province of Quebec and has bilingual branch secretaries. It conducts advertising in French in the province of Quebec, and French-speaking personnel are employed at the head office in the translation department. The training course for agents has been produced in French.

If honourable senators have any questions to ask, it is my intention to refer this bill to the Banking and Commerce Committee where all questions arising out of this bill could be conveniently answered.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

ONTARIO HARBOURS AGREEMENT BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill S-5, to approve an agreement between the Government of Canada and the Government of the province of Ontario respecting public harbours.

He said: Honourable senators, the purpose of this bill is to give legislative authority to an agreement between the Government of Canada and the Government of the province of Ontario respecting public harbours which lie along the shores of the Great Lakes within the bounds of that province. The need for approval of this bill now is due to the fact that it was not possible to complete the endorsement last session because Parliament dissolved. The measure is being reintroduced here now, after a thorough discussion in the House of Commons last session.

This bill was introduced by the previous government in the House of Commons and

was given second reading on December 3, 1962. It was then referred to the Standing Committee on Railways, Canals and Telegraph Lines, which committee reported the bill back to the house, but the bill failed to receive third reading at that time, and also failed to come to the Senate for final approval.

Section 108 of the British North America Act, and the third schedule to the act, vested in the Crown in right of Canada ownership of the bed and foreshore of all harbours in Canada that were actually used by ships at the time of Confederation. The British North Amrica Act did not, however, list and describe these harbours, and confusion has arisen as to which harbours became the property of Canada and what were their precise limits.

Subsequently, a study has revealed that there were approximately 60 harbours in use in Ontario in 1867; but of these, only some 28 are now considered suitable for development or management by or for the Government of Canada. After some prolonged negotiations between the officials of the Department of Transport and of the Government of Ontario, it was decided that only 27 harbours should be deemed to be public harbours within the meaning of the B.N.A. Act. These 27 harbours are set out in Schedule "A" of the bill. One exception is noted in the harbour of Hamilton, which is omitted from the list because the bed and foreshore were conveyed to the city of Hamilton before Confederation.

The agreement which has been entered into with the province of Ontario also determines and defines the limits of these 27 harbours and confirms all grants and quit claims by Ontario and by Canada of the water lots listed in the agreement.

The agreement further provides that all mines and minerals within the said limits are the property of the province of Ontario. The only known mines and minerals are salt beds under Goderich and Windsor harbours and iron under Kingston harbour; and because of the control of the province over such resources, the definition in the plans making these exceptions is according to the provisions of the B.N.A. Act.

The agreement has already been signed by the Minister of Lands and Forests and the Minister of Mines on behalf of the province of Ontario, and by the Minister of Transport on behalf of Canada. It is dated September 27, 1962, and it shall take effect upon being duly approved by the Parliament of Canada and the Legislature of Ontario. So far as the Legislature of Ontario is concerned, approval was given to this agreement on April 26, 1963.

When the bill was before the committee of the House of Commons, officials of the Department of Transport appeared before the committee and elaborated on the administrative problems inherent in the present situation and the improvement that would result from defining "public harbours" and their limits more definitely than was possible in the past. The report of the proceedings of that committee are on record. In view of this, and also the fact that the bill has already been approved by the province of Ontario, it is considered that the Senate might pass this bill without reference to committee; but if, in the opinion of the house, it would like further information from the department, we would gladly have the bill referred to the Committee on Transport and Communications.

Honourable senators, I think that covers the purpose of the bill. I have already mentioned that the proposed measure was thoroughly discussed in the other place during the last session of Parliament.

Hon. Mr. Isnor: Would the honourable sponsor of the bill be good enough to say how many of the 27 harbours mentioned will be taken over by the National Harbours Board?

Hon. Mr. Lambert: The National Harbours Board, as I understand it, has nothing to do with this problem at all. It has been handled in the past by the Department of Transport, and not by the National Harbours Board which has the direction of Halifax harbour and all other salt-water harbours on either coast. These harbours have been developed along the great waterways generally, and I would say they have been emphasized more recently since the St. Lawrence waterways system began to operate, making a clarification of the provisions of the British North America Act more necessary.

Hon. Mr. Isnor: Am I to take it from your answer that none of these harbours come under their jurisdiction?

Hon. Mr. Lambert: None of these harbours comes under the jurisdiction of the National Harbours Board.

Hon. Harry A. Willis: Honourable senators, I was prepared to introduce this bill last fall, but owing to a change of circumstances it has been introduced by my good friend Senator Lambert and there is nothing left for me to say.

However, I do wish to point out that I am very pleased with the agreement, which is signed by a Conservative Minister of Transport, a Conservative Minister of Lands and Forests of Ontario and a Conservative Minister of Mines of Ontario, and I think any agreement with those signatures on it

warrants the approval of this house. I do not think I can enlarge on anything that my honourable friend said because he said it so well. I support the bill.

Hon. Mr. Taylor (Westmorland): Honourable senators, I understood from the sponsor of the bill that the agreement will come into effect when the bill is given royal assent. If that is the case, I do not think that the former Conservative Minister of Transport's name should be on it.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Lambert: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

The Senate adjourned until Monday, July 29, at 3 p.m.

THE SENATE

Monday, July 29, 1963

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

Prayers.

PRIVATE BILLS

KINROSS MORTGAGE CORPORATION—COMMONS AMENDMENT

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-27, to incorporate Kinross Mortgage Corporation, and acquainting the Senate that they have passed this bill with the following amendment, to which they desire the concurrence of the Senate:

> Page 1, line 13. After the word "Corporation" insert the words: "and, in French, La Société d'Hypothèques Kinross,".

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

Hon. W. Ross Macdonald: Later this day.

Hon. Senators: Agreed.

THE CANADIAN UNION CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS FIRST READING

Hon. David A. Croll presented Bill S-36, respecting The Canadian Union Conference Corporation of Seventh-day Adventists.

Bill read first time.

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

Motion agreed to.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

> Copy of statutory orders and regulations published in the *Canada Gazette*, Part II, of Wednesday, July 24, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

BUSINESS OF THE SENATE

On the Order for Notices of Motions:

Hon W. Ross Macdonald: Honourable senators, may I take this occasion to say something about the business of the day.

I understand that Senator Quart has kindly consented to allow Order No. 2, the adjourned debate on the motion of Senator Croll with respect to a Special Committee of the Senate on Aging, to resume this afternoon, and she will speak on Order No. 1, the debate on the Speech from the Throne, this evening.

The only other item on the Order Paper is the debate on the motion for second reading of the bill to amend the Bankruptcy Act, and that will stand over until this evening.

That is the business of the house for the day, unless we are fortunate enough to receive some bills from the House of Commons. We are now waiting for work from that house.

NEWFOUNDLAND FERRY AND TERMINALS

ANSWER TO QUESTION

On the Orders of the Day:

Hon. W. Ross Macdonald: Before the Orders of the Day are called may I remind honourable senators that on Monday, July 22, when this house was considering Appropriation Bill No. 2, 1963, Senator Hollett asked me the following question with respect to Vote 80, Newfoundland Ferry and Terminals, $8,180,400:

> Could the honourable Leader of the Government furnish some information—not now, but at a future date—concerning the progress that has been made on this ferry and when it is likely to come into operation?

The answer is:

> Two ferry projects are under governmental study. First, a project for a ferry to the east coast of Newfoundland. In this case, ship design work is well advanced and funds are available for a start on construction this fiscal year, but there are certain operational and technical problems remaining to be settled by the Government before final decisions can be taken.
>
> The second project under review is an additional ferry for the service between Sydney and Port aux Basques. This project is at an earlier stage of consideration, namely, the stage at which detailed study is being given to the question of what type of ship and terminals would best satisfy the growing requirement. It is expected a report will be ready for governmental consideration later this year. In both cases, of course, additional terminal works would be required, as well as construction of new vessels.

Hon. John M. Macdonald: Honourable senators, there is one small correction I should like to make. Honourable Senator Macdonald (Brantford) mentioned a ferry between Sydney

and Newfoundland. I believe it should be between North Sydney and Newfoundland.

Hon. Malcolm Hollett: Honourable senators, I wish to thank the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) for his kindness and courtesy in this regard.

SPECIAL COMMITTEE ON AGING

SPECIAL COMMITTEE APPOINTED TO CONDUCT STUDY

The Senate resumed from Wednesday, July 24, the adjourned debate on the motion of Hon. Mr. Croll:

> That a Special Committee of the Senate be appointed to examine the problem involved in the promotion of the welfare of the aged and aging persons, in order to ensure that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community and the need for the maximum co-operation of all levels of government in the promotion thereof;
>
> That the said committee be composed of twenty Honourable Senators to be named later;
>
> That the committee have power to engage the services of technical, clerical and other personnel as may be necessary for the purpose of the inquiry;
>
> That the committee have power to send for persons, papers and records, to sit during sittings and adjournment of the Senate; and
>
> That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

Hon. F. Elsie Inman: Honourable senators, in rising to support the motion moved by honourable Senator Croll for a special committee of the Senate to deal with the problem of our elderly citizens, I wish to congratulate the senator from Toronto-Spadina for his interest in this problem and his efforts to do something about it.

We are a sophisticated generation, and we cannot ignore the fact that we have a responsibility toward the generation preceding us. We have already waited too long. Governments must get on now with the job, and must provide enough suitable homes for those who can no longer look after themselves, and also for those who can yet provide for themselves, although on a lower scale than in their younger and more fruitful years.

This is a large field, but it is one which must be considered by every responsible member of Government, as what concerns one concerns all. Many elderly people are faced with adjustments, especially when for various reasons it is necessary for them to move, and the gap between the old and the new environment must be bridged under the best possible circumstances.

The retirement of the grandparents into the chimney corner, reminiscing in ways not understood by today's generation, is over. A few years ago there was scarcely a home to be found in which there was not living with the family an elderly relative—a grandparent, perhaps two, an uncle, or aunt, or a cousin. This was good. The children gained something from the association with the older generation and the older folks in turn got pleasure and lived again their own childhood and youth by being with the children.

In our day, however, homes are not geared for such living together. Conditions have changed and we must accept and try to ease those changes. In this time of rapid and awe-inspiring advances, it is the members of the older generation who have taken the giant step from familiar past to fearsome present.

All people yearn for happiness and serenity in their lives, but this yearning is often frustrated by tension, anxiety and fear in the later years. People wonder where they can go and what they can do when the time comes that the burden of old age seems great. Just when does old age begin? Who can say? It varies according to the health and activity of the individual.

It is true that many service organizations, municipalities and some provincial governments have already done excellent work in this matter of caring for the aging and older people; but as the life span lengthens, due largely to the progress of medical science, more and more of our citizens will live long past the "three score years and ten".

I feel that we are duty bound to see that the sunset of life will be happy and peaceful, free from financial worry and hardship, for those elderly citizens who in their younger years contributed to the development and building of Canada.

Honourable senators, I would like to say a word or two about employment for those older citizens who can still be gainfully employed, perhaps on a part-time basis.

This country has a massive resource of mature talent. Our senior citizens are being urged to utilize their capacities and to use this available talent with the knowledge that much of the great work in the world has been done by people over sixty years of age. With this in mind, I think we should give every encouragement to those older citizens who are willing and able to give to this

country the benefit of their knowledge, experience and training. It would give them happiness and peace of mind to know that this usefulness is not yet ended, for the feeling that one is of no more use in the world is a very sad state of mind. This is another phase of care for the elderly that must be considered before too long.

At this time I wish to congratulate the mayor and city council of Ottawa for the thought and consideration they have given to the aging in this city and surrounding areas—embracing, I believe, practically the whole of the province of Ontario—by providing Island Lodge Home for the aged, and the Geriatric Centre. This will be the second housing project for elderly citizens undertaken by the city of Ottawa.

Honourable senators, I wish to take a few minutes to tell you something about what is being done in Prince Edward Island in regard to making the future brighter for our elderly citizens. In 1962 a Senior Citizens' Housing Corporation was set up. Owned by, but operating apart from, the provincial government, the corporation is a non-profit organization. Its object at present is to provide modern low-rental homes or units for about 400 senior citizens in the 65 years of age and over group in several areas of the Island. May I say that our province is small. We have a population of approximately 100,000, and accommodation for 400 is a good start.

Couples using these homes or units will have well-built, well-lighted and insulated apartments, where they will have independence and privacy. These housing projects are located within easy reach of churches, stores and medical facilities.

Tenants are expected to supply furniture for their homes, which consist of a living room, kitchen, bedroom and bath in a space of 500 square feet. Heating and hot water will be paid for by the corporation, leaving only rent and light bills for the tenants. The rent is expected to be about half that charged by private owners or housing firms. The provincial Government is paying 10 per cent of the building cost, and Central Mortgage and Housing Corporation is lending 90 per cent.

Preference for accommodation will be given first to married couples, then to two relatives, such as sisters, next on the list. For unmarried elderly persons another phase of the housing project is to be started very soon, something along the hostel idea.

Honourable senators, the solution of many of this world's problems begins with the individual's acknowledgement of the rights of his relatives, friends and neighbours. We must demonstrate that we realize our responsibilities in this respect, that we care deeply for our aging and elderly citizens.

I shall not take more of honourable senators' time now, but should like very much to speak further on this subject later. In the meantime, I am happy to support heartily Senator Croll's motion.

Hon. J. Campbell Haig: Honourable senators, in speaking on this motion of the honourable Senator Croll, I wish to make two or three preliminary comments. The first is that my notes were made prior to the introduction of this motion, so that anything I may say which corresponds to what has already been said is in my own words. Secondly, I should have liked this bill to have been proceeded with earlier, so that the committee could have been appointed and its work started.

I am glad to be able to take advantage of the opportunity afforded me, in line with what the honourable senator said in his introductory remarks to this motion—which, by the way, I think was a most brilliant exposition of the subject. He said:

> The speakers who will follow me from provinces other than my own will be able to relate what is being done .....

I wish to indicate in the short time at my disposal what is happening in my own province, in the city of Winnipeg. I shall not deal with the question of medical care for the aged, for I do not know too much about the subject and therefore I should like someone to discuss it who has more knowledge than I have.

In Winnipeg we have the Age and Opportunity Bureau, which has been in existence for six years. I wish to read from parts of the annual report of the president and executive director for 1962, which was introduced in January of this year, and also from the report of the present year.

As part of this report for 1962, he said:

> If we look back six years, our original function was to provide research, planning and leadership in addition to a referral service for people over 60. This is still true, but in the past year we carried out an intensive self-study of our activities so that we could build a solid foundation for the next five years.

Regarding the work of the Age and Opportunity Bureau, I wish to refer to one or two matters. Senator Inman has indicated what has happened in regard to housing accommodation in her area.

In 1957 there were two projects in and around Winnipeg, housing 12 single persons and 28 couples. In January 1963 there were eight projects, housing 279 couples and 71 single persons. At the end of 1963 in and

around Winnipeg there will be accommodation of this type for 412 couples and 458 single persons.

That is a very impressive record established over the past five or six years. True, it has been done through service clubs putting up a certain amount of money, plus other sums being put up under the National Housing Act or by individuals sponsoring limited dividend companies.

Before I go on to the other services provided in the city of Winnipeg, I would like to refer to what we call the Senior Adults Committee. In that connection I wish to read a letter from the deaconess of my church, Westminster United, in which she says:

> We have a group of 150 persons with an average attendance of 85. Most of these are well over 75 years of age. As I see the difference such a weekly program makes, I realize a little the tremendous task which needs to be done, as the numbers of aged in our population increase so quickly.

Again, in addition to that church group and the Age and Opportunity Bureau which I have mentioned, we have certain community groups and service clubs sponsoring recreational activities for the aged and aging. There are two which I personally know something about: one is the Logan Neighbourhood House and the other is the Norquay Neighbourhood House, both of which are located in the northern part of our city. The Logan Neighbourhood House deals with both adults and children, assisting them in their recreational and family life needs.

I mentioned earlier something about the field of housing and read from the 1962 report of the executive director of the Age and Opportunity Bureau.

We also have another organization—I do not know whether it seems peculiar or not, but it is successful in our city—and that is the Good Neighbours Club. This is mainly for single men who live in rooms. They have access to a building or an area to which they may go and which, as the word indicates, is a club for them, and at that club during the season there are certain activities and some entertainments put on for them. It is a place for them to go and feel, as Senator Croll has said, a sense of involvement, of participation.

Now, as to the motion before us, it calls for maximum co-operation at all levels of government in the promotion of these services and facilities.

Honourable senators, one thing that should never be forgotten is the fact that we cannot do away with the volunteer or the voluntary agency in these activities because, as I see it, this is the basis for dealing with these charitable and helpful organizations, for you cannot buy the services or the help that the volunteer gives.

I read again from the president's report of the Age and Opportunity Bureau of January 14, 1962. He talks about the upgrading of his staff and what they are doing in the way of research in different fields like living arrangements and so on, and he makes this point:

> So in any other agency, the relationship between the Professional Social Worker and the Volunteer is very important and each cannot work without the other.

So when this committee is appointed—which I hope will be done shortly—we must not forget the time, effort and, at times, money expended by a person, as one of a group, a service club or other organization or as an individual. I believe this committee could obtain some assistance and useful information from this Age and Opportunity Bureau and the various conferences it holds.

Before this motion passed, I wanted to say a few words on what is happening in my own city, to indicate that in addition to participation of government at all levels we must have the voluntary service of the individual.

Honourable senators, in conclusion, I strongly support this motion and feel it will fill a great need in certain areas which, up to the present time, have not tackled this problem adequately.

(Translation):

Hon. Cyrille Vaillancourt: Mr. Speaker, I could not encourage and support too strongly the motion of our colleague, Senator Croll. However, I have a suggestion to make which, in my opinion, would make this motion more complete.

By this motion, Senator Croll wishes to improve the welfare of old and aging people. But, as our colleague said, when does a person become old and aging? It is also said:

> ...that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community...

I should like to express a viewpoint based on personal experience during the depression years of 1930 to 1939. I was then doing social work and I especially looked after people who lived in poverty and distress, not because they had misbehaved, but rather due to circumstances, they were in a somewhat

precarious situation. We had to care for about 137 families.

Such social work was done by the Conference of St. Vincent de Paul societies. The distinction must be clearly established: the St. Vincent de Paul Conference is not the St. Vincent de Paul penitentiary. The Conferences of St. Vincent de Paul societies are organizations which help the poor and the needy by providing them with food, clothing, fuel and shelter. During those years, I realized that we were forced to separate some couples, not bachelors or spinsters, but married couples of 70 or 75 years of age, before old age pensions started being paid. Those elderly couples who had lived happily together for 40 or 50 years, were forced to separate in order to live in homes for old people, the men in one section, the women in another. It is heart-rending for people who have lived harmoniously all their lives to realize, at an advanced age, that their home is broken by their separation, when they have not long to live.

Now, those organizations attempted, with some difficulty, to set up institutions where those couples, with enough money to live comfortably, could keep on living together.

As Senator Inman pointed out a moment ago, our life nowadays is quite different than it was in the past. Are children less attached to their parents? I do not think so. Just the same, grandparents are unable to live with their children who are raising their own families in modern homes, because elderly people weary of boisterous children in a very short time.

Therefore, we should find some means of establishing homes where those old people could continue to enjoy their wedded bliss and their privacy.

For those reasons, in order to complete this resolution, I suggest the setting up of villages, or if you prefer, sections of villages or towns, where old couples could continue to live and die peacefully.

(Text):

Hon. W. Ross Macdonald: Honourable senators, I am pleased to rise to support this motion and to commend Senator Croll and those associated with him in bringing it forward.

Already this session we have discussed certain bills which have been more concerned with middle-aged and younger people, and other bills are coming forward. We are more concerned with finding employment for younger people coming on to the labour market. You will recall in an earlier debate in this house that figures were given as to how many young people would be coming onto the market each year. The number is large, and work must be found for them. Mention was also made of the number of unemployed, and at that point we were considering unemployment among the middle-aged and younger groups.

A bill has already been passed this session amending the Atlantic Development Board, and the primary purpose of that board is to develop enterprises in the Maritime provinces which will provide work for the young and the middle-aged.

Hon. Mr. Hollett: In the Atlantic provinces.

Hon. Mr. Macdonald (Brantford): I stand corrected. I got mixed up earlier with "Sydney" and "North Sydney" and now I am confusing the "Atlantic provinces" and the "Maritime provinces". In any event, I believe the purpose of that bill is to develop those provinces so that work will be provided for the younger people who are growing up and coming onto the labour market, as well as for the middle-aged now looking for employment.

I suppose the same remarks would apply to the purpose for setting up the Department of Industry. In that instance the idea is to assist industry in developing itself so that it can retain the great masses of workers who now find it difficult to obtain employment, and to assist the young to find work opportunities for themselves. The same would apply to the Economic Council of Canada, the bill concerning which will be coming before us shortly.

I anticipate that we shall be considering the bill to establish a Municipal Development Fund before the house rises for the summer recess. It is set forth that one of the purposes of that bill is to provide the municipalities with funds so that they can proceed with enterprises which create employment. I am not going to debate that bill now, but I believe we would all admit that is its purpose. In most instances I suppose it will be work for the middle-aged and younger people.

So, honourable senators, I feel that so far this session we have not given enough attention to those who have reached just beyond middle life.

I know that in the city of Brantford we have a club called the Senior Citizens' Club. One does not have to be 75 or 70 to belong to it; I understand one can be admitted to it, as a full-fledged member, at 60 years og age. The members gather together, hold concerts and enjoy entertainment. I would say it is an

excellent club. I believe such clubs should be encouraged right across Canada. I would like to see in each community a clubhouse of some kind where older people could gather together.

I believe that this committee should not be concerned primarily with the financial aspect of the problem, but more with building up the morale of those who are getting on to 60, 65 and over. This proposed committee can do much in that regard.

There is, of course, always the problem of housing, since it is not always possible for older people to live with members of their families. I have no doubt that the committee will consider the possibility of establishing individual units where older people can have their own homes and their own fireplaces. I should add that I do not like to think of a person of 60 years of age being described as an older person, for many of them are still very active at that age. I consider this is a matter which should also be studied by the committee.

Because of the increase in automation, both men and women are being retired much younger today, and this in itself poses a staggering problem. Recently an editorial dealing with retirement at an early age appeared in the Brantford *Expositor,* and I trust you will bear with me if I read an extract from it.

> The day may come when the economy may ill-afford to use the work of older man. For in the last 10 years automation has set in with a vengeance. There simply may not, in the years ahead, be enough work available for older men and young ones, too.
>
> The speed with which machines are replacing men's work was pointed out a couple of years ago by Lord Chandos, president of the Institute of Directors in Britain. He said that if the 40-hour week were kept up, by the year 2000 all workers would have to retire at age 35.
>
> One of the deep dilemmas of our society, where work is both a goal and a moral justification, is this very condition: Too little to do and too much time to do it in.
>
> It poses difficult questions for management and labour and government concerned with retirement pensions.

It poses problems other than that of pensions; it poses the problem of trying to alleviate conditions for those who are aged and retired. They will be happy in that they will not have to live with their families, but instead will have their own homes.

As I said in opening my remarks, I am very pleased to associate myself with the mover of this resolution. I trust the committee will shortly be set up. In fact, if the motion carries, I shall be prepared to name the members of that committee immediately. I discussed this matter with the Leader of the Opposition (Hon. Mr. Brooks) before coming into the house, and we are prepared to set up the committee immediately. I trust the motion will carry today, and I assure the proposed committee that I shall do everything in my power to make its work worth while.

Hon. A. J. Brooks: Honourable senators, I wish to add a few words to what has been said to associate myself with the motion of the honourable Senator Croll. First of all, I should like to congratulate him on bringing forward this subject. As the honourable the Leader of the Government (Hon. Mr. Macdonald, Brantford) has already pointed out, we mostly consider legislation which, in the last analysis, deals mainly with younger and middle-aged people. It is refreshing to know that there is now such a great interest being taken in the activities of older people.

I listened with much interest to the comprehensive statement of the mover of this motion, and with equal interest to the other honourable senators who have spoken. I do not think there can be a question in anyone's mind as to the urgent necessity for something more to be done than is being done at the present time.

I had the opportunity and the pleasure of being in the House of Commons when considerable legislation was put on the statute books relative to old age pensions and old age security. I recall when the old age pension was increased by various stages from $20 to its present level of $65, and I am one of those who believe that it should be further increased. I also had the pleasure of seeing the Old Age Security Act extended so that pensions could be paid to those who now live outside Canada. This I consider was also an excellent move. It shows that there has been a great evolution in matters relating to pensions and to our older people.

Like my good friend Senator Vaillancourt, I remember well the attitude towards and the lack of facilities for older people in years gone by. I remember as a boy seeing those who had no homes or families to look after them, as Senator Inman mentioned, being put in poorhouses, which in many cases were terrible institutions. We have come a long way from those barbarous days, and I think the change has been a happy one indeed. We know that in all provinces great strides are being made, and we appreciate the efforts of public and private organizations which are doing so much in this regard. I think if

we can co-ordinate the activities of government, social welfare organizations, and private individuals who are much interested in this splendid work, we shall have accomplished much.

I recall when I was Minister of Veterans Affairs much was done for veterans along the lines now suggested by Senator Croll for older people. As minister I visited a number of projects in different parts of Canada. In those establishments the veterans were not separated from their wives; a man and his wife were given a cottage in a centre where recreational facilities and nurses were available to look after them. I found this situation in quite a number of centres across Canada.

Senator Vaillancourt mentioned what was being done about organizing villages for the older citizens. When I was overseas during the First World War I was taken to a village of this kind in London. This was over 40 years ago, and I was amazed at what was being done at that time. They had a village where older people, a man and his wife, could live together in a two- or three-roomed cottage. They also had places where the bachelor or spinster, the widow or widower lived in good surroundings. There were recreational centres for them and nurses were available, and it did indeed seem to be an ideal situation. Consequently, I was glad to hear Senator Vaillancourt mention the possibility of something of that nature being done in Canada.

I am 100 per cent in sympathy with this motion. I know we can form an excellent committee and, in fact, we could, if necessary, get three or four excellent committees from the Senate for a project of this kind. From the witnesses who would come before such a committee, whether from government, from social welfare organizations, or private individuals, information would be obtained from which we could learn how to co-ordinate the work which needs to be done.

Hon. Arthur W. Roebuck: Honourable senators, it is obvious that it is unnecessary to argue in favour of this motion in this house. We ourselves have been threatened with something in the nature of retirement in the not-too-distant past, and perhaps it is a situation in which a fellow-feeling makes us wondrous kind. However, I should like to make one comment.

I appreciate highly the privilege which I have had of seconding this resolution proposed by my friend and colleague, Senator Croll. It is right down my alley, if I may use that expression. My lines of thought have always been humanitarian, and I have sympathy for those who require our assistance and sympathy.

I read not very long ago that the civilization of a nation may well be judged by its treatment of its women and children, and I would like to extend that thought to include its older people. Our civilization may well be judged by the wisdom as well as the generosity with which we treat our older citizens.

Senator Macdonald (Brantford) read an editorial a few moments ago in which it was said that the progress of automation may in some distant future require the retirement of our workers at 35 years of age. Well, my answer to that is, "Bunk". Not until the resources of our country are completely developed, until all human wants are satisfied, will there be any shortage of work. There is no need of retiring anybody who is capable of working and who wishes to do so.

That brings me to the real point I wish to make in this short address in support of a most important motion. Man does not live by bread alone. As important as groceries, clothing and housing, is the right to take part in the activities of one's community.

I came into the Senate in 1945, and some short time after that we reduced the retirement age of civil servants from 70 to 65, or we allowed civil servants to retire at 65. I opposed that with all the strength I had at that time. We actually went into Committee of the Whole as the result of my protests against that barbarous piece of legislation. I still maintain it is barbarous. The idea of depriving a man of his right to work and his right to the occupation which may be the only work he has ever learned—work which he has studied all his life and which is his only skill—is wrong. To compel him to retire while he is still in the prime of life—and many of our civil servants last very much longer than 65 years—is in my judgment positively barbarous.

I have seen people retire voluntarily, and mistakenly, from the farm, and take a little house in the nearby village and live for just a further two years. A person doing that might very well engage the undertaker in advance.

Man surely does not live by bread alone, and one of the very essentials of living mankind is activity. We were constructed and designed by nature to scratch—to scratch for a living and for accomplishment, to do something and thus be one of our generation, and to take part. That is most necessary to healthy, happy living.

I hope that this committee will make an intensive study of the custom—not only in governmental circles but very generally—of retiring people compulsorily at any fixed age while they are still in good health. That is barbarous. It is wrong. It is inhuman. It is most unkind. I trust that this is one of the things this committee will study.

My honourable friend Senator Brooks spoke about the barbarism of the poorhouse. There is a poem entitled, "Over The Hill to the Poorhouse". Had I known I was to speak this afternoon I would have brought it with me. But, one must not forget, too, the position of older people of past days had it not been for the poorhouse. We have improved a bit on that piece of well-intentioned legislation, and I am sure we can improve on much of the legislation, the customs and the practices of our present civilization.

I congratulate Senator Croll on moving the establishment of this committee. It will be a great success, and I know that we will give the work every possible attention. As I said, a fellow-feeling makes us wondrous kind.

Hon. David A. Croll: Honourable senators, first may I express my appreciation of all the kind words that have been said about my participation in this motion.

There is little I can add at this time to the discussion, but I do want to say to the house that I had discussed this matter with many honourable senators, and I am particularly appreciative of the encouragement I received from the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford). I am sure that if I had spoken also to the honourable Leader of the Opposition (Hon. Mr. Brooks) he would have encouraged me just as much. However, the Leader of the Government is in the position of controlling more governmental monies than is Senator Brooks, and I felt that I should discuss the matter with him. With his encouragement, I feel sure that the committee will receive every possible co-operation.

The unanimity in this house, coming as it does from a cross-section of Canada, is an indication that there is not only an interest in this problem but a deep concern. What has been said in this debate will be studied closely by the committee.

All that remains to be done is the adoption of the resolution and the organizing of the committee. We will then have to retain the services of a small, competent staff which will be able to organize the work for us while we are away during the months of August and September, and be ready when we return some time in late September or early October.

I do not know whether there is among us any one who was in the House of Commons in 1927 when the Old Age Pensions Act was put on the statute books—that is a long time ago—but there are some members of this house who were present when the Old Age Security Act was placed upon the statute books, and many of us will be here when the Canada Pension Plan is put upon the statute books. These are all memorable events in the social history of this country.

We have here an opportunity. It is a natural for the Senate to make an examination of this problem at the national level. It has not been done heretofore. I have been asked by many: Do you mean that no one has ever done this before? That is the truth of it. At the national level this problem has never been examined although, as I stated in my earlier remarks, many of the provinces, municipalities and private agencies have done a great deal in that field. We just have not had the opportunity or the occasion to take this matter up in the Senate, and now is our opportunity.

This study will be carried out by a committee of senators who know the problem intimately because they have lived it, and from this committee will come a more complete and integrated knowledge of the problem. From that discussion and from that investigation will come guideposts which will improve the lot of the aged and aging, and which will certainly make us feel that we have made a real contribution to a problem that is worthy of our efforts.

There is nothing I can add. All I ask is that the motion be adopted. With complete confidence, I commend to you the adoption of the motion.

Motion agreed to.

MEMBERSHIP

Hon. W. Ross Macdonald: Honourable senators, may I at this time say with respect to the motion we have just carried that I have discussed the membership of this committee with the honourable Leader of the Opposition (Hon. Mr. Brooks), and I have here a list of names which I submit for the unanimous approval of the house.

Therefore, I move, with leave of the Senate, seconded by the honourable Senator Brooks, the following motion:

> That the Special Committee of the Senate appointed to examine the problem involved in the promotion of the welfare of the aged and aging persons, in order to ensure that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community and the need for the maximum co-operation of all levels of government in the promotion thereof, be composed of the Honourable Senators Blois, Brooks, Croll, Dessureault, Fergusson, Gershaw, Grosart, Haig, Hollett, Inman, Jodoin, Lefrançois, Macdonald (Brantford), McGrand, Pearson,

Quart, Roebuck, Smith (Kamloops), Smith (Queens-Shelburne) and Sullivan.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, the first meeting of the Special Committee on Aging will take place tomorrow morning at 10 o'clock.

We have not received any further business from the other house, but we expect some to come before us. Therefore, if the honourable Senator Quart is prepared to speak on the Speech from the Throne debate this evening, I suggest that we rise now until 8 o'clock.

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, July 25, consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Honourable Mr. Lefrançois, seconded by Honourable Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Josie D. Quart: Honourable senators, I was honoured and privileged beyond expectation to have been given an opportunity to be a member of the Canadian delegation to the Commonwealth Parliamentary Association Conference and tour as a guest of the United Kingdom branch. Perhaps it would be apropos to give you here the aims and activities of the association.

The Commonwealth Parliamentary Association, whose history goes back for half a century, exists to serve the parliamentarians of the Commonwealth. It provides the sole machinery for regular consultation and exchange of ideas and information among members of Commonwealth parliaments, and in this way helps to further the urgent and practical ideal of fellowship and understanding which the Commonwealth represents.

The association thus plays a vital part in binding together those peoples who, irrespective of race or religion, nationality or culture, are united in the Commonwealth by community of interest and by respect for the rule of law, the freedom and rights of the individual citizen, and the ideals of parliamentary democracy.

Membership in the association affords many practical benefits. The greatest advantage, however, is the opportunity enjoyed by members at one time or another to meet their fellow Commonwealth parliamentarians at conferences, through visiting delegations and as individual visitors. From these personal contacts have grown up the friendships, understandings and exchanges of ideas which belong to the essence of the Commonwealth as a vital, living community.

Incidentally, I should like to mention that Canadians visiting London do not take advantage too frequently of the office and the services of the Commonwealth Parliamentary Association. The secretary asked me to mention that if you know of visitors going to London, do tell them to go to the office of the Commonwealth Parliamentary Association at Westminster Hall. I am sure they will find them most co-operative.

The countries and delegates which participated in this general conference were: Australia, Canada, Ceylon, India, Jamaica, Kenya, Malaya, Malta, Mauritius, Nigeria, Sierra Leone, Tanganyika, Trinidad and Tobago, and Uganda.

At this point may I tell you a story about the delegate from Sierra Leone, a Paramount Chief who has four wives and was always boasting about them. I believe I told this story once before in the Senate when I spoke either on the United Nations General Assembly or on the United Nations Commission on the Status of Women.

Many of the delegates were not opposed to polygamy, so I told them that where women now have the vote such as in Tunisia, a sheik joined the campaign against polygamy, and his slogan was: "One wife is a necessity, two wives a luxury, three wives waste and four wives punishment". The delegates laughed, but I am sure I did not convince some of them.

Honourable senators, I should also like to say here that Dr. Ray of India was one of the most ardent supporters of the Commonwealth, as well as of the Commonwealth Parliamentary Association. When at times there was some dissension, particularly with the African delegates—and I am not being critical of them at all, because I think they made quite a valuable contribution—Dr. Ray steadied the discussions by his timely intervention. Afterwards he told us that he had been in prison for five years for demonstrations against the United Kingdom when India was seeking independence. Now, as I have said, he is an ardent supporter of the Commonwealth.

The Commonwealth Parliamentary visit to the United Kingdom started on June 23 and ended July 15.

The other member of the delegation, Mr. A. J. P. Cameron, Member of Parliament for High Park, Toronto, and I, only joined the party in Belfast on July 2 for a tour of

Northern Ireland as guests of the local branch of the Commonwealth Parliamentary Association.

On leaving Ottawa, the R.C.A.F. graciously provided air transportation in their luxury Yukon plane, which left Uplands airport on July 1 at 6.40 p.m., flying direct to Heath Row Airport, London, arriving there at 10.45 a.m. Tuesday, where we were met by Miss Burwash from Canada House who brought us greetings from the High Commissioner, the Honourable George Drew, who was in Germany for a few days.

At 3.30 p.m. Mr. Peter Molloy, Secretary of the United Kingdom branch, joined us in London and brought us by commercial plane to Belfast, where we met up with the entire delegation at the Midland Hotel; all then set out on our tour of Northern Ireland.

Even today there is not a parish or town in the country which does not bear some sign of days gone by in Ireland's glorious history.

Highlights on our three-day tour were, first, a state dinner at Stormont, Parliament of Northern Ireland. On July 3 we were luncheon guests of the mayor, Mr. Joseph Gray, M.B.E., and the Urban District Council, at the city hall of the city of Armagh. We were told that when first the mists of time parted and the story of Ireland began to take shape, it was largely written in Armagh.

Even archaeologists do not agree as to the age of Armagh. Some say 3,000 B.C., others 300 B.C. It sounds very much like politicians talking.

Be that as it may, whatever age Armagh is, its history is packed with legend and romance which its citizens loved to relate, and we loved to listen to their stories.

Our visit to the famous Belfast harbour was followed by a reception and luncheon in the beautiful old building on the harbour estate. A high tea at the estate of Sir John and Lady Stronge was a memorable occasion. To those of you who have already met him, Sir John sends his regards. A cocktail party by the Belfast branch of the English-speaking Union gave us an opportunity to meet many local citizens. A visit to the agricultural experimental farm was most interesting and instructive; we were treated to the very special Cambridge and Talisman strawberries, of which they are justifiably proud.

On July 4, at 2.50 p.m., we left Nutt's Corner Airport, Belfast, for Scotland, arriving at Glasgow airport at 3.30 p.m., from where we motored through the beautiful countryside to Edinburgh, to the Caledonian Hotel, which was our headquarters during our four days in Scotland.

On July 5 we visited the Forth Road bridge under construction at South Queensbury. When completed it will be the second longest suspension bridge in the world, only 900 feet shorter than the Golden Gate bridge in San Francisco. Following our visit to the bridge we were guests at luncheon of the contractors, Harland and Wolff. We were also guests of the magistrates and council of the city of Edinburgh in the city hall. In the unavoidable absence of the First Magistrate, Bailie Filselm, a woman, who is the second senior magistrate, presided. Incidentally, it was said by some that she did a better job than the First Magistrate. However, I am not saying that.

A reception and visit at Edinburgh Castle was indeed a thrill. The guests were received by Lady Tweedsmuir, M.P. She is Under Secretary of State for Scotland. Edinburgh Castle, with its soaring ramparts, is a massive stone structure set on a high hill, and dominates the landscape. Its site was chosen for its natural beauty, as well as for defence. To visit Edinburgh Castle and view the Crown jewels was a delight.

I was very privileged to be invited by the delegation to present the thanks of the party to Lady Tweedsmuir.

Another memorable event was the military tattoo on the parade grounds of the castle. It was reported that this was the first time in the history of the Duke of Argyle's Highlanders that the parent band and the three territorial bands all took part in the same ceremony. The military tattoo this year was to celebrate the return of the parent Highland regiment from Germany.

We visited the Westfield Park Hostel for the aged and aging, and as we were going through there we thought of our own Senator Croll, and we had our own ideas at the time as we looked at the home, that conditions would be better in Canada when the special committee of the Senate gets going.

Then we visited the Edinburgh Youth Hostel where we met about ten Canadian girls and boys who were visiting Europe for, as they said, "as long as our money lasts". We took their addresses and we have written to their parents to say that we saw them and they are well and hearty.

On Sunday, July 7, we took off at 2.20 p.m. from the Edinburgh Airport to arrive at London Airport at 3.40, and motored to St. Ermin's Hotel. This was the headquarters of the entire delegation.

Tours such as these do help to give one a better picture of each other's country, and meeting with local citizens at receptions and so on, help immensely. This social exchange and the friendships formed are vital to better understanding.

On Monday, July 8, we began our working sessions. After all the invigorating play and

full enjoyment of the warmest hospitality in Ireland and Scotland, all the delegates, especially those from the African countries, were really "on the beam" and became quite vocal. All our sessions were held at the C.P.A. headquarters at Westminster Hall in the Houses of Parliament.

Visiting the C.P.A. rooms, Mr. Cameron and I were proud to see a picture taken on October 27, 1950 of the conference held that year in London, the chairman of which was no other than our distinguished colleague, the honourable Senator Arthur Roebuck. In order to get Senator Roebuck's name on the record—which is not published but is kept for the next conference—I said to Mr. Cameron, "I am going to ask who was the chairman of the first conference." We asked the Right Honourable Sir Roland Robinson, M.P., and he replied, "Well, you should know—your own colleague, Senator Roebuck."

The Right Honourable Sir Roland Robinson, M.P., deputy chairman of the United Kingdom branch, welcomed the delegates and gave an inspiring talk on the aims of the C.P.A. He presided at all our sessions. Every day during our entire stay in London we were invited to informal luncheons in the parliamentary dining rooms by peers from the House of Lords or Members of Parliament. In the afternoons we attended the debates in the House of Commons or in the House of Lords, and were able to learn at first hand the parliamentary procedure of that Mother of all Parliaments in London.

When I saw the woolsack in the House of Lords my thoughts went back to an article I read about my honourable colleague Senator Pouliot, when he was a member of the House of Commons, and his explanation of the woolsack, when debating the Government's Supreme Court of Canada bill in October 1949. I think you said, honourable senator, that the woolsack is a bag of cotton covered with cloth—maybe moth-eaten—and the judges of the Supreme Court sit on it like urchins at the opening and closing of the session, and that in England the woolsack has such importance in history that sometimes the position of the Lord Chancellor was described as the "Woolsack".

To return to my report, we had a working session almost every morning during our eight days in London. On two mornings we did not have a session, because I think we were up too late the night before.

We were privileged to hear many important parliamentarians, among whom were: Sir Arthur Henderson, the Right Honourable Selwyn Lloyd, C.H., C.B.E., T.D., Q.C., M.P.; the Right Honourable Harold Wilson, O.B.E., M.P., Leader of the Labour Party; the Honourable Peter Jones, M.P., Colonial Secretary to Africa; Mr. Emmanuel Shinwell, M.P.; Mr. Robert Carr, M.P., Minister for Technical Co-operation, and Mr. Peter Emery, M.P. The Right Honourable Duncan Sandys, M.P., was slated for the agenda, but had to leave London to deal with Commonwealth affairs in Africa. I think at that time he went to Rhodesia.

The chairman, Sir Roland, suggested that in view of the number of countries represented and because the agenda was a heavy one, the co-operation of the delegates was important in limiting the discussions on each item, in order to deal with all the business before the conference.

As most honourable senators who have attended these C.P.A. meetings know, frank discussion is invited and the press is excluded. In fact, the only record of the proceedings is kept at the U.K. branch and is not for publication. Therefore, my report must be somewhat limited as to the working sessions.

Mr. Cameron made a valuable contribution to the discussion and presented Canada's policy on trade and commerce, and disarmament and security. I had chosen to speak on Canada's external aid and technical assistance, which was on the agenda for the last day of the conference. As most of the delegates had expressed gratitude to Canada for our part in the Colombo Plan and help for other projects, plus our technical assistance programs, we decided to follow the lead of Jamaica, as time was running out, and table the statistical papers for circulation to those countries interested in receiving a copy.

In connection with the documentation necessary for preparing our papers for the conference, we are deeply grateful to Mr. T. R. Montgomery, secretary of the Canadian branch, who succeeded in gathering the necessary data for us from the different departments at very short notice.

The highlights of our London visit, apart from our sessions, were an honorary fellowship in the Royal Commonwealth Society accorded to us during our visit, and the use of the headquarters of the Royal Society, Northumberland Avenue. Other events of interest were:

July 9: A reception by the Federation of Commonwealth and British Chambers of Commerce, at the Waldorf Hotel on the Strand, to meet a group of parliamentarians and businessmen. Our hosts on that occasion were: the Right Honourable Selwyn Lloyd, M.B.E., Past-President, assisted by Mr. Charles D. Gill, Vice-President of the Federation; Mr. H. Allan Walker, Chairman of the Council, and Sir Patrick Hamilton, Treasurer. At 8 p.m. we were guests at the performance of the musical version of "Oliver".

July 10: At 2 p.m., a tour of the London docks on the London Port Authority yacht, *St. Katherine.*

July 11: Dinner with Sir Henry and Lady Studholme. Dr. Ray, of India, Mr. Cameron and I were the ones to enjoy their hospitality. Arrangements had been made that U.K. parliamentarians would each have three or four delegates for dinner in their homes.

July 12: We were honoured to attend Her Majesty Queen Elizabeth's garden party at Buckingham Palace, from 4 to 6.30 p.m. The Queen was radiant, as usual, and was accompanied by the Queen Mother. Then there was a reception by Honourable George Drew, P.C., Q.C., High Commissioner for Canada, held at MacDonald House, Trafalgar Square, for the professors attending the 9th Congress of the Universities of the Commonwealth.

Mr. Cameron and I visited Canada House. When we visited the House of Lords we were privileged to hear Lord Coleraine make a speech on the contracts for nuclear arms, which was reported as the roughest type of denunciation of the Government that had taken place in the House of Lords for many years.

Friday night, July 12, was a never-to-be-forgotten farewell dinner party in the Harcourt Room of the Houses of Parliament. Cocktails were served prior to the dinner, on the beautiful terrace overlooking the Thames. Our hosts were the Executive Committee of the United Kingdom. With their wives and delegations from the Houses of Parliament, we were about 200 persons. Sir Roland Robinson again presided, and it was a very gay gathering.

Sunday afternoon, July 14: A four-hour tour of greater London included many places of historical and contemporary interest in the London area not visited by the regular tourist tours. Major James Batten, Assistant Secretary of the C.P.A. United Kingdom Branch, was our host and guide on this our last "get-together". Again, on behalf of the delegations, I presented the three gifts to the executives officiating.

Thus ended an interesting, instructive and most enjoyable experience. Too much praise cannot be given to all those responsible for planning this general conference. The itinerary was so arranged as to fill every day with combined interest and pleasure. I should mention that while there we met the Minister of Education of Nigeria. He was looking for French teachers, and he is coming to Canada in September. Major Batten, who had met Senator Vaillancourt, told the Minister of Education that when he came to Canada he should contact Senator Vaillancourt because he liked the way the Senator speaks Franch.

Monday, July 15: Again we were indebted to the R.C.A.F. for sending a staff car to St. Ermin's Hotel to drive us to Gatwick Airport, where we once again were privileged to enjoy the luxury of the R.C.A.F. Yukon plane, which landed at the R.C.A.F. air base at Marville, France, around noon. Group Captain Hall, our host, showed us every consideration and delegated Flying Officer Norman Richardson to drive us to Verdun, to visit the Meuse Valley. It was with feelings of deep respect that we visited the sacred ground, to pay tribute to the war heroes who on these battlefields laid down their lives in a terrific and desperate encounter in which the enemy was hurled back by a magnificient defence.

On July 16, we left Marville for Paris, landing at the United States Air Force base at Orly. There we were joined by Madame Vanier, her son, daughter-in-law and two grandchildren, and at 3 p.m., Paris time, we took off for Ottawa, arriving at Uplands Airport at 9.30 p.m.

Honourable senators, whereas it is a "gentleman's agreement" that no report of our work sessions be published or given to the press, it is possible for delegates to give their general impressions of the proceedings.

It seems to me that to begin with one gets the impression that Britain is proud of the achievements of the old British Empire for having converted it peacefully into the new independent Commonwealth, a development without parallel in history.

Britain is not clinging nostalgically to the last fragments of her once imperial glory. Indeed, at these conferences, one cannot but admire the calm and almost apologetic manner in which the British parliamentarians answer the severe, and sometimes brutally frank and unjust, criticisms of the newly emerging nations.

Britain strives so hard to vindicate her colonial policy by claiming that she has no desire to hold on to her remaining colonies a day longer than is necessary. But she has a duty not only to lead them into independence, but also to prepare them for the responsibilities which this involves.

For reasons of history, geography and economics, each member country naturally sees the Commonwealth from a somewhat different angle. This unique association of independent member states has grown step by step from colonial states to national sovereignty.

As you know, responsible government was first instituted in Canada, Australia and New Zealand over a hundred years ago. Their sovereign independence was confirmed by the Statute of Westminster of 1931. In 1947

and 1948, India, Pakistan and Ceylon attained full nationhood. Since then Ghana, Malaya, Nigeria, Cyprus, Sierra Leone, Trinidad and Tabago and Jamaica have also attained that status, and so will Malaysia in August, and Kenya in January.

The most difficult colonies for which to find a solution are left. Territories such as Rhodesia with multi-racial populations present special problems. Then there are other high commission territories, such as Basutoland, Swaziland and Bechuanaland, a protectorate in South Africa, which for the present do not wish to lose the protection of Britain.

During our stay in London we met four members of Parliament from Bechuanaland, two white-skinned and two dark-skinned gentlemen. They gave us some facts about the situation in South Africa, and all agreed that many newspaper reports were grossly exaggerated.

The independent nations of the Commonwealth now have a combined population of over 700 million people, which is nearly a quarter of the entire population of the world. The population of Britain's remaining colonies is less than 35 million, spread among 43 separately-governed territories. Notwithstanding all our squabbles, there is a strong family spirit which runs through the Commonwealth. It is a tangible proof of the possibility of friendly relationship between sovereign independent countries.

As in a family, there are feelings of affection and affinity between its members and, as in most families, its members do not always see eye to eye. Therefore, it is not surprising that Commonwealth countries frequently hold different opinions on world problems, and at the United Nations often vote against each other.

As to the United Nations, I found it was a wonderful advantage for me to have been a representative delegate for three and a half months at the General Assembly in 1957, as well as attending the United Nations Commission on the Status of Women for three years, for when you meet delegates from these countries you invariably discover that you know someone from their country, and right away a link of sympathy is established which helps enormously.

Then again, it is most gratifying to be a Canadian at these gatherings. You feel that Canada has top priority with these African and Asian delegates, as well as with our friends from the West Indies. They seem to believe in our sincerity, and I hope Canada will never betray their confidence in our diplomatic relationships.

In my opinion, the Commonwealth can survive only if we, the so-called "Have" countries, can be successful in deserving the allegiance and respect of the younger generation in these "Have-not", underprivileged and underdeveloped countries. We must find a way to prove to them our sincerity and talk to them in a language they understand.

In countries like Canada, it is all too easy to get a distorted picture of the young people growing up in these countries. But behind all the sensationalism that we read about, and their striving for independence—even their acts of violence—it is my opinion from talking to these delegates that there is developing a new seriousness and sense of purpose.

There is a passion for education, a growing urge to travel and to meet people of other countries. They show a deep respect for this new world of science and technology. But their main concern seems to be for a world of peace, a world without discrimination, a world which respects the dignity of all men, irrespective of race, colour or creed. And who can blame them, for that should be the true spirit of the present day.

All member states seem to accept the Crown as a symbol of the Commonwealth, but not all these countries embody in their laws the notion of allegiance to the Queen.

As to the implications on the Commonwealth if the United Kingdom joins the Common Market, there seemed to be unanimous disapproval of the United Kingdom doing so, and great concern was expressed by many delegates as to the disastrous economic effect this would have upon their respective countries.

There was also a similarity in the policy objectives of the delegates for the cessation of nuclear testing, the surmounting of political obstacles towards signing a test ban to eliminate all nuclear testing, the formulation of a general treaty on arms control, and the achievement of gradual disarmament under the supervision of the United Nations.

When the Moscow Treaty is ratified by the three nations, it will reduce some of the fears of atomic fallout. In fact, the whole free world should rejoice that this is the first step.

The next general conference of the C.P.A. will be held in October 1963, in Malaya, and Jamaica hopes to play host for 1964. A formal invitation was received from New Zealand for 1965.

Dr. Hugh M. Horner, M.P., chairman of the delegation to the Lagos-Nigeria conference in November 1962, on behalf of the then prime minister, the Right Honourable Mr. Diefenbaker, extended an invitation to the C.P.A. to give consideration to holding its 1967 general conference in Canada, to join with Canadians in celebrating our 100th anniversary of nationhood.

Although the C.P.A. cannot accept invitations for more than two years in advance, the enthusiasm expressed in private talks with the delegates and executive officers would indicate that our Commonwealth family will be with us in 1967 to help us have a real "bang-up" birthday party.

I was also privileged to have been a member of the federal delegation to the 1961 Canadian Area Conference to which the province of Quebec played host for the business meetings held on the SS. *Tadousac*, sailing up and down the majestic St. Lawrence and Saguenay rivers to Bagotville, in northern Quebec. The United Kingdom delegation spoke about it in glowing terms at the meetings in London.

I must be honest in regard to Toronto too. They did speak glowingly about Ontario as well, when they went to Toronto. Therefore, to be just, I must say this about the sister province. I am quite sure that some honourable senators from Ontario would have taken me to task if I had not reported that fact.

As to the area conference, it was noted again at this year's general conference that the Honourable Roland Michener, former Speaker of the House of Commons, had been an ardent supporter of the Commonwealth Parliamentary Association, and had founded the Canadian Area Conference four or five years ago, which has been carried on so successfully every year.

The Canadian Area Conference, unlike the General Conference, brings together delegations from Canada's ten provinces as well as a delegation from the federal Government. All area conferences are attended by some of the executive officers of the United Kingdom branch.

The next Canadian Area Conference will begin on August 11 in Regina, when I presume the province of Saskatchewan will play host.

Apart from the Prime Ministers' Commonwealth Conference, the C.P.A. is one of the most important instruments to promote better understanding and good will in Commonwealth relationships. The continuous contact which is maintained and the friendships formed bind members together.

Every generation has its own problems, but no generation has faced the extent and rapidity of change which faces and challenges us.

Canada, as other countries, is rapidly facing new and heavy responsibilities. It is certain that these reponsibilities will further increase before Canada celebrates, in unity we hope with our ten provinces, our centennial in 1967. But let us be optimistic, for even the Commonwealth of Nations is still indeed an experiment, with no sure guarantee of lasting success. So, like Canada, unless mutual respect, understanding and tolerance exist within our midst, we are doomed to failure. Our ultimate survival as a commonwealth, and of Canada as a nation, requires that we must all strive to learn to live together in peace—and "learn" is the keyword.

Let us hope that common sense and justice will strengthen the many ties which bind us together, and create a climate of good will and better understanding, so that Canada may continue to live within the Commonwealth and continue to progress and enjoy the respect of all peoples and countries throughout the world.

On motion of Hon. Mr. Fournier (De Lanaudière), debate adjourned.

BANKRUPTCY ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, May 30, the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill S-2, to amend the Bankruptcy Act.

Hon. David A. Croll: Honourable senators, let me say first, following the speech made by Senator Quart, that the reason she got a good report about Toronto was that we had four representatives there: Senator Pearson, Senator Méthot, Senator Dessureault and myself. None of us, of course, could add the charm and grace imparted by the last speaker.

Honourable senators, I took the adjournment of the debate on this bill some time ago. It seems highly inappropriate this evening, in view of what is happening in the other place and is likely to happen here, to talk about bankruptcy, because if anything, this is not the time to discuss the subject of bankruptcy. However, it is my turn and I must go on.

The last time this bill came before the Senate I was highly critical of it, and I am no less critical of the bill today. I pointed out then that the Government which was presenting an identical bill had been in office for some six years. On the other hand, the Government which is presenting this bill has been in office less than 90 days, and has had actually 52 sitting days. This bill does not deal with the core of the problem. It seems to me that it does not dig down to the root in order to do away with the abuses and evils. The problem of bankruptcy in this country is crying for solution and all we are doing is patching and tinkering.

On the previous occasion I indicated that the incidence of bankruptcy was increasing. I think some of the members who were then sitting on this side did not quite agree with my point of view. At the time I did not have the figures, but now I have them from the

Bureau of Statistics in a report in the *Globe and Mail* of March 18 last, as follows:

> Bankruptcies recorded in Canada under the Bankruptcy and Winding Up Acts rose 19.8 per cent in 1962 to 3,185 from 2,659 in 1961, the Dominion Bureau of Statistics said yesterday.

The article contiues:

> Of the total number of business failures, 1,692 were in Quebec in 1962, up from 1,450 in 1961. Estimated liabilities totalled $75,197,000 in Quebec, compared with $49,133,000 in the previous year.
>
> The largest number of business failures in 1962 was in the trade sector, 1,495 compared to 1,234 in 1961, with most of the increase being caused by the failure of food, automotive products, apparel, hardware, and miscellaneous stores. Liabilities in the trade sector rose to $51,139,000 from $46,286,000.
>
> In manufacturing the number of bankruptcies increased to 325 from 285 and liabilities rose to $28,370,000 from $18,696,000.
>
> Number of failures in the construction industry advanced to 572 from 470, with liabilities rising to $27,366,000 from $23,665,000. In the financial sector failures increased to 82 from 69 and liabilities rose to $13,346,000 from $5,127,000. Bankruptcies in the service industry rose to 476 from 402 and liabilities to $16,368,000 from $11,614,000.
>
> There were 30 business failures in the Atlantic provinces in 1962 compared with 47 in 1961. Liabilities dropped to $2,540,000 from $4,714,000.
>
> In Ontario, failures rose to 1,177 from 932, with liabilities rising to $55 million from $48 million. In the Prairie provinces insolvencies advanced to 177 from 126 but liabilities fell to $6 million from $7 million.
>
> Failures in British Columbia increased to 109 from 104 and liabilities eased to $7.18 million from $7.25 million.

Those of you who have read the financial page of the Ottawa *Citizen* tonight will have seen an article by Ben Dworkin headed, "Bankruptcy toll soaring despite economic boom". The article relates:

> In many cases it is a matter of overexpansion, without the cash reserves to fall back on in these times of high costs and meagre gains. With the rest it is the usual number of things—new ventures, inexperience, changing times, and the pummelling by bigger and rougher competition.

One of the things that troubled me when we were discussing the Bankruptcy Act at the last session—we had a hearing on it in the Banking and Commerce Committee on November 21, 1962—was the appearance before the committee of the Credit Grantors Association of Canada. They said that their association had in excess of 4,000 members divided into 143 separate credit units located across Canada, and that its membership was composed of chartered banks, consumer loan companies, fuel companies, national department stores, petroleum companies, retail stores and sales finance companies.

That all appears on page 57 of the Banking and Commerce Committee report of 1962. But, honourable senators, here is a significant part of the report, and I quote from page 62, where they were giving an analysis. They had this to say:

> Yet an ever present factor contributing to the excessive number of these Summary Administration Bankruptcies, is the fact that such debtors have, in the past, been the subject of solicitation, both direct and indirect, by trustees in the Province of Quebec, who, for a fee in the neighbourhood of $300, agree to provide the debtor with a discharge from his obligation to pay his just debts. Admittedly, such debtors are not entitled to such discharge, but, in practice, they generally obtain it because creditors are unwilling to defray the disproportionate costs of contestation, or pursuit, or enforcement of their rights under the Bankruptcy Act.

At the time I heard it I was a member of the committee, and it troubled me. Here were men, responsible people, who came before the committee and said that there is fraud being committed under the act. You might say, "Well, this is a matter of administration." But, it is more than administration, and they point out it is much deeper than that. In the face of that it seemed to me we were doing a little something less than our duty to just go along with it.

I realized that they suggested that this went on in the province of Quebec, but let the rest of us not feel too lily-white about the matter, for those of us in the practice of law know what goes on in other places than Quebec. I do not know why they said Quebec particularly. To apply a little heat to the department will not do any harm in order to make sure that something is done about correcting such situations as this. I am sure the department does not countenance this at all. It just does not know.

I realize that when one talks about bankruptcy the rural members sit back and say:

"Well, you city folks are the people who are involved in that; it hardly ever happens as far as we are concerned." Does it hardly ever happen, and should not you be concerned?

Let me give an instance. I know something about this because it happened in my county of Essex, where we produce great quantities of fruit and vegetables that the farmer grows and sells to the processor. The produce is produced and delivered to the processor in the summertime, and the producer is paid in the fall. That is the normal way of doing business. In this particular instance the farmers made inquiries of the bank about certain processors, and were told the processors were financially in good shape. The producers sold to the particular processors for one year, and for a second year, but in the third year the group of processors went broke and the producers received nothing. They found that once their tomatoes and other early vegetables got into the plant and into cans they did not belong to them and that the bank had a mortgage on them. The vegetables lost their identity and the producers their money, since the producers could not possibly follow them even to the door. As a result, they were completely out in the cold.

Under the Bankruptcy Act the wage earner has some protection. The federal Government makes sure it has some protection. However, the primary producer has none. In this instance they were fortunate in having a member in the House of Commons, named Gene Whelan, who is a farmer and a fine and capable young fellow. He was very much concerned, and drew a bill which he introduced in the House of Commons, asking to exempt the primary producers from having their products in the hands of a bankrupt processor classified as assets for general distribution, even though these products may have been pledged by the processor as collateral for operating capital. The bank takes a pledge under section 88 of the act, and everything including the kitchen stove is covered.

The House of Commons gave the bill second reading and sent it to committee for further study. The presidents of the banks made their objections, and according to the rules they are within the law. They suggested that if section 88 were not available to the banks they would be less likely to give credit. I often wonder how the Americans extend credit without a section of the Bank Act such as ours. Yet it was pointed out at the committee hearing that since 1954 five grain dealers have been forced into dissolution—which means bankruptcy—involving over 200 primary producers, all of whom became common creditors, although in every instance grain, either in store or unsold, was the major portion, if not all, of the claim of the producers. In some cases the primary producers delivered grain to the processors on the very day the processors declared bankruptcy.

I do not know what will become of that bill, but I point out to those of you in this chamber who are always concerned, and rightly so, the necessity for making sure that the farmer gets a square deal, particularly for his primary products, because, after all, they are his bread and butter.

What is happening today—and I think I will indicate it to you before I sit down—is that many people are finding the Bankruptcy Act a haven and a sanctuary, and it was never intended to be that.

Like many others in this house, I do not like to quote myself, or say that I was right on any particular occasion because I am not too sure about that. But I did say in October, 1962, that

> ...I have known instances where the bankrupt attended the first meeting of creditors, having arrived in his wife's Cadillac car, the children's sports convertible not being available. I have known of cases when creditors' meetings have been adjourned or postponed to await the bankrupt's return from a trip to Florida. These people are commercial pickpockets. They sometimes break a creditor, but more often they hurt him. It is time that this Bankruptcy Act were considered by those who are experts on it.
>
> There is need to establish under this act a bankruptcy fraud squad, men with long noses, big ears and inquisitive minds, with a determination to root out the evil. The type of bankrupt I am speaking of is the man without shame or decency or a sense of honour. Most of the time, they plan to defraud their creditors: they are looters and ought to be in jail. More often than not, they have been able to use the act in a way in which it was never intended to be used, as a haven. Some of these unprincipled people have grown rich by bankruptcies.

Now, I wish to give a few illustrations, but first may I quote from what the *Globe and Mail* had to say about this matter on June 14.

> An obvious deficiency in the present legislation would seem to be the requirement that the estate pay the cost of investigating suspected fraud. If a trustee in bankruptcy presses for investigation, he runs the risk of depriving the creditors of whatever small amount is left to them. In fact, a fraudulent bankrupt can escape detection by milking his business so severely that there is no money

left to finance an investigation. On top of this, the procedures involved in investigating possible fraud are necesarily so complicated and require such diverse talents that they are bound to be costly.

Further in this article they say:

> Another weakness in the present legislation exists in cases where the debtor is aware that his business is going under and arranges to give preference to certain creditors and then keep the business going for three months. If he does keep on for that period, the payments cannot be attacked under the Bankruptcy Act. Such a practice permits collusion.

That concludes that part of the quotation. Later they say:

> There is inadequacy in provisions for investigation of possible fraud in bankruptcy cases, an enormously complicated and specialized field. Because of the involvement of the Revenue Department and the Government's general responsibility for law enforcement, the federal Government should provide a trained staff of investigators to be used in such cases, working with local police.

Then here are some bankruptcies you may have heard of; the first one was reported in the *Telegram* on May 17, 1963. I quote:

> Creditors in the bankruptcy of The Zelsman Corporation and its wholly-owned subsidiaries, Starlite Stores Ltd., Taffy Stores Ltd., and Starlite Stores (Hamilton) Ltd. were told here yesterday liabilities are $1,500,000.
>
> William L. Walton, Toronto chartered accountant was appointed trustee in bankruptcy for the four companies, which operated 17 stores in Toronto and Hamilton.
>
> Estimated total liabilities of the four interlocking companies is about $1,500,000. Tangible and intangible assets that can be estimated, total around $190,000.

You can appreciate what a shellacking those creditors are taking.

This is from the Toronto *Star* of May 28:

> Joseph Sprackman yesterday was appointed trustee in bankruptcy for Caldwell Foods Ltd., of Toronto, after company president Morris Walderman, announced it could no longer meet its obligations.
>
> Secured creditors claimed $148,680, preferred creditors $5,650 and unsecured creditors $190,694. Assets were listed at $18,258.

I have one here from the Montreal *Gazette* of May 16. Some honourable senators may remember the United Loan Corporation in the province of Quebec. It took people for a $5,000,000 ride in that province three years ago. A protection committee was formed, but nothing has been done since that time. There has been no investigation and nothing at all has been done to bring those people to heel.

I have spoken about the people in Cadillacs and people of affluence in this business of bankruptcy. Here is something from the Toronto *Star* of May 30:

> Monty Lampard is a dapper little man with a keen sense of the dramatic.
>
> When he's not in his fashionable apartment on the Avenue Rd. strip just north of St. Clair Ave., he might be ghosting around town in his Rolls Royce. Or at the helm of his yacht near the Royal Canadian Yacht Club.
>
> Reginald Stuart Lampard was always well connected on Bay St. . . .
>
> His interest in culture—as well as an educated accent he has maintained since he left England 35 years ago—have made him a favorite in the social circles among Toronto's affluent stockbrokers . . .
>
> A statement of the affairs of Lampard and Co. Ltd., filed at Osgoode Hall, shows the broker-dealer company had assets of $63,141.95 on March 15. Liabilities were totted up at $625,642.87 . . .
>
> This left a deficiency, according to the statement, of $562,500.92.

And he is still sporting around Bay Street.

Here is a clipping from the *Globe and Mail* of June 20, 1963.

> Michele Martino Ltd., Toronto building firm, which owns the MM Discount Centre in Galt, has made an assignment in bankruptcy, leaving about 100 creditors, liabilities of $984,629 and assets of $129,075.

Here is one from last Saturday's *Globe and Mail*:

> Kenneth Jack McPhail, president of McPhail Vending Services Ltd. which headed a Toronto-based ball-gum vending venture, yesterday made a voluntary assignment at Osgoode Hall under the Bankruptcy Act.
>
> He declared no assets, and debts totalling $1,973,759 . . .
>
> Some of the largest creditors are finance companies. Mr. McPhail indicated he owes $416,966 to Industrial Acceptance Corp. Ltd., $237,426 to Triad Acceptance Ltd., and $188,580 to Kent Finance Co. Ltd.

Then he had other creditors, but I suppose the reason for there being no assets is that

they took everything as security, which they were entitled to do under the law.

The sums are staggering, and yet nothing happens.

Here is one from the Toronto *Star* of July 12—

Hon. Mr. Vien: Is this July 12, 1963?

Hon. Mr. Croll: Yes, these are all in 1963.

Hon. Mr. Vien: Not the Quebec one.

Hon. Mr. Croll: Well, I had to find one that would impress itself upon the honourable senator. This one reads:

> A few more persons lost money at Piggyland yesterday.
>
> More than 1,100 armchair farmers lost an estimated $1,500,000 when Piggyland went bankrupt 16 months ago.

Piggyland was an enterprise that some hotshot sold to farmers up in the North Toronto district. It took 1,100 of them for a ride of a million and a half dollars, and the promoter skipped back to Germany before the bubble burst. I do not think anybody has laid a charge. They cannot be at fault. I do not think the Crown has laid any charge. I do not know, but I suppose that for fraud he could be extradited. However, nothing at all has happened.

Hon. Mr. Farris: What do you suggest?

Hon. Mr. Croll: There are many things I could suggest, and I propose to suggest some things. I suggest that the federal Department of Justice should investigate these grave losses. They may be perfectly honest, but I suspect—

An Hon. Senator: Oh, no.

Hon. Mr. McCutcheon: Surely that is a matter for the attorneys general in the provinces?

Hon. Mr. Croll: These are cases of bankruptcy. All these people have gone into bankruptcy and have sheltered themselves under the Bankruptcy Act. I am not worried about what happens in the provinces. What they are doing is running away from the criminal action and coming under the Bankruptcy Act, and they are getting away with it.

Hon. Mr. Macdonald (Brantford): But criminal actions are undertaken by the provincial attorneys general at the present time.

Hon. Mr. Croll: In all these instances, nothing was done. When you start by trying to interest the local crown attorney in this, he always tells you that he has enough work to do, that this is a civil matter and that if you want to prosecute you can go and lay an information. It may be the business of the attorney general to do this, but he does not do it. However, I am not talking about the attorneys general in the various provinces. Let them do what they like. These people are running away and hiding under the Bankruptcy Act, and this is a matter for the federal Government, and that is why I am speaking about it.

Hon. Mr. McCutcheon: In regard to the last example you gave, he did not hide under the Bankruptcy Act. He hid in Germany.

Hon. Mr. Croll: But before he went, there was a receiver in charge. He made an assignment, he ran away, and the receiver was put in charge, and he came under the Bankruptcy Act.

Hon. Mr. McCutcheon: I suspect he ran away before the receiver was put in charge.

Hon. Mr. Croll: It does not make any difference when he ran away. The point is that nothing was done, because the matter is one dealing with bankruptcy and the attorney general and the local people will not deal with it.

Hon. Mr. Farris: The Criminal Code is a federal statute and it is for the provinces to enforce it.

Hon. Mr. Croll: I am not suggesting for a moment that this has anything to do with the Criminal Code at all. I say that these people have brought themselves in under the umbrella of the Bankruptcy Act, that bankruptcy is a matter for federal jurisdiction and has nothing to do with the provinces at all. What I suggest now, and what I suggested on the last occasion, is that the bankruptcy section of the federal Department of Justice should have a fraud investigation squad for the purpose of looking into these cases that look suspicious, to see whether fraud has been committed.

Honourable senators, there is also the Piggyland business, with which I was dealing. It is true that this man skipped. He may have skipped before it went into bankruptcy, but it is interesting to note that the pattern is about the same. Too many people are getting away with it, to the point where it is becoming a kind of practice. This fellow, when he skipped away, left behind, according to the press reports, 40 suits—

Hon. Mr. Farris: Not lawsuits?

Hon. Mr. Croll: No, indeed. He also left a Cadillac and a yacht.

Hon. Mr. McCutcheon: He could not take those on an aeroplane.

Hon. Mr. Croll: He also left $3,000 worth of liquor. I should not think he would have made that sacrifice. However, it is people of this sort who are committing offences and getting

away with them. It is a matter for the Government of this country to reach for them as far as they possibly can, by every conceivable law, to make sure they do not get away with this sort of thing.

Very well, honourable senators, I will now bring up something which is a little closer to home. Again within the past week, on July 27, 1963, there were press reports which stated that the Piccadilly club—and now we will see who went into bankruptcy—had in some guise or another been collecting money for tours to the extent of about $85,000.

Hon. Mr. Vien: That is the Piccadilly Club in Toronto.

Hon. Mr. Croll: Yes, in Toronto.

Hon. Mr. Vien: There is a Piccadilly Club in Montreal also. I do not want them to be involved.

Hon. Mr. Croll: They would not wish to be involved in Montreal.

Hon. Mr. Macdonald (Brantford): It was much more than $85,000.

Hon. Mr. Croll: What happened was this. The club was in bad circumstances and they collected $85,000 from about 170 persons for whom they agreed to provide transportation, and they used the money for purposes of running a club. Now they have 170 people stranded—some Britons in Canada and some Canadians in Britain. What happens? They take your money today, assign in bankruptcy tomorrow, and tell you the day afterwards, yet nothing whatever happens. Not only that, but in a statement made to the press, I find this:

> Gerald Peters, managing director of the Piccadilly Club until Friday, told a press conference he operated the social club with money paid by members for charter airline flights.

He is not in jail yet, and I do not know when he will be.

These many, many instances I have indicated are outrageous bankruptcies that ought to be looked into. Something should be done to curb these serious abuses. There should be no umbrella here in Ottawa to protect these people. Ottawa should not be the climate for frauds. I think it is about time that we took it into our heads to end this sort of bankruptcy racketeering. We should not be deterred from taking what may be a first step now, and perhaps some other steps later. I have given ample proof here that some of these fast-buck artists are short-changing and defrauding everything and everybody. We had the Credit Grantors Association tell us in committee of little frauds that took place. Here I come and indicate to you what appear to be serious matters.

I think the time has come, before we entirely lose control, for something to be done about amending the Bankruptcy Act so that it is available to honest people who are unfortunate.

Mr. Choquette: Were there not representations made for over a month by members of local bar associations, or the bar associations from Ontario and Quebec, experts in bankruptcy law? Were these representations not all made to the committee on this very bill, which is identical with the one we had introduced last session?

Hon. Mr. Croll: I have the record of the proceedings here, and none of the representations had anything to do whatever with what I was talking about.

Hon. Mr. Choquette: Why did you not come up with representations at the time?

Hon. Mr. Croll: Last October, when this came up, you were sitting in your seat on the other side. You thought I was exaggerating. I presented everything I had available at the time. I was not prepared to argue the matter at all at the time, but since then these matters have been aggravated.

Hon. Mr. Choquette: This bill, Senator Croll, if I may add, has been on the Order Paper since the beginning of this session, and there was ample time, I suggest, for your representations to have been made. Now you bring them up when we are two or three days away from a recess. I doubt your sincerity at times.

Hon. Mr. Macdonald (Brantford): Oh, no.

Hon. Mr. Roebuck: That is not parliamentary.

Hon. Mr. Croll: Sincerity in what? That is a pretty serious statement for you to make. This bill was not proceeded with—

Hon. Mr. Macdonald (Brantford): Your Honour, I do not think an honourable gentleman should make a statement—

Hon. Mr. Choquette: I will withdraw that. I meant the delay in proceeding with this particular bill.

Hon. Mr. Croll: It might have been delayed still further, and I do not know that I was responsible for the delay. There was no urgency about the bill at any time. However, in the course of preparing to speak to the house I had occasion to collect these facts and present them here. Strictly, the matter is one for another bill. I know that as well as anyone else. However, it opens the Bankruptcy Act for discussion, and that is what I

have been doing here. I hope that these representations are heard by the Minister of Justice and those who are concerned.

Hon. Thomas Vien: Will my honourable friend permit a question? Is it not open to the creditors in every case to lay a charge against any debtor who has committed a criminal act? They can order the trustee to lay a charge before the criminal court—the Bankruptcy Act allows that. If there was any negligence in the cases that my honourable friend has so aptly referred to, I would suggest that the negligence, if any, was on the part of the creditors themselves who did not take the trouble of asking the trustee to lay a charge before the criminal courts.

How could the attorney general of a province follow up all the bankruptcy cases that have developed in every city or town? It is up to the creditors themselves, who are gathered together, who elect inspectors and who are protected by the trustee, to act under the law.

Hon. Mr. Croll: I am aware of that, Senator Vien.

Hon. Mr. Vien: You agree?

Hon. Mr. Croll: I do not agree at all.

Hon. Mr. Vien: You do not agree?

Hon. Mr. Croll: I am only aware.

Hon. Mr. Vien: Do you not agree that this remedy is open?

Hon. Mr. Croll: Yes, under the law, you might be right. But let me tell you that the remedy that is open—

Hon. Mr. McCutcheon: Senator Croll is worried about those four large finance companies which were bilked of $700,000 or $800,000, and they did not know enough to protect themselves.

Hon. Mr. Croll: I will tell you one thing, that the last people to lay a charge will be the large finance companies—they will do everything in the world to get their money but will not go to court. You cannot look for any relief there.

Of course, they can lay a charge and take the responsibility but there is always a lack of funds in these bankrupt estates. So you wind up with some friendly inspectors who are unwilling to prosecute, and the crown attorney does not want to get mixed up in what he calls civil or business matters. A good many things may be suspected, but they may not be true. What I am suggesting is that you investigate before you say anything about it. When you investigate you will see the disparity between the large liabilities and the small assets—in one case almost $2 million with no assets at all. Surely that should arouse some suspicion in somebody.

So I point out again that this matter of bankruptcy is an involved matter and needs the attention of the officials in the department. They assured us last time that they would be dealing with an amendment to the Bankruptcy Act when this was out of the way. I suspect that they are doing it, but I feel we should keep in mind that it is part of unfinished business, and make sure that the doors of evasion and fraud, which are now open to those people who do not mean well and who have an effect upon our economy, should be closed as quickly as possible.

Hon. Mr. Isnor: May I ask the honourable senator just one question to clarify my mind. What connection if any has the Credit Grantors Association with any one of the cases cited by him?

Hon. Mr. Croll: I did not suggest that there was any. I indicated that when they came before the committee this was their brief.

Hon. Mr. Isnor: They did not have any connection with it?

Hon. Mr. Croll: This information was contained in the brief which they presented to the committee last October, when the original bill was before us.

Hon. Mr. Vien: Honourable senators, I would like to add only a few words to what I have already said.

This bill was studied during the last session of Parliament. It was a well prepared bill. It had given the employees of the Bankruptcy section of the Department of Justice a great deal of concern, and I am told that there is at present an investigation being carried out by that department concerning a complete revision of the Bankruptcy Act.

After consultation with eminent practitioners in various cities and towns across Canada—particularly in Toronto and Montreal, where the most glaring cases arose—it was thought advisable that the amendments which were prepared and presented at the last session should be introduced, for the time being, into the Bankruptcy Act, and that would give us the opportunity to obtain some experience as to the efficiency of the remedies covered by these amendments. While this is being done the officers of the Department of Justice are carrying out a further investigation and study, and are preparing a complete revision of the Bankruptcy Act, which should be presented to Parliament, if not at the next session, at least within the next two years.

Hon. Mr. Roebuck: That is too long.

Hon. Mr. Vien: In the meantime, I agree

with the honourable gentleman that these amendments are not a cure-all. There will always be loopholes through which debtors will defraud their creditors. That has been the case from the beginning of the world, and I do not think that we shall see an end put to fraud in Canada, or elsewhere, during our lifetime. However, it is our duty to do our utmost to improve the Bankruptcy Act and the administration services at Ottawa and in various large centres in Canada where these instances take place in greater number.

I think the bill, as is, is a good one. It is not a perfect bill, and it will not put an end to all frauds. After all, who are the most interested people in the matter of bankruptcy? Are not the creditors themselves interested more than anyone else? They are gathered together; they have their voice when the trustee is chosen by the bankruptcy court; they elect inspectors from among their own number, generally chosen from among the largest creditors. The creditors themselves can always ask the trustee to convene a meeting of the creditors, and if the inspectors appointed by them under the supervision of the bankruptcy court are not capable of rendering justice, I believe that the fault lies in the negligence of the creditors who do not look after their own interests.

What is the most frequent reason for not prosecuting? In my experience the most common reason has been that it is not always easy to prove the criminal intent of a debtor to defraud his creditors. Before laying a charge in the criminal court the trustee will ask the creditors to deposit the money required to carry out the investigation, at least to cover the preliminary investigation. They are generally rather reluctant to commit themselves to send good money after bad money, and the result is that they lose interest in the case, and it becomes a bad debt. That is their own fault. If a criminal act has been committed and they lay the charge and if the debtor is committed to the assizes, then the attorney general will take charge and will prosecute the accused. But the attorney general could not very easily, in a matter between creditor and debtor, presume to lay a charge alleging a criminal act before the creditors themselves decided that it should be done.

Therefore, I would suggest that there might be some closer attention given to the powers of the Superintendent of Bankruptcy to supervise the trustees in various sectors of the country. I think they are doing that to a much greater extent than they did years ago. The supervision may not yet be adequate, but I believe that this bill, as it is, and the improvement it will bring to the Bankruptcy Act, together with the experience acquired within a year or two of the effective use of these amendments, will help those who are studying the complete revision of the Bankruptcy Act to determine what is the final form to be adopted to bring about the results which my honourable friend so aptly and eloquently suggested should be adopted.

Hon. Arthur W. Roebuck: May I ask the honourable senator if there is anything in the present act, or in the proposed amendments, which throws any obligation on the trustee to bring a criminal action when he finds there has been fraud on the part of the debtor? What happens as a rule in these bankruptcies is expressed by the old phrase, that what is everybody's business is nobody's business. It is all right to say that the trustee in bankruptcy may take action, but as a rule there are several of them, and each one is only partially responsible. The inspectors leave it to the trustees because they are in charge and know the whole story.

Hon. Mr. Macdonald (Brantford): And the creditors leave it to the inspectors.

Hon. Mr. Roebuck: The inspectors leave it to the trustee, and there is no money in it for him to go to the criminal courts.

Take some of the instances that my friend so eloquently laid before us. Take the last one where a company, under a certain manager, takes from people considerable sums of money on the understanding actually expressed, and certainly implied, that it shall be used for the purpose of transportation, in some instances from England to Canada, and in other instances from Canada to England. He does not apply that money to the purpose for which he has accepted it; he uses it for other purposes, and in doing so leaves these people stranded. It seems to me that that is clearly a matter of fraud and a breach of trust.

I would think it was a matter, not for the attorney general but rather for the crown attorney of the district in which the fraud took place. I think there is a duty there, and it should be made a duty of the trustee in bankruptcy to bring such a situation to the attention of the crown attorney. It should not be a matter of expense because he should not have to underwrite the prosecution. The crown attorney does that and usually the county bears the expense.

Therefore, my question is, is there anything in either the act or the amendments which throws any obligation upon the trustee to bring before the proper authorities, under the Criminal Code, a criminal act which comes to his attention? If not, an appropriate amendment is required.

Hon. Mr. Flynn: Let me tell my honourable friend that the act provides that the trustee shall make a full report of all he knows about the conduct of a debtor. He has to report any of these incidents of fraud, and everything that the debtor has done prior to or during the bankruptcy, in the administration of the estate.

Hon. Mr. Macdonald (Brantford): Honourable senators, before the question is put may I reply to the suggestion that Senator Croll has waited several weeks before presenting his case. The responsibility for that is mine. I was the one who suggested that this debate be held up so that other matters could be discussed in the Senate.

I must say, so far as Senator Croll is concerned, that he was ready to proceed several weeks ago and, in fact, he suggested that he should proceed. However, I felt that there was so much work in the other house that there was no point in our sending over this bill just to add one more item to the many that were already on their Order Paper. If there has been any undue delay I assume full responsibility for it.

Motion agreed to and bill read second time.

THIRD READING NEXT SITTING

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

Hon. Mr. Macdonald (Brantford): Honourable senators will recall that during the last session this bill was introduced in the House of Commons. It was passed by that house and then came to the Senate. It received second reading here, and was referred to the Standing Committee on Banking and Commerce. That committee held several hearings on the bill. Representatives from different organizations and officials of the department were present, and the bill was drastically changed. That bill as amended was presented to this house just about the time Parliament dissolved.

Honourable senators, the bill before us tonight is the bill as revised by the Banking and Commerce Committee last session. In view of these circumstances I suggest that the bill should receive third reading without being sent to the Banking and Commerce Committee. It can then go on to the House of Commons. Accordingly, I move that this bill be placed on the Order Paper for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

KINROSS MORTGAGE CORPORATION—COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill S-27, to incorporate Kinross Mortgage Corporation.

Hon. John J. Connolly moved that the amendment be concurred in.

He said: Honourable senators, when this bill was before the Senate the proposed company was seeking to be known under the name of Kinross Mortgage Corporation. When the bill reached the House of Commons an amendment was proposed adding to the name clause of the bill the words "La Société d'Hypothèques Kinross". The proposed amendment simply gives the company a name in French.

With leave, I move concurrence in the amendment proposed by the House of Commons.

Amendment concurred in.

DOCUMENTS TABLED

Leave having been given to revert to the order for Notices of Motions:

Hon. W. Ross Macdonald: Honourable senators, I table the following documents:

Supplementary Estimates (B) for the fiscal year ending March 31, 1964. (English and French texts).

Supplementary Estimates (C) for the fiscal year ending March 31, 1964. (English and French texts).

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, before moving that the house do now adjourn, may I refer to business that is likely to come before us tomorrow.

Today we have set up the Special Committee on Aging, and we have also given second reading to a bill to amend the Bankruptcy Act, which bill will be up for third reading tomorrow. This leaves on the Order Paper for tomorrow the resumption of the debate on the motion for an address in reply to the Speech from the Throne.

At the present time there are, to my knowledge, three senators who would like to speak on that debate. I hope we can hear them all tomorrow afternoon. One is Honourable Senator Fournier (De Lanaudière), who adjourned the debate. There is also the honourable senator from Vancouver South—

Hon. Mr. Farris: Have you forgotten my name?

Hon. Mr. Macdonald (Brantford): Certainly not—I have not forgotten the name of your constituency. As there are several senators from Vancouver, probably I should have referred to the honourable senator by name. I am sure we are all glad to see honourable Senator Farris with us. I hope that he will speak tomorrow in this debate in reply to the Throne Speech.

There is another honourable senator who may speak. If I name him as the honourable senator from Ottawa, you will wonder who it is. Honourable senators, you may be surprised when I say that honourable Senator Paterson would like to participate in this debate. Therefore, we should have a very good afternoon tomorrow.

We must not forget that there is also on the Order Paper the bill sponsored by honourable Senator Pouliot, to amend the Marriage and Divorce Act. I presume the honourable senator will be ready to go on tomorrow.

In addition to that, there is considerable business before the other house, some of which may reach us. However I expect we will sit both tomorrow afternoon and evening.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, July 30, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report on the administration of allowances for blind persons in Canada, for the year ended March 31, 1962, pursuant to section 12 of the Blind Persons Act, chapter 17, R.S.C., 1952 and amending Statutes. (English text).

Report on the administration of allowances for disabled persons in Canada, for the year ended March 31, 1962, pursuant to section 12 of the Disabled Persons Act, chapter 55 of the Statutes of Canada, 1953-54 and amending Statutes. (English text).

Report on the administration of old age assistance in Canada, for the year ended March 31, 1962, pursuant to section 12 of the Old Age Assistance Act, chapter 199, R.S.C., 1952 and amending Statutes. (English text).

SPECIAL COMMITTEE ON AGING

REPORT OF COMMITTEE PRESENTED

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

The Special Committee of the Senate on Aging make their first report, as follows:

Your committee recommend:

1. That their quorum be reduced to seven (7) members.

2. That they be authorized to print 1,000 copies in English and 300 copies in French of their day to day proceedings.

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

Hon. Mr. Croll moved that the report of the committee be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

ICE CONDITIONS—ST. LAWRENCE RIVER

REPORTED CONSTRUCTION OF ICE-BOOM AT MONTREAL—NOTICE OF INQUIRY

Hon. Gordon B. Isnor: Honourable senators, before the Orders of the Day are called I wish to ask a question of the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford), based on an article which appeared in the *Financial Times* of Montreal on July 15, 1963 entitled: "World's Fair could give ice-free port".

This article refers to the construction of a boom across the St. Lawrence River which is to be commenced at once, and in 1967 and in following years it will be maintained by the Government.

As all honourable senators know, the official icebreaking work is performed to prevent flooding, but if what is said in this article is correct then it will mean that an icebreaker will be regularly on the St. Lawrence.

I do not need to remind honourable senators, particularly those from the Maritimes and from Quebec, that last year the first ship entered the river on January 30, as compared to March 12 the previous year. This was made possible, of course, by the extensive work done by icebreakers.

The article reads in part:

> Maritimes interests are fighting this movement, claiming that the government-supported icebreaking amounts to an artificial shipping subsidy which is causing a loss of business for their ports. Halifax and Saint John depend for a large part of their traffic on up-river ports being ice-bound for part of the year. But since the ice-breaking program began in the mid-fifties, both Trois Rivières and Quebec have become year-round ports.
>
> The big fear in the Maritimes is that Montreal will follow them, and although port officials here are non-committal about it, the new ice-boom could speed this day.

I am particularly interested in the cost. In this respect the article says:

> It will cost about $8 million, $2.5 million of which will come from the City of Montreal. The federal government will build and maintain it after the fair is over.

My questions are as follows:

(a) Is the statement as printed in the *Financial Times* of Montreal, July 15th, 1963, correct as to fact?

(b) To which department of the government will the $5½ million be charged?

(c) To which department of Government will the maintenance be charged?

(d) What is the annual estimated cost of maintenance?

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—DEBATE ON MOTION FOR SECOND READING STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Pouliot, seconded by the Honourable Senator Stambaugh, for second reading of Bill S-32, intituled: "An Act to amend the Marriage and Divorce Act".

Hon. Jean-François Pouliot: Honourable senators, may I, with leave of the Senate, move that this order stand until Wednesday, October 9 next.

Motion agreed to.

BANKRUPTCY ACT

BILL TO AMEND—THIRD READING

Hon. W. Ross Macdonald moved the third reading of Bill S-2, to amend the Bankruptcy Act.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

(For report of speech delivered this day by Honourable Senator Fournier (De Lanaudiere), see *Debates of the Senate* tomorrow.)

Hon. Norman McL. Paterson: Honourable senators, I take this opportunity of extending to His Honour the Speaker congratulations on his appointment and my very best wishes for the future.

The story I have to tell today is somewhat in the nature of a report of a committee. It is a success story, and I hope it will be found interesting.

On June 2, 1955 I introduced a bill in this house having to do with a convention between the United States and Canada in regard to the control of a parasite known as the sea lamprey. The convention required nine signatures in the United States and two in Canada. Eight of the states of the union and one Canadian province, Ontario, border on the Great Lakes. I shall have to go back a little, because a number of senators who are here now did not hear my speech of June 2, 1955.

When the Welland Canal was first built in 1829 there was no sign of the lamprey, but in 1921, two years after the larger and deeper Welland Canal was finished in 1919, a fisherman found a peculiar dark eel in his net. He took this eel to the authorities in Toronto and was told that it was a sea lamprey, a parasite which preyed on lake trout and whitefish.

Since 1921 the sea lamprey has almost completely eliminated the valuable trout fishing and whitefish fishing in Lake Erie, which indeed has little that the sea lamprey has not destroyed. Further up the Great Lakes, to Lake Michigan, Lake Huron and Georgian Bay those areas used to find fishing highly profitable. I understand that from Lake Huron and Lake Michigan 14 million pounds of trout per year, valued at from $5 million to $7 million, were once taken. This has been brought to as low as 500,000 pounds per year.

All during this time, the control of the sea lamprey was by trial and error. First of all, it was necessary to ascertain the habits of the sea lamprey. These creatures go up muddy creeks and rivers; they lay their eggs in sandy soil, and in about three weeks' time they hatch out what are called ammochete. This can hardly be termed a fish, but it finds its way out of the sand into the soft mud, where it lies from five to seven years. When it comes out of the soft mud it becomes at once a parasite, about ten inches long, and goes into the open water, where it preys mostly on young trout and game fish. The idea was to build barriers across these muddy creeks and rivers to stop the lamprey from going up, for if they are thus prevented, they do not lay eggs and they die.

The convention to which I have referred was extended for ten years for the purpose of having the cycle complete—the five years, plus one year for growth. The result was then to be complete, and a review was to be made in eight years. This is the eighth year of the convention which was made in 1955. The report will not be out until the fall. Possibly senators will be interested in hearing the report when it becomes available.

I mentioned that I was going to tell more or less a success story. May I indicate what has ensued? These iron barriers and the electrodes they put across the rivers and streams to prevent the entry of the lamprey were all right to a certain extent, but when a moose came along and knocked them down, or a rainstorm washed them away, or one of many other things interfered, the lamprey still made progress. In the meantime there were on hand supplies for five years anyway.

The University of Michigan at Ann Arbor, Michigan, started working on a chemical. After 6,000 trials with different chemicals they developed one called T.F.M., a phenol poison, which proved to be very successful in a proportion of two parts of the chemical to one million of water. That is toxic to

lamprey. There had to be seven parts of the chemical to one million of water to be toxic to fish. You can just imagine the difficulty of testing the amount of water going through the stream so as to add exactly the correct amount of chemical, and, remember, this chemical is pretty expensive, $2.50 a pound. The success part of the story is, I am told confidentially, that there is a great deal cheaper way of making it.

Our Dr. Pritchard is chairman of the committee working with the people at the University of Michigan at Ann Arbor. I spent a morning with him, and he explained to me that these barriers were kept up for the purpose of trapping the eels. There are 80 creeks being treated on Lake Superior, and from 1958 to 1962 there were approximately 60,000 eels trapped. The last trap showed only 8,000 as against 60,000 the year before, which proves conclusively that the lamprey is being conquered.

A week ago yesterday, Rossport, a little town on Lake Superior this side of Nipigon, had its annual fish derby, which has been held for many years. The local paper reports that they very seldom have had a successful fish derby, and the catch is mostly young, four- or five-pound fish. They would much rather get ten-pound fish; but to the members of this convention one of the best signs is that the young fish are coming along, and very few are showing signs of being wounded by the lamprey.

They have very high hopes of continuing with the work to further success in conquering the lamprey, and they hope that before long Georgian Bay will make a comeback with its fishing.

Hon. J. W. de B. Farris: Honourable senators, I found that this unusually hot weather disturbed my throat a little, and this morning I dropped into a store and asked for some tablets that would cure hoarseness. The girl waiting on me asked some questions and I told her that I wanted to speak in the Senate this afternoon. I added, "I hope you are a Liberal". She glared at me and said, "On the contrary". However, I took the medicine, and if anything happens to me I want to be on record.

Hon. Mr. McCutcheon: You are a very bold man.

Hon. Mr. Farris: I have had other adventures as well as that.

Honourable senators, I took part in the opening of this session, and I regard this somewhat as the closing of the session because I think our resumption in the fall will really constitute at that time a new session after we have had the summer to think things over. But in the meantime I took some satisfaction, not in my absence but in the fact that before I left I moved a motion to permit us to refer to our fellow senators by name rather than by designation. That was carried, and I congratulate myself on it, because I think we have got along much better in a good family way by using our names rather than some reference to designation or place of residence.

It is usual in addresses made in reply to the Speech from the Throne to congratulate the various persons who are taking part, including you, Mr. Speaker. I have read the speeches of others who have made these expressions of congratulation and, beginning with yourself, I do not need to repeat them—I most emphatically endorse all that has been said.

One thing has disturbed me a little. There is one senator opposite for whom I have the highest regard. I consider him as one of the best appointments that Mr. Diefenbaker made. I can see good reasons for that appointment—the then Prime Minister was selecting a man who could give him advice on industrial and financial matters. I do not mind using the privilege I secured for myself to tell you that I have in mind Senator McCutcheon. Notwithstanding what I am about to say I still believe he is one of the most useful gentlemen we have in this house to give advice which we need from time to time on financial and industrial matters.

So I turn to the speeches that were made in regard to the new Department of Industry, and knowing that Senator McCutcheon had had this branch of activity in his portfolio as Minister of Trade and Commerce, I thought that now we would get some real enlightenment on how this new department would work out. I have been greatly disappointed. I found him as critical as he could have been. While criticism is all right in this house, and I have been guilty of it more than once myself, I think the purpose of this Department of Industry was most obvious—it was to try to improve financial conditions and make better provisions for employment. I would have thought that once it had become inevitable that this was going to come about, my honourable friend Senator McCutcheon, with his wide experience, would be one of the first to give it support.

Hon. Mr. McCutcheon: I accepted the inevitable in the Banking and Commerce Committee.

Hon. Mr. Farris: We have this legislation, it is going to go ahead, and it needs all the assistance we can get from experienced men

to make it as successful as possible, and they should not be deterred by any political considerations.

Hon. Mr. McCutcheon: Agreed.

Hon. Mr. Farris: Honourable senators, I now wish to come to some of the matters which I consider of great urgency at this time. I mention these matters at this time knowing that we cannot cure them today or tomorrow, but at least if they are not cured we know we will have an opportunity to think about them and give consideration to them later on in the year.

One of the things that seems to me that ought to be considered first is that justice in some form should be given to those who have applied for divorce and whose cases are pending, some for two years, some for one year, and some more recent. I understand there are now about a thousand divorce petitions on record, and half of them are cases which, under the very able and conscientious leadership of Senator Roebuck, were passed on by his committee, were referred to the Senate, and without a single challenging voice from anyone as to grievances they might have, were unanimously accepted and passed by the Senate and sent to the House of Commons.

Now, honourable senators, the practice for a good many years has been for the House of Commons, generally speaking, to accept the report of the Senate and the Senate committee and without undue delay to pass the bills through that house so that they could then be attended to by the Governor General and become law. But two years or more ago two men undertook to set themselves up in the Commons as being of higher authority than the Parliament of Canada, and in the intervening period the system that had been carried on so satisfactorily for many years past has been completely blocked.

Now I know that there is opposition in the Senate and Commons to divorce, and that it is largely on religious grounds. It is for that reason that those of us who disagree with that view, with the greatest respect, bow to their wishes in a way that we would not think of doing if the objections were political and not religious.

And so it has developed that in all of the provinces of Canada except Quebec and Newfoundland there are now courts of divorce. There are no courts of divorce in those two provinces, and while members who are opposed to divorce have accepted that fact, they have done so on a theory that I do not intend to discuss except to say that if there must be divorces they prefer them to be granted by act of Parliament rather than by a divorce court.

My honourable friend Senator Aseltine, some few years ago when he was Leader of the Opposition, brought in a bill to provide that these cases go to the Exchequer Court. I supported him in that measure, but it was defeated in the Senate and never went to the House of Commons. So we are continuing this system of divorce by act of Parliament.

Now that system has fallen down. It has not failed because of religious opposition or, so far as I know, for any intelligent reason whatever; but it has been blocked. How? By obstruction. And how was that obstruction possible? These are private bills and when they go to the House of Commons, under the rules there they have the same limitation of right as do other private bills. I have forgotten, if I ever did know, how many hours a week are allowed for private bills, but it is a very limited time. The result is that these two men—under the guise of saying, "Oh, we must investigate all the evidence in every case, therefore, we must read all the evidence on each case"—have blocked the passage of most of these bills. I do not know how many divorce bills have been allowed to pass in the course of a session, but I would say at the most two or three, or perhaps a half dozen.

Hon. Mr. Roebuck: Very few.

Hon. Mr. Farris: Very few—and the rest died on the Order Paper.

I challenge the good faith of any men who undertook such a task in defiance of the will of the Senate and the Commons as a whole. How many bills are passed on the recommendations and investigations of officials? There is legislation involving hundreds of millions of dollars voted by Parliament—and which these two men must vote for—concerning which we accept the investigations and recommendations of others. That is necessary in business, and it is necessary in sensible, political administration.

The suggestion has been made that we turn the divorce work over to the Senate alone. The irony of that is that these two men cannot turn it over for each individual case, but they are willing to turn it over holus-bolus for every case.

I am a practising lawyer; last month was my sixtieth anniversary of practice, and I know something about divorce proceedings in other provinces. I have been a member of the Senate Divorce Committee, though I do not attend its meetings as often as I should. However, when at times my honourable friend, the chairman of the committee, has been short of a lawyer of experience he has called on me and I have always been very glad to serve. It is my considered opinion that there is no tribunal in any province that more carefully

and more efficiently deals with the investigation and recommendation of divorces than does the Senate Standing Committee on Divorce.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: I know what I am talking about, and I have never heard a sensible challenge to that statement.

That being so, honourable senators, what are we going to do about it? I do not know how much you appreciate, or how much the public appreciates, the tragedies that are being created. A great many of these petitioners for divorce are women with husbands who are not worthy of the name, and they are not entitled to say, "Whom God hath joined together, let no man put asunder," because I am sure God never had anything to do with joining them.

What is the result? They have had children; life with these men has become impossible, and divorces are applied for. These people are separated: the husbands would not live with their wives, and their wives would not live with them. They have come to Parliament under the law; they have paid their money under the law; they engage lawyers, and as part of the established custom these lawyers appear, and they have to wear their gowns and ties, just as they would in any court. Witnesses are called, and the procedure is the same as in the courts, except for one difference. While in the provincial courts you have only one judge, here you have, generally speaking, five judges—certainly never fewer than three—to consider each case. The members of the committee generally comprise a lawyer, a doctor and a businessman. For those reasons they are better qualified to size up these cases than any single judge in Canada. Now it has all gone by the board.

There are a good many remedies being suggested.

Hon. Mr. Macdonald (Brantford): May I interrupt the honourable gentleman for a moment? I might point out to him that so far this year no one in the House of Commons has blocked any of the divorce bills which have been sent forward from this chamber. The other day we sent 150 bills forward from this house.

Hon. Mr. Roebuck: No; 250.

Hon. Mr. Macdonald (Brantford): The first lot?

Hon. Mr. Roebuck: The first lot was 50.

Hon. Mr. Macdonald (Brantford): Those 50 bills were presented to the House of Commons, received first reading, and were referred to the Standing Committee on Miscellaneous Private Bills without objection from anyone.

Hon. Mr. McCutcheon: They received second reading.

Hon. Mr. Macdonald (Brantford): Yes. They received second reading, and were referred to the Standing Committee on Miscellaneous Private Bills, from which it would appear there is no objection this year in the other house to the passing of those bills.

There are now several hundred other bills before the House of Commons, and I am hopeful that they will also be referred to the Miscellaneous Private Bills Committee without objection.

I bring these facts to the attention of the honourable senator so that he will know that, at any rate up to the present time, in the other house there has been no blocking of divorce bills.

Hon. Mr. Farris: There is no passing of them either.

Hon. Mr. Macdonald (Brantford): I am not defending anyone, but I think we should face the facts. It is true there has been no passing of them, because there has been no opportunity to pass them in the other house.

Hon. Mr. McCutcheon: I think we should also face the fact that the other house has passed very few bills of any kind.

Hon. Mr. Macdonald (Brantford): That is correct, with respect to private bills. Speaking of these divorce bills, the House of Commons has not had a chance to pass any of them this year because the first bills arrived in the other place only on Tuesday or Wednesday of last week. They immediately received first and second reading and were referred to the Miscellaneous Private Bills Committee. I am merely bringing these facts to the attention of the honourable senator.

Hon. Mr. Farris: I think it would be a good idea if Senator Roebuck gave his views on what is happening. I would like to ask permission for him to do so.

Hon. Mr. Choquette: A sort of tripartite speech!

Hon. Mr. Roebuck: If information is being sought in the course of another honourable senator's address, I am very glad to say what I know about it.

In the earlier part of the session the two gentlemen to whom my friend Senator Farris has referred made a public announcement which was printed in the press generally, to the effect that they would not allow our bills to pass this session. Largely in consequence

of that and because of our experience of last session and the two previous sessions, under the authorization of the Divorce Committee I announced in this house that we would not ask people to come here, with all the expense attached to a lawsuit, until we had some assurance from the other house that these bills would be attended to properly.

We have carried out that understanding during this short portion of the session, until very recently when there was some intimation—the exact details of which it is unnecessary for me to describe—that perhaps the old bills, those of last session and the session before, might be allowed by the objectors to pass. Consequently, as an emergency measure, we re-processed 251 of these bills—and that is not a small matter—and sent them to the other house in the hope that something might occur.

It is true that the present session is different from the previous ones. In the course of the previous sessions there was time available to take care of this matter, but it was neglected and allowed to fall into this condition.

I have at present an assurance from the most responsible people in the Commons that something would be done. There was a recognition of the injustice, the outrageous character of the situation, and I have been assured that something will be done. So far nothing has been done, but I know that the situation has been recognized, considered and dealt with to the extent of the ability of those in charge, and I am very hopeful that, at least some, if not all, of the 251 cases will be passed. I am still hopeful. I would have resigned long since if I had not continued to be hopeful that common sense would in due season prevail.

Hon. Mr. Farris: There is an old saying that hope deferred maketh the heart sick.

Hon. Mr. Roebuck: Yes, and mine has been sick on many occasions.

Hon. Mr. Farris: I hope my friend is right in his hopefulness, but I do not think that that hope, based on very slight evidence, justifies my honourable leader in interrupting my speech.

Hon. Mr. Macdonald (Brantford): I am sorry. I thought I was giving my honourable friend some information which he did not have, to the effect that the other house had given second reading to the bills that went over there this session.

Hon. Mr. Farris: They have done that in other years.

Hon. Mr. Macdonald (Brantford): No, they have not; they were blocked. This is the first time it has been done in the last three years. I thought I was giving the house information which it did not have.

Hon. Mr. Farris: I understand the difficulty is in getting them through the committee, not in getting second reading.

Hon. Mr. Roebuck: The difficulty is getting them through the house, not through the committee. The committee has been well chaired in the past.

Hon. Mr. Farris: Then all I have to say is that if the Government has this matter in hand to the extent that the old procedure will be adopted, and as a result the blockade by these two men will no longer be operated, then I highly commend the Government for what it is doing.

It has been suggested that the Senate be given the power to pass on divorce bills without their having to be passed by the Commons. Of course, that is utterly impractical, because under the British North America Act all legislation must be passed by the Commons and the Senate, and assented to by the Crown. Otherwise it would be entirely unconstitutional.

The other suggestion I have heard is that power should be given to the Senate to pass, instead of a bill, a resolution which would have the effect of giving a divorce. I do not approve of that. I think if that were done as a last resort we might accept it, but I would point out to honourable senators that that would have the effect of making the Senate a kind of divorce court, and this we do not want.

While there is the feeling that we would prefer to have divorce turned over to a court altogether, a motion to this effect brought in by Senator Aseltine was defeated. As I say, while we would prefer to have it done that way, we are willing, and I am sure my honourable friend the chairman of the Divorce Committee is willing, to give our time and energy in perpetuating the system we have had heretofore. But, I repeat, that to give the Senate power to pass on divorce and to dissolve marriages by resolution would be simply turning this house into a kind of divorce court. I, for one, hope we will find a better remedy than that. It seems to me that the difficulty today arising out of this blockade in the other place, whether it be in second reading or the committee stage, can be cured by adopting the simple method of changing the rules of the other house so that divorce bills shall be treated as public bills. That action would very soon overcome the obstruction.

It gives me pleasure to join in the hopes of the chairman of our committee that there will be a satisfactory solution to this matter. That, however, does not conclude the speech I have in mind. It is only one of the matters I intend to deal with.

I understand there is to be legislation after the adjournment in regard to redistribution of electoral divisions so that voting shall be on a fairer basis than it is at the present time. I feel it should be more representative, and I think every member of the House of Commons and every senator is in favour of that. But I would point out that there is a difficulty in our system of voting that results in the disenfranchisement of more voters than does the question of defective assignment in the definition of and dividing of the electoral divisions.

I have here the report of the Chief Electoral Officer for the year 1962. I had another volume of it at home in which I had marked many cases to illustrate the point I am making, but I have not had an opportunity to mark this copy. However, anybody who is interested can look it up.

I remember one case in which there were two candidates so close together that there were only about 100 votes between them. But there were in that particular constituency about 5,000 voters who had not voted for either one of those two high men. As a result there were in that constituency 5,000 voters who did not have a say about who was elected.

I spoke on this subject once before in this chamber, either last year or the year before, and I call attention to it again. I do not expect my views to be accepted but I hope that some honourable senators at least will give some thought to what I am suggesting. The remedy I propose is not a new one. I recall the father of the honourable Senator Haig telling me they had the system of the single transferable vote in operation in parts of Manitoba and that it was working satisfactorily. We once had that system in the province of British Columbia. I was not in the Legislature at that time, but I was fairly close to some of its members. Many years before that I had been attorney general and I had used my influence and the influence of other people to persuade Boss Johnson, the premier, to introduce the single transferable vote system into British Columbia. That was done, and the electorate voted according to that system.

What is this single transferable vote system? It is very simple. If there are three candidates running in an election, you simply vote twice. This does not mean that you vote at different times, but on each ballot paper you have a first and a second choice. If your first-choice candidate gets a clear majority, that of course ensures his election. However, if he does not get a clear majority, and if he is, in fact, the lowest of the three, his votes are lost, and his second preference votes are distributed between the two higher candidates. Applying this to the illustration I have already given, the result would be that where the two high candidates were only 100 votes apart, the 5,000 voters would have had an opportunity of deciding which of those two, with only 100 votes separating them, should be elected.

Hon. Mr. Choquette: Could a voter vote Liberal and then vote Conservative on the same ballot?

Hon. Mr. Farris: You might have that opportunity.

Hon. Mr. Choquette: I do not know of any who would avail themselves of it.

Hon. Mr. Farris: I do not know why it hurts my honourable friend so much that he would repudiate the whole system. It may be that of the two that were high, one was a Liberal and the other a Conservative, and that it was a Social Crediter that was the first choice which was thrown in the discard. He might have an opportunity of voting as between Liberal and Conservative, and in that case I am sure he would have sense enough to know which one to vote for.

Hon. Mr. Grosart: The Liberals voted with Social Credit, so why should he not vote for them?

Hon. Mr. Farris: As a result of our having that system in British Columbia in that election our Liberal Government under Boss Johnson was defeated, and on the first vote the socialist was elected; but when the second votes that were provided for under the act were added to the first vote, Mr. Bennett was elected. The first thing Mr. Bennett did after he came into office was to pass legislation throwing down the ladder upon which he had climbed. There may be many honourable senators who will say: "Well, it would have been better had he had only the first vote and let the socialists in", and others may say no. But, whichever way it may happen in any individual case, the principle was sound in that every voter in that election had a choice of determining who was to be the victor in the end.

Hon. Mr. McCutcheon: But Mr. Bennett was not prepared to take a chance the second time.

Hon. Mr. Farris: No, he was not. I am not by any means defending Mr. Bennett.

Hon. Mr. Croll: Neither is anybody else these days.

Hon. Mr. Farris: I am not so sure about that. Strange things happened yesterday, but I do not intend to discuss them at this time. There will be some interesting developments as a result of that judgment, but I am making no predictions.

Hon. Mr. McCutcheon: There is nobody more qualified than you are, sir, to make those predictions.

Hon. Mr. Farris: I have not been retained to do so. I may say this to my honourable friend Senator McCutcheon, that when this case first arose I was approached by both sides to act as counsel.

Hon. Mr. Hugessen: Why didn't you accept?

Hon. Mr. Farris: It was for the very good reason that before that bill was brought in by Mr. Bennett there were rumours of it, but at that time the B.C. Power Company and B.C. Electric were practically one. I was counsel for both of them, and we had long conferences as to whether or not that legislation could be brought in. When Mr. Bennett did bring it in I felt I was bound by professional etiquette, at least, not to take a brief from either side.

Hon. Mr. Macdonald (Brantford): That might not apply on the appeal.

Hon. Mr. Farris: That is a different question. I have not been approached on that.

Hon. Mr. Macdonald (Brantford): The judgment was handed down only yesterday.

Hon. Mr. Farris: It might be a case of where Barkis is willing, but I do not know.

I think I have said about all I wish to say on the question of proportional representation as opposed to the single transferable vote. Many people confuse the two, but they are the antithesis of each other. Proportional representation tends to increase the number of parties. Every time a man gets his proportion he gets elected whether he has a clear majority or not, while under the system I am talking about it is the reverse; nobody is elected until he gets a clear majority, and everybody is given an opportunity to take part in that clear majority.

There are two reasons why I still urge this system, and will urge it in another session if I am spared to do so. First, I do not favour multiplicity of parties at all. If people want it that way they will get it that way, but they may be very sorry in the end that they encouraged more separate parties. I think an opportunity of voting in such a way as I have described would tend to eliminate a superfluity of parties.

Secondly, it certainly will be more representative in the democratic form of government, and it is well worth while being carried out. I do not know whether my friend Senator Haig is in favour of it or not. He has seen it at close range, and it might be interesting for us at some time to hear his views on it.

Honourable senators, there is another subject matter which, although not mentioned in the Speech from the Throne, was actively discussed and considered before the election. I refer to the question of reform of the Senate. It will be remembered that Mr. Diefenbaker introduced a bill for the reform of the Senate. I have always had an idea that this phrase "reform of the Senate" is a misnomer. I think what should be said is that there is a need of reforms in Parliament, and that those reforms should be divided into two groups. It is not reform of the Commons, but reforms in the Commons; it is not reform of the Senate, but reforms in the Senate. We are not presuming to reform the Commons, although some of us could give some mighty good advice on that if asked for it, but reforms in the Senate should be initiated in the Senate and by the Senate, and the advice of the experienced senators should be at all times sought.

I have been a member of the Senate for 27 years. There are only two senators ahead of me, and they are my friends, Senator Horner and Senator Aseltine. When I first came down here I was uneasy for much of the time. I was at that time active in the practice of law—I was much younger and more vigorous then than I am now.

Hon. Mr. Macdonald (Brantford): You were younger. We do not agree with the latter part.

Hon. Mr. Farris: I will say that I was more contentious in those days. I did not like the way things were going here. I left a busy practice and came down to Ottawa. This was during the days of Senator Dandurand, and the Senate at that time was a little different from what it is now. It has gradually drifted into the present system whereby we sit, generally speaking, on Tuesday nights, very often for half an hour or an hour, then again on Wednesdays, and on Thursdays we hurry up to get through the business so that the boys can catch their trains to Toronto, Montreal and other places.

That system did not appeal to me. I made complaints to the leaders of the day, and I was not alone. Senator Wishart Robertson, who was at one time the leader of our party here, was very co-operative, and he held the same views. We asked: "Why don't they send more government bills over from the Commons to be initiated in this house?" After all, the great bulk of legislation is government

legislation. "Oh", they said, "the ministers like to introduce their bills themselves".

We soon corrected that. We passed a rule, which is still in force in the Senate—and I venture to say that many of the new senators do not even know it—that allows ministers from the House of Commons to come into the Senate to introduce bills. They can take a seat here and discuss their bills, and they have the full right of reply, just as they have in the other place.

That, to my mind, affords us a great advantage. It does two things. It gives senators more to do at the particular time and, honourable senators, make no mistake about the fact that there is a basic difference between discussion in the two houses.

As a rule, in the Senate our only objective is to analyse and discuss bills on their merits. Over in the other house—this is not a criticism but a recognition of facts—members have not only to remember the merits of the particular bill, but they have to remember the merits of it from the standpoint of the political situation of the party. That is human nature and there would be no good in trying to change it; I would not be foolish enough to suggest that such procedure should be changed. It should not be changed. From the time a member rises and makes a speech on the merits of a bill, on its political advantages and its industrial advantages, and then says a few words for the boys back home, that is the end of it.

In addition, there are many more members of the House of Commons than there are members of the Senate. Consequently, a bill can be fully dealt with, investigated and passed through committee in the Senate very often in one-fifth of the time it takes in the House of Commons.

If a certain number of these bills were brought in here by the minister concerned, were presented in the Senate in the same way as they would be presented in the House of Commons, and if we had an opportunity to go into them as they do in the Commons, it seems to me that the country would benefit more by the intelligent discussion and consideration of those bills by the members of this house.

I am quite willing to put up the members of this house against an equal number of members of the House of Commons and say that the ability and the earnestness of the members of this house is quite equal to that of the members of the Commons.

The full investigation of many of these bills could take place in this house contemporaneously with the investigation of other bills in the House of Commons. What would be the result? I suggest the result would be that it would give a freer discussion in the Commons of the bills which are dealt with there, and it would mean an effective investigation of the bills which would be sent here to the Senate. I would say also that if such a practice were adopted and if full advantage were taken of it, it would shorten the sessions of Parliament by four to six weeks at least, without sacrificing anything in so doing.

When the Liberals were in office they took some advantage of that. The Honourable Mr. Chevrier, the present Minister of Justice, came over to this house a couple of times. So also did the Honourable Brooke Claxton. I do not remember the names of all the ministers who were here. The procedure worked all right for some time. Then I think the ministers really felt they would prefer to get the first crack at those who represent the voters directly, than those who represent the voters in an indirect way in the Senate. Then the idea was more or less dropped.

A few sessions ago, when honourable Senator Aseltine was Leader of the Government in this house, I asked him if there was any intention to take advantage of such a procedure. He shrugged his shoulders and rather intimated that they did not think much of it. To my mind, that is a mistake. I believe this procedure would be for the good of the Senate; it would be good for the morale of the Senate; it would be a demonstration of the effectiveness of the Senate, with the full opportunity given to it. It would also hasten the end of the sessions, so that senators and members of the House of Commons would not have to sit through this blistering weather. It would be a good thing and I still heartily recommend it.

The introduction of such a practice would not require any amendment of the rules. I think it should be recognized as something worth while.

I suggest to my honourable Leader that he nudge some of his colleagues and suggest that they bring some of their bills over here —not merely formal bills but those which would require some investigation and discussion—and let us deal with them. This would not lessen but would increase the respect for and benefit of Parliament.

There is another point about reform in connection with the Senate. This point is not one of reform in the Senate but reform of the procedure by which senators are appointed. I do not suggest that the right to nominate senators should be taken away from the Government. I have thought this over many times and I have read much discussion about it; and even when the Conservatives were in power I was quite satisfied that it was the best system we had.

Hon. Mr. Macdonald (Brantford): I do not know.

Hon. Mr. Farris: Well, I do. I think it is the best system. I have never heard a better suggestion. I have heard it suggested that the Senate should be abolished altogether, but I would not be in favour of that. Honourable senators know that I have quite an advantage, speaking at my age, in that I can be pretty independent in my thinking. I would like to live and die a senator; but as far as being a senator is concerned, if it be thought that I am useless and no good, well, that is all right—I take my chances on that.

Honourable senators, in concluding on this particular matter, I might add that at an earlier time when the Liberals were in power the Minister of Justice was the Honourable Mr. Garson of Manitoba. I called on him one day and said: "Mr. Garson, we have too many Liberals in the Senate and not enough vigorous Conservatives. Why don't you put in one or two outstanding Conservatives to give more aggressive representation in that house?"

He looked at me. I suppose this was a private conversation, but I do not think he would object to my mentioning it. He looked at me and said: "I think every minister would agree with your suggestion, except with respect to his own province." That is no reflection, as that is the practical way all politicians look at things.

As far as I am concerned, I am not one of those foolish people who say, "No patronage!" Patronage is a mighty useful thing in politics, if it is not abused. If you do not look after your friends, you are not going to have many; and if you do not have many friends you will not get elected, and those who get elected will not be as good as you would be. Therefore, we must be practical in these things; but the practical application of that rule should not be carried to the extent of public disadvantage.

With very few exceptions, there are admittedly only two groups in this house, Liberals and Conservatives. If there are independents, they are mighty few, and I do not know just what you would call them.

Hon. Mr. Molson: Well, now—

Hon. Mr. McCutcheon: Where do you stand?

Hon. Mr. Farris: He is my next-door neighbour in this building. He is a good senator, anyway.

What I am saying would be an illustration of the fact that some men like honourable Senator Molson would be of considerable value here. I am not advocating that the Government should pick outstanding men in the New Democratic Party, for instance, nor in the British Columbia Social Credit party. But I do say that from the fine illustration we have already had, that it would be a good idea to have here some more people who are not labelled either Liberal or Conservative. For instance, I would suggest one man of whom I am thinking, Mr. Coldwell. One certainly could not call him a Liberal or a Conservative.

Hon. Mr. Macdonald (Brantford): We would like to see him here.

Hon. Mr. Farris: He is a man who, if he were a member of this house, would give his undivided and conscientious time and thought to the welfare of the country, as he saw it.

Hon. Mr. McCutcheon: I think he would make a great contribution.

Hon. Mr. Farris: Yes, he would make a great contribution to this house. When I said that to one of my friends, he replied, "Why should we encourage the New Democratic Party?" I am not encouraging the New Democratic Party. I have no use for them; I do not approve of their leader; I do not approve of their policies; but I do approve of Mr. Coldwell as an outstanding man, whom it would be worth while to have in this house.

Honourable senators, I am watching the clock in order that I shall be able to conclude before the hour of adjournment. I am not going to speak about the bill which I believe is expected to arrive here shortly in regard to indemnities.

Hon. Mr. McCutcheon: You must not, because the Leader of the Government would not allow me to speak about bills that have not arrived here.

Hon. Mr. Macdonald (Brantford): Well, if you are in favour of it—

Hon. Mr. Farris: At this stage I am not expressing my opinion as to whether or not allowances are too high. However, I do wish to say that possibly it will bring home to us senators the fact that there ought to be more activity in the Senate, and that such activity is not going to come by just getting up and making abstract speeches. That does not work. Once in a while I have heard some of the finest speeches on abstract questions by members of this house, but they did not get publicity, and without publicity they are not of great value.

The question of whether remuneration is sufficient or is too much reminds me of a story I once told when I was president of the Canadian Bar Association. It was my final address, and I was speaking about lawyers' fees. I said that I believed that a lawyer's remuneration should be such that he is worthy of his hire. To illustrate my point I told this story.

Mr. Hall, once a lawyer in Victoria B.C., and at one time a member of the legislature, and for many years police magistrate in Victoria, came to my office in Vancouver to retain me in a proposed action. I went all over the case with him and I said, "Henry, I believe you have a good case and I think you should succeed." He said, "Well, there is one drawback; my client hasn't much money." I drew myself up and said, "Well, Henry, a lawyer is worthy of his hire". To which he rejoined, "Oh, hell, we are going to do better for you than that." So I do not wish to say any more about this question of being worthy of one's hire. There will be lots of comments to the contrary, no matter how convincing we may speak in Parliament.

Honourable senators, I want to say a word about old age. Last session Mr. Diefenbaker introduced a bill to reform the Senate. The basis of that reform was to get rid of the old fellows in the Senate. I think the first thing he should have done was to consult many members of the Senate, including some of the senior members. I would like to ask Senator Aseltine, who was leader in this house at one time, if he had ever been consulted by Mr. Diefenbaker on the proposed reform of the Senate. As far as I know, certainly no member on the other side of the house was consulted and yet I think we have forgotten more about the matter than Mr. Diefenbaker knew about it. I put a question, and I would like to hear Mr. Diefenbaker answer it. Does he think that age is a full test of the reforms that are needed in the Senate? Certainly I could tell him things which are far more needed, even if he were right in saying that might be included.

Hon. Mr. McCutcheon: Honourable senators, may I ask my friend if he thinks it was a full test of reform of the banks that the Government he now represents put an age limit of 75 years on bank directors?

Hon. Mr. Farris: Well, not only did they do that—

Hon. Mr. McCutcheon: They did a lot of other things too.

Hon. Mr. Farris: But I do not think they established any precedent. I do not think my honourable friend wishes to suggest that we ought to learn from the bankers or from the directors of the banks in regard to old age. They hire young men on starvation wages, and they kick them out at 65 years of age.

Hon. Mr. McCutcheon: I would not know; I have retired.

Hon. Mr. Farris: That is just about the time they are getting really useful. They do that because they can get younger fellows cheaper. I want it understood that I did not raise this question, being a solicitor for a bank. I should like to put to Mr. Diefenbaker this question on the reform of the Senate, and with regard to these old fellows in the Senate. Has anybody ever pointed out a single action on the part of the Senate that has been detrimental to the welfare of the country; and, in particular, is he able to point out a single case where harm has been done by reason of some older members of the Senate?

It is an embarrassing subject to discuss in more particulars than that. However, let me name a few of the older members: Tom Crerar, Dr. Grant, from Prince Edward Island, Senator Roebuck, the chairman of the divorce committee—the best chairman, in my experience of 27 years, that that committee has ever had—Tom Reid, who is still giving service on the International Pacific Salmon Fisheries Commission. I would hesitate to mention myself, except that it might be useful as one horrible example among the prime group of senators I have mentioned. In any event, on the subject of all the talk about reforming the Senate by kicking out old senators and limiting the age of new senators, I insist on the proposition that it is not possible to point to a single instance since Confederation of any action by the Senate to the detriment of this country.

Honourable senators, in conclusion, may I say that I have tried not to be contentious in my speech. I think the time has come when in the Senate, of all places, there ought to be all possible co-operation and friendliness of spirit. Indeed, I feel that this spirit exists to a large extent, and even if there have been times when perhaps we have become a little excited and a little over critical, on the whole our best service has been done when we have shown a spirit of co-operation and recognized each others good qualities rather than our possible failings.

I have before me the poem of a man who was great in his time—Thomas Babington Macaulay, born in 1800 and died in 1859. He had not reached the stage of being an old man when he wrote this poem. I shall read one stanza:

> Then none was for a party;
> Then all were for the state;
> Then the great man helped the poor,
> And the poor man loved the great:
> Then lands were fairly portioned;
> Then spoils were fairly sold:
> The Romans were like brothers
> In the brave days of old.

I do not have ideas that would justify hoping for that condition in this country, particularly the line which says, "Then spoils

were fairly sold." However, the idea that the poet embodied might well be taken to heart in our wishes and our dream for Canada.

Hon. L. M. Gouin: Honourable senators, it is very difficult to rise to speak after Senator Farris, a man of such intellectual power, such experience and such wisdom.

Moreover, I have to apologize for taking part in this debate so late in the session and at this late hour, but for some personal reasons it has been absolutely impossible for me to speak before the present date.

I attach the greatest importance to the remarks which I am going to make because I consider that it is my duty, owing to the present situation in Quebec, to call your attention to the various points which I am going to discuss. I hope that I will offend nobody, but I consider it as an imperative duty to give the explanations that will follow.

In the Speech from the Throne special stress is laid on the importance of fostering among us a spirit of co-operation. It is on that very word "co-operation" that the senator who has just spoken finished his address. Such a spirit of co-operation is essential to the survival of Canada and to its normal growth and progress.

At the beginning of the Speech from the Throne it is stated:

> You are deliberating the course of our country in times of great change throughout the world...

It must be realized that radical and fundamental changes are taking place just now, particularly in Quebec.

In my own province, again to refer to the Speech from the Throne, I read:

> Familiar ways of thought and action are becoming less certain guides...The task before us is to seek out... new paths that will lead us surely forward.

Our present Governments, here in Ottawa, as well as in Quebec, are of opinion that a new direction must be given to our federal system. I share that opinion and I am convinced that the vast majority of French-Canadians believe, as I do, that the partnership between our ethnic group and the English-speaking group must be made truly equal.

In my youth I learned from Laurier's own lips that racial harmony is essential to the welfare of our country. All my life I have tried to be faithful to that doctrine of mutual respect and toleration. Therefore, I consider that the attainment of this is within our power, through the constitutional means of which we dispose to solve our present problems. The situation in Quebec has reached an acute stage. Some angry young men have rendered a terrible disservice to our people by resorting to violence. Of course, I dissociate myself completely from those who consider murder as an instrument of their ill-advised policy. French-Canadians have always enjoyed a reputation of moderation and of sound judgment. I trust that we will preserve those traditional qualities. But, we want a greater degree of equality and of fair play to prevail in our relations with the other members of our federal union.

In order to understand our mentality and our aims, other Canadians must realize that French-Canadians form what I would call a distinct nationality in the sense given to that word by William Henry Moore. This great writer published in 1918 a book intituled "The Clash". He depicted in terms which have never been surpassed the chasm which separated our two great races at the end of the First World War.

Mr. Moore considered that seven factors are required to constitute a nationality:

1. Ethnical identity.
2. Identity of language.
3. The unity of religion.
4. Common economic interests.
5. Habitation subject to common geographical conditions—

what I would call habitat,

6. Common history and traditions.
7. A uniform theory of government.

I submit that French-Canadians clearly form a nationality according to the standards set forth by Mr. Moore. I do not think that the term "A French-Canadian Nation" would be more appropriate. Though that expression is now currently used in Quebec, I believe that it would be perfectly applicable only if our French-Canadian population were a distinct political entity enjoying separately complete independence and sovereignty.

Personally, I have always spoken of our Canadian nation which comprises as its two main elements on one hand the offsprings of the original settlers who came from France and, on the other hand, all those who belong to the English-speaking world. I do not want to be misunderstood, and I am absolutely opposed to the brutal system of the melting pot. All Canadians are entitled to continue to cherish and foster the particular culture which they have inherited from their ancestors. This not only applies to Canadians of English, Scottish, Irish or Welsh extraction, it applies also to our fellow countrymen whose old country is Germany, Poland, Ukraine, Italy, Greece, Iceland, Scandinavia, Japan, China or any other country in the world. Of course, a distinction must be made between those two main partners, as I would

call them, in our Confederation, namely the first settlers and then their first partners by conquest and victory, the British element. We have made this great nation of ours a bilingual one where only two languages have an official standing and not to the same degree. I add at once that those two official languages are English and French. But the new immigrants for whom I have the greatest respect and friendship came to this country knowing already that this was a bilingual country and they had to adopt either the English language, as the large majority of them did, or to choose the French language, which is the case in Montreal, for instance, of our Italian-Canadians and to some extent our Canadians of Polish origin.

But after this parenthesis, let us examine together to what extent French-Canadians possess seven characteristics which make them quite a distinct ethnic group. In 1763, at the time of the signing of the Treaty of Paris, 60,000 "habitants" were conquered people; they were ruined and they had been through all the sadness of the Seven Years' war.

We are now six million French-Canadians descended from that original French stock, and we show complete ethnical unity whatever the province is in which we live. We possess unity of language and unity of religion as much as it can possibly be achieved. Our economic interests are sufficiently similar. We inhabit a common territory. Not only in Quebec, but in all other provinces, French-Canadians are grouped together with a remarkable degree of cohesion. We have our own history and we are justly proud of our Canadian background dating back to the discovery and foundation of New France and Acadia. We have developed here our own national traditions, inherited from France but evolved through three centuries of natural growth among these Canadian surroundings. Finally, it was as a separate national entity that we entered Confederation as one of the original parties. Economic and political necessity gave birth to Confederation. The adoption of federalism was a compromise. French-Canadians, under the leadership of Cartier, were absolutely opposed to legislative union because they considered that it would mean the disappearance of our distinct ethnical group. French-Canadians accepted the federal system because it expressly recognized our French-Canadian nationality, not only in the Quebec legislature but also in the federal Parliament. For instance, here in the Senate we have been guaranteed an equal number of senators, 24, as in the province of Ontario. English and French are both official languages in the federal administration and also in the federal courts, and Quebecers enjoy the fullest possible measure of provincial autonomy.

Our Constitution was thus designed to achieve national unity and at the same time preserve two distinct ethnical groups. The guarantees which were given to us have not always proved adequate. But the spirit of Confederation leaves no doubt about it; federalism was chosen for the purpose of ensuring the existence of two nationalities within the Canadian nation.

Since 1760 we have successfully defeated all attempts to assimilate us. We are confident that nobody plans now to denationalize us by trying to build national unity upon unity of language, unity of race and unity of faith. The French-Canadian fact must be accepted by all political thinkers. Our survival is one of the cornerstones of Confederation and we are determined to preserve intact our national characteristics. We are no defeatists. Since 1760 we have been dominated and animated by an unconquerable will to survive, true to ourselves and to our past, such as God has made us.

In many centuries, honourable senators, we believe the world will turn to us and say: "This people belongs to a race that cannot die." It is not without emotion that we listen to those words of Louis Hémon, author of *Maria Chapdelaine*. We "belong to a race that does not know how to perish." God has put in our blood "the splendour and the primitive force of a new country, where an ancient race has renewed its youth."

To you, to the dominion as a whole, we French-Canadians bring that strength which has endured here for three centuries and which has identified us completely with this land of ours. We offer to you the hearty and loyal co-operation of a people of pioneers and settlers, farmers and fishermen, workmen and traders, members of the professions, founders of cities and creators of industries. But we believe that French-Canadians are entitled to a fuller share in the development of our natural resources. We want also to occupy a larger place in trade and commerce. But to achieve this we must first struggle out of our present economic inferiority. This condition is described by Hémon, when he explains how "almost all the power was seized and almost all the money was acquired" by others than the French-Canadians. Indeed we are rich only in spiritual values.

Our economic inferiority is easy to explain. In 1760 our ancestors had few worldly riches. They were a vanquished people, a mere handful of poor settlers, sixty thousand in all, men, women and children. Thus our country was developed, after the conquest, by British capital and afterwards, to an exceedingly

large extent, by American investments. Under such conditions, it is in no way surprising that the exploitation of our own resources has not been directed by ourselves. We have supplied only the labour, and to much too great an extent, unskilled labour.

It is our ambition to see more French-Canadians occupying the higher positions in the great industrial, commercial and financial organizations and also in the federal Civil Service. With this aim in view, we want to develop more and more competent men, including experts so well qualified that the great companies will be glad to ask for their services. Considerable progress has already been made in this respect. We do not want to sacrifice our lofty ideals, but we believe that we can preserve such ideals and yet give a more practical education to our children. Without abandoning any of our essential traditions, we want French-Canadians to obtain their just share in the riches of this country, the land of unlimited possibilities.

We, Canadians of French origin, believe that we are at home, "chez nous", everywhere in Canada, that we are entitled to be treated by the British majority as partners, upon a basis of equality and fair play. We claim equal rights and acknowledge equal duties. We do not take the position that we are asking for privileges or concessions. We consider that it is for us an inborn right, as well as a constitutional right, that French be given the place which belongs to the French and that we should keep our language and our culture. We do not seek to dominate and to impose upon others our French culture. But we are resolved not to be dominated by any other ideal than our own. That is why, to quote Louis Hémon again, "We have forgotten nothing of all those sacred things which our ancestors have carried to this new continent"; those sacred things, "although they are intangible, we are convinced that they will endure even unto the end. For ourselves and our destinies, we have apprehended this sole duty: to persist, to hold our own." Thus, "in the country of Quebec, nothing shall die...".

Hémon added the words "nothing shall be changed," but you know, honourable senators, that Quebec is now on the march, and we believe that we should combine together our traditions and progress. Progress is as inevitable as the sunrise. Tomorrow the sun will rise again; and no one can really indefinitely prevent progress. We are not condemned to be a nation of poor and ignorant people because we are Roman Catholic and because we are French-speaking. We want to be your partners; we want to play our full part, and we are confident that we can appeal to your spirit of fair play. The fact that our origins and our creeds are different does not prevent the growth and development of the truly Canadian mentality, reflecting our two great civilizations, the French and British ideals which it is our double mission to perpetuate here. Yes, our Canadian soul is drawn from two sources; it is derived from a two-fold principle. That soul of our country, we Canadians of French origin bear deep in our heart and we have transmitted it from generation to generation now for three centuries.

That soul of Canada, *l'âme Canadienne, l'âme de la patrie,* is not only a symbol for us: it is a living reality; it is our flesh; it is our blood. The soul of our country speaks to us in the beauty of our landscapes, immense and infinite in their variety. We feel its presence everywhere in Canada from the Atlantic to the Pacific. The soul of our country inspires us in the Maritimes, in dear old Acadia, as well as in the younger provinces of the west. Every region appears to us always enriched by the memory of the great historical events which have taken place all over our Canadian land. The soul of our country, deeply imbedded in our history, is for us a principle of life and it gives to our patriotism a mystic strength. We want all Canadians to be more and more animated and guided by the voice and the inspiration of that Canadian soul.

It is true that we did not all carry across the seas to our new homeland here the same prayers, the same songs and the same language. But we all worship the same God. In this land of freedom and liberty, we can pray to the Almighty, "to our Father which art in Heaven", in different temples, we can speak both English and French; and yet we all have the well-settled determination to continue to live and to grow together as one nation, including in our great family all the Canadian-born offspring of our mother countries. Is it not true that we are all ready to give our lives to defend and to preserve the immense territory which we have inherited from our Canadian ancestors, whether they were British or French or of any other extraction?

Yes, Canadians of all origins and of all creeds, we all have the same firm will to continue to inhabit and to develop together this great Confederation of ours. We want Canada to remain a harbour of religious and racial toleration, where the rights of everyone are respected, where a spirit of brotherhood, of partnership and co-operation reigns between all ethnical and religious elements.

We want to transmit to future generations not only our physical assets, but also the

spiritual and intellectual legacy which we have received from our British or French forefathers. Yes, we want all Canadians to accept our French and British traditions, which have become our common Canadian ideal through almost two centuries of historical association. British and French Canadians, in the past, we have already done great things together. We are all united by the strong resolution to continue to do great things together and to be worthy sons and daughters of our sires in these present days as well as for all times to come.

For these reasons, I heartily approve the creation of that commission on biculturalism which is to study deeply and to investigate seriously the conditions which now exist concerning not only the use of French but also the possibility of convincing more Canadians to become really bilingual and to appreciate our culture, as we Canadians of French origin appreciate and revere the great British culture which was your heritage, but which has now become our common heritage.

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

SENATE AND HOUSE OF COMMONS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-91, to amend the Senate and House of Commons Act and the Members of Parliament Retiring Allowances Act.

Bill read first time.

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

Hon. Mr. Macdonald (Brantford): Later this day.

Hon. Senators: Agreed.

JUDGES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-92, to amend the Judges Act and the Criminal Code.

Bill read first time.

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

Hon. Mr. Macdonald (Brantford): Later this day.

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

SENATE AND HOUSE OF COMMONS ACT

BILL TO AMEND—SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill C-91, to amend the Senate and House of Commons Act and the Members of Parliament Retiring Allowances Act.

He said: Honourable senators, you will recall that over the years members of Parliament have been speaking about the amount of the indemnity that has been paid them, and during the last two elections, at least, the leaders of both parties acknowledged that something must be done to increase the indemnity. No amounts were mentioned, but I think it was generally acknowledged throughout the country, not only during the last election but also during the one preceding it, that when Parliament assembled consideration would be given to an increase in the indemnity. Consideration has now been given to this question and as a result we have before us tonight Bill C-91, to amend the Senate and House of Commons Act and the Members of Parliament Retiring Allowances Act.

Honourable senators will notice that by the first clause the sessional allowance of members of Parliament is increased from $8,000 to $12,000.

The second clause provides a penalty for being absent more than 21 days. The amount which is chargeable against any member of Parliament who is away more than 21 sitting days is to be at the rate of $60 a day.

Hon. Mr. Willis: It is a deduction of $60 per day from the indemnity, and $60 per day from the allowance.

Hon. Mr. Macdonald (Brantford): I have not reached the allowance yet. The amount chargeable against the indemnity is $60 a day for every day over 21 days that a member is absent from a sitting of the house. There are certain exceptions. For instance, if a member is absent because of illness or because he is away on public or official business, there will be no deduction.

Clause 3 provides for the payment of $4,000 to the leader of a party in the other house who has at least 11 followers. That is to say, $4,000 will be paid to the leader of any party with 12 or more members in the other house.

Hon. Mr. Hnatyshyn: I wonder if the honourable Leader of the Government would care to enlarge on the meaning of "public or official business".

Hon. Mr. Macdonald (Brantford): There is no definition of those words, but that provision is already in the act. When a member of Parliament is away representing Parliament at such organizations as NATO or the United

Nations, or at any function where he is the official representative of Parliament, his days of absence are not counted.

There is also provision for the payment of $4,000 to the Chief Government Whip and the Chief Opposition Whip in the other house. There has always been a provision in the other house for payment to the Chief Government Whip, but it was not set forth in so many words. The Chief Government Whip during the past few Parliaments has also been the Parliamentary Assistant to the Prime Minister. But there was no provision for payment to the Chief Opposition Whip. This clause makes it possible for the Prime Minister's Parliamentary Assistant not to be the Chief Government Whip, and it also provides for an allowance to be paid to the Chief Opposition Whip.

Honourable senators, clause 4 provides for travelling expenses to be paid in addition to the indemnity. This provision relates to travelling expenses of members of Parliment from their places of residence or constituencies to Ottawa, together with telecommunication expenses incurred while in Ottawa.

To what extent those expenses will be allowed will be determined by each house. I think honourable senators are aware of the fact that members of the House of Commons over the last few years have been given a limited number of passes on T.C.A. to their constituencies. Members of the Senate have not had that benefit in the past. This amendment provides for such privileges to be extended to members of this house.

The question as to the number of passes which will be allowed and as to the number of long distance telephone calls which may be made, will be determined by this house.

That brings me to the question mentioned by honourable Senator Farris this afternoon, not about Senate reform but about reform by the Senate. That question might be considered by the Senate as a whole along with the question of the number of days of absence, without penalty that the bill permits. Some have thought we have had too many days. However, I feel this also could be considered by this house.

I think we are all pretty well convinced that when we reassemble in October we should have a committee of this house to consider at least changes in our rules and, whether we call it reform of the Senate or reform within the Senate, I think we all agree that something should be done.

Some Hon. Senators: Hear, hear.

Hon. Mr. Macdonald (Brantford): Furthermore, the Standing Committee on Internal Economy and Contingent Accounts might give some consideration to the extent to which the right to travel on airlines should be granted to members of the house. I think I can go this far—and I am sure all honourable senators will agree—that in so far as returning to our homes for the summer recess is concerned, we will be able to travel by T.C.A. and return here by T.C.A. I do not think there would be any objection to that.

Hon. Mr. Brooks: Would there be consideration as to the distance members live from Ottawa? That is, would the members at the extreme ends of the country—in the Maritimes and in British Columbia—have any special consideration over members who are near Ottawa? Was that considered?

Hon. Mr. Macdonald (Brantford): In other words, should the members who live in New Brunswick have a little more consideration than those who live in Brantford, Ontario, or some such place?

Hon. Mr. Brooks: Yes. I am not joking.

Hon. Mr. Macdonald (Brantford): I am not joking either. I take it that is a question which must be considered when we reassemble next October. I can see that it is quite easy for me, comparatively speaking, to go to Brantford on the weekend, whereas anyone who lives in New Brunswick, Newfoundland or British Columbia has a difficult problem to deal with.

Hon. Mr. Farris: Does this legislation limit the power of the Senate to make these changes next fall?

Hon. Mr. Macdonald (Brantford): No. This legislation does note diminish the power of the Senate to make those changes. The matter is in our hands. Whether it should be dealt with by one standing committee on Internal Economy and Contingent Accounts or by a special committee of this house, I suggest we can determine at that time.

Hon. Mr. Hnatyshyn: I do not wish to interrupt the honourable Leader of the Government, but I should like to make a suggestion at this stage that the principle in this section has been set by the other house as far as our expenses are concerned, being half that of members of the other house. That may be a good principle to consider when the allotment of aeroplane tickets or anything of that kind is considered.

Hon. Mr. Macdonald (Brantford): I do not know whether the question has been determined by the other house.

Hon. Mr. Hnatyshyn: It is in clause 4—section 44, subsection 3.

Hon. Mr. Macdonald (Brantford): This bill is not in effect as yet. I understand there was some arrangement in the other house regarding this basis for the use of airlines, but certainly it is not in the legislation now.

Hon. Mr. Hnatyshyn: I am referring to clause 4—section 44, subsection 3—and I am suggesting the allowing of other expenses on that basis.

Hon. Mr. Macdonald (Brantford): My remarks so far have been directed to subsection 1. Now I come to subsection 2. This provides for payment of a motor vehicle allowance of $2,000 to ministers of the Crown and $1,000 in the case of the Speaker of each house. There is nothing new in this. Previously this allowance appeared in the appropriation bill each year. For practical purposes, that is being taken now from the appropriation bill and incorporated in this bill.

With respect to subsection 3, honourable senators will recall that until now the indemnity in both houses was $8,000, but the members of the House of Commons received an expense allowance of $2,000 tax free, while members of the Senate received a $2,000 taxable allowance.

A change is being made now whereby, in addition to the indemnity and travel allowances to which I have referred, there will be an allowance for expenses incidental to the discharge of duties as a member. In the case of the Senate it will be the sum of $3,000 annually; and in the case of the House of Commons, $6,000 annually.

Some may ask why there is a difference. In my opinion, any honourable senator who has been a member of the other house knows that the expenses of a member are much higher than those of a senator. The amount of $3,000, half of the amount allowed to the members of the other place, was not arrived at on any mathematical basis. It was assumed that, if it costs $3,000 to live in Ottawa during a session, it costs just as much for a member of the Senate to live here as it does for a member of the House of Commons. So each house is allowed $3,000 per member, which is actually a living allowance. Then there is $3,000 in addition given to the members of the House of Commons for their extra expenses.

I might point out now, though I will come to this point in a moment, that they must pay $720 of their allowances into the superannuation fund, which we do not pay.

I pass on now to the subject of superannuation, which is dealt with in clause 5, under the heading "Members of Parliament Retiring Allowances Act." I do not know how far honourable senators want me to go into this.

Hon. Mr. Choquette: Before the honourable Leader of the Government goes into another section, I wonder if he could explain to us what wording there is in the subsection about the allowance of $3,000 for senators and $6,000 for the members of the House of Commons, to guarantee that this will be nontaxable. I read nothing of that kind in the newspapers this morning. The front page of the Montreal *Gazette* said that our $3,000 would be taxable. I checked with the *Globe and Mail* and found its front page corroborated what the *Gazette* reported. There seems to be quite a divergence of opinion as to that. I would like to know for sure before we leave that section what we can rely on for making sure that the amount is nontaxable.

Hon. Mr. Farris: What is the section?

Hon. Mr. Choquette: We have just dealt with section 44(3), page 3, I understand. It says:

> In addition to the expenses provided for in subsection (1), there shall be paid to each member of the Senate and House of Commons an allowance for expenses incidental to the discharge of his duties as a member...

Hon. Mr. Hugessen: Is there not some consolation to be found in the words of subsection 4 as they stand at present?

> In addition to the expenses provided for in subsection (1), each member of the Senate and House of Commons shall be paid an allowance... in the case of Ministers of the Crown, of the Leader of the Opposition in the House of Commons, and of members of the Senate, the amount of such allowance paid shall be deemed to be taxable income.

They have taken that out. I think that is the answer.

Hon. Mr. Choquette: I see.

Hon. Mr. Macdonald (Brantford): It was taxable under the old act. Expenses are not taxable unless it is so provided in the act.

Hon. Mr. Choquette: Are we basing that on the Income Tax Act?

Hon. Mr. Macdonald (Brantford): We are basing that on the Income Tax Act.

Hon. Mr. Hnatyshyn: I do not think there is any doubt about that.

Hon. Mr. Macdonald (Brantford): If it is of some satisfaction to honourable senators, I can say that the same question arose in the House of Commons. You know I object to quoting from the current debates in the other place, but when the matter is not controversial I think I may be excused for doing so. I refer to the House of Commons *Hansard* of July 29, at page 2758:

> **Mr. Monteith:** They just receive a straight indemnity of $10,000 which was all taxable?
>
> **Mr. Pickersgill:** The remuneration of senators under the present law is $8,000 sessional indemnity plus $2,000 so-called expense allowance which is taxable.
>
> **Mr. Monteith:** And in future, as I understand it, it will be $12,000 plus $3,000 which is not taxable?
>
> **Mr. Pickersgill:** Yes, that is right, and this is half that proposed for the hon. members of this house.

Hon. Mr. Farris: Is that an argument to be used for the tax appeal board?

Hon. Mr. Macdonald (Brantford): I do not think there is any question about it. This is an expense allowance and expenses are not taxable.

Hon. Mr. Haig: In the case of a member who has to travel, say, more than a thousand miles from the city of Ottawa, could it be drawn to the attention of the chairman of the Internal Economy Committee so that he could deal with the question of further passes on the Trans-Canada Airlines—not on a N.O.P. priority, nor No. 1 or No. 2 priority, but probably a No. 3 priority—so that the member or senator could be allowed to fly from Ottawa to his provincial capital and back only, nowhere else? I would request that concession, because in my experience there are certain flights going out of Ottawa which are not filled, and we could take that flight, say at one o'clock or 1.30, but only from Ottawa to a provincial capital, and nowhere else on the system.

Hon. Mr. Macdonald (Brantford): I am sure the chairman of the Internal Economy Committee will take notice of the honourable senator's remarks. In any event, the whole question, after having been considered by the Internal Economy Committee will, I expect, have to be approved or changed by the senators when they receive the report.

Hon. Mr. Méthot: Before passing on, would the honourable Leader tell us what is meant by subsection 4 of section 4 on page 3 of the bill, dealing with indemnity pay?

Hon. Mr. Macdonald (Brantford): Honourable senators will recall that under the present act senators are allowed $2,000 expense allowance subject to taxation, and the net amount has been paid to each of us at the end of the year. Under the proposed act the amount will be paid quarterly, at the end of March, June, September and December, subject to the deduction of $60 per day for every day over 21 days absence. That is the meaning of that clause.

Now I pass to the Members of Parliament Retiring Allowances Act, if there are no further questions.

Hon. Mr. Leonard: May I ask a question in regard to Senator Willis' remark. Under subsection 4 I think there is also a deduction of $60 from the expense allowance in the case of absences of over 21 days, making a total deduction of $120 for every day over the 21 days.

Hon. Mr. Macdonald (Brantford): That is correct.

Hon. Mr. Croll: Will we need a roll call after that?

Hon. Mr. Macdonald (Cape Breton): Everybody will be here.

Hon. Mr. Macdonald (Brantford): An attendance roll is taken here every day, and that has worked very satisfactorily so far. I see no reason for change.

Hon. Mr. Farris: How many days absence were allowed in the past?

Hon. Mr. Macdonald (Brantford): It has been increased from 15 to 21 days.

Now with respect to the Members of Parliament Retiring Allowances Act, it is not necessary for senators to have retiring allowances, because their appointment is for life. In the other house there is a provision whereby a member will, under the present indemnity of $12,000, pay 6 per cent per annum, which amounts to $720. If he has served in Parliament for two sessions and any part of the third session, I take it he is then entitled to a pension which is a percentage—and I have not the figures here—of the amount that he has paid in.

Hon. Mr. Hnatyshyn: He has to be elected three times?

Hon. Mr. Macdonald (Brantford): He has to be elected three times.

Hon. Mr. Leonard: Three Parliaments.

Hon. Mr. Macdonald (Cape Breton): Three terms.

Hon. Mr. Macdonald (Brantford): He must have served in three Parliaments. Having

been elected three times, therefore he must have sat in three Parliaments and this he must do to be eligible for a retiring allowance.

Hon. Mr. Hnatyshyn: Yes. To get the full allowance he would have to be elected three times. Am I not correct in saying that to get the full pension he would have to serve 17 years?

Hon. Mr. Croll: Seventeen sessions.

Hon. Mr. Macdonald (Brantford): To get the full amount he would have to be in Parliament about 30 years under the proposed new act.

Hon. Mr. Croll: Yes.

Hon. Mr. Macdonald (Brantford): Under the old act he had to be in Parliament for 15 years to get $3,000, which was subject to any amount he got as an old age pension. The result was that if the member had been in Parliament for, say, 15 years and retired, and he was 70 years of age, he would not get the $3,000, but would get $3,000 less 12 times $65.

Hon. Mr. Brooks: Until he served 17 years?

Hon. Mr. Macdonald (Brantford): Between 15 and 17 years—maybe 17 years. However that provision is now out of the act, and whatever a man or woman gets on retirement under this act will not be subject to any payment of the old age security.

There is an additional benefit under this act which was not under the old act, whereby the widow of a former member who died will receive a portion of the amount which he had been receiving; that is obligatory. It is also obligatory that every member of Parliament from now on shall contribute to the retiring allowance fund, and will of course be entitled to the benefits thereof.

Hon. Mr. Lambert: What percentage does the widow receive?

Hon. Mr. Macdonald (Brantford): The widow's percentage would be three-fifths of the amount which the former member was receiving.

Hon. Mr. Kinley: But that does not affect members of the Senate?

Hon. Mr. Macdonald (Brantford): No, that does not apply to senators.

Hon. Mr. Dupuis: Which clause is that?

Hon. Mr. Connolly (Ottawa West): Section 11 (2), clause 10.

Hon. Mr. Macdonald (Brantford): Honourable senators, I will now come to section 14 (a), at page 7. This provides that every person who has held the office of Prime Minister for four years is entitled to an annual allowance, commencing on the day he ceases to hold that office or attains the age of seventy years whichever is later, equal to two-thirds of the annual salary payable under the Salaries Act to the Prime Minister of that day. That allowance will continue during his natural life but will cease to be paid during any period that he is a senator or a member of the House of Commons. That means that if a retired Prime Minister should be summoned to the Senate he would lose the benefit of this allowance, or if he was returned and sat in Parliament he would lose the benefit of the allowance during the time he was a member of the House of Commons. There is also provision for payment of an allowance for the widow of a former Prime Minister. These amounts are to be paid monthly.

Hon. Mr. Hollett: That is paid only after he attains the age of 70 years?

Hon. Mr. Macdonald (Brantford): Yes. There is no payment to a retired Prime Minister before he attains the age of 70 years.

Honourable senators, I think I have explained all the clauses in this bill. I trust that its contents meet with your approval and that you will give the bill second reading.

Motion agreed to and bill read second time.

On motion of Hon. Mr. Macdonald (Brantford), bill placed on the Orders of the Day for third reading at the next sitting.

JUDGES ACT

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. A. K. Hugessen moved the second reading of Bill C-92, to amend the Judges Act and the Criminal Code.

He said: Honourable senators, this is a bill to increase the salaries of all the various judges throughout the country who are paid by the federal authority. I think it follows quite logically from the bill which we have just been considering to increase the indemnities payable to the members of the Senate and the House of Commons, and the reasons for this bill, I think, are substantially similar to those which led us to pass that bill on second reading.

The argument has been used in connection with the indemnity bill that you must ensure to a member of Parliament an income sufficient to attract good men as candidates for the House of Commons, and to ensure also that if they are elected and while they are sitting they shall not be subjected to monetary worries. Well, the same argument applies, in a slightly different context, in connection with the appointment of judges.

I suppose the position of judge is one of the most important that has to be filled in our democratic society, and it is very necessary that members of the bar of high calibre should be attracted to the position of judge and that the salary paid in that position should be such as to attract men of first rate calibre from the ranks of the bar or at least not to have the effect that they will suffer a severe diminution of income by accepting a position on the bench.

My honourable friend Senator Farris referred this afternoon to the lawyer being worthy of his hire. I do want to point out to honourable senators that the profession of the law, particularly for men of good qualities and good brains, does provide a man with quite a substantial income, and that in order to attract men of good quality from the bar who are earning a good income it is necessary that the salaries paid to judges should be not too much out of line with what they could expect to earn if they continued their career at the bar.

It is eight years since any change was made in the salaries of judges who depend for their remuneration upon this Parliament. At that time, in 1955 if I remember rightly, there was a sort of all-embracing increase made to every judge no matter what his standing or rank might be, in an amount of $2,500. Well, it is eight years since the judges had any increase and I think it is about the same period of time since members of Parliament had an increase. This bill therefore is designed to provide a general and a reasonably substantial increase in the remuneration of all our judges. Of course, I should perhaps remind the house too that the whole of a judge's salary is subject to payment of income tax. They are not getting any tax-free allowances, such as we shall enjoy.

Let me go into just a few details. The courts which are to be covered by this bill are, first of all, the Supreme Court of Canada. The Chief Justice of the Supreme Court is to have his salary increased from $27,000 a year to $35,000 a year, which I think is within a few hundred dollars of what the Chief Justice of the United States receives, the only difference, I suppose, being that the Chief Justice of the United States receives his salary in United States dollars while ours does and will receive his in Canadian dollars. The eight puisne judges of the Supreme Court now receive $22,500 a year, and that amount is to be increased to $30,000 a year. The other judges of the Supreme Court of the United States all receive, I understand, $35,000 a year.

The Exchequer Court consists of six judges: one, the President of the Exchequer Court, whose salary is to be increased from $18,500 to $25,000 per year; and five puisne judges, from $16,900 to $21,000 per year.

Then there are the judges of our provincial high courts, or supreme courts, or superior courts, as they call them in the various provinces, who are the great majority of judges to be affected by this legislation. At the present time the chief justices of these courts and the chief justices of the courts of appeal in each province receive $18,500 a year, and it is proposed by this bill to increase their remuneration to $25,000 per year. All the other judges of the superior or supreme or high courts of the various provinces—they have these different names in the various provinces—now receive $16,900. They were increased in 1955 from $14,400, by this jump of $2,500 that I mentioned earlier, to $16,900. It is proposed that their salaries be increased to $21,000 per annum.

Then there are the judges of the county and district courts in all of the provinces, except Quebec, whose salaries at the present time are $10,500, and these are to be increased to $16,000.

Honourable senators, I believe all these increases, are fully justified. I think we are only doing what is right and fair by the judges in increasing their salaries in this way. Certainly, for myself, I would feel very remiss and I would be troubled in conscience if, after having provided a reasonably substantial increase in our own indemnities in Parliament, we did not at the same time do something along the same lines for our judges, which is what this bill proposes to do.

There is only one other feature of the bill to which I think perhaps the attention of honourable senators should be directed, and that is that it does provide for an increase in the number of judges in certain of the provinces. It provides for eight additional judges of the Superior Court of Quebec, one for New Brunswick, two for British Columbia, one for Saskatchewan, one for Alberta, and one for Newfoundland.

Hon. Mr. Roebuck: None for Ontario?

Hon. Mr. Hugessen: No. Apparently there are sufficient judges of the high court and county courts in Ontario at the present time.

Hon. Mr. Farris: They have already had theirs.

Hon. Mr. Hugessen: Yes.

Honourable senators who come from the other provinces will no doubt be able to assess for themselves the necessity of the additional judges in the other provinces. All I

want to do is to say a word about the proposed increase of eight judges in the Superior Court of Quebec.

As honourable senators know, the posts of these judges are created by the provincial legislatures and, having been created by them, it is the business of this Parliament to provide their salaries.

The provincial legislature of Quebec has provided for these eight additional judges of the Superior Court of Quebec, of whom three are to be for the district of Montreal, three for the district of Quebec, one for the district of St. Francis, and one for the district of Hull. Certainly, in so far as the three additional judges for Montreal are concerned, I can assure the house that they are most urgently needed. It is often said that justice delayed is justice denied. Well, justice is becoming more and more delayed in the district of Montreal owing to the enormous increase in the number of cases and insufficiency in the number of judges to deal with them. I am quite sure my honourable friend opposite, Senator Monette, who at one time held the position of Bâtonnier of the Bar of Montreal, which I held a few years later, will concur with me in that.

Honourable senators, that is the explanation of this bill, and I submit it for the favourable consideration of the house.

Hon. Mr. Dupuis: Before the honourable gentleman takes his seat, I would like to ask him a question. Would it not be appropriate to explain to this house and to the public in general—because it will be in the newspapers tomorrow—why the county and district court judges are appointed by this Parliament, and why their salaries are provided and increased by this Parliament, except in the case of the province of Quebec? I would like the honourable gentleman to explain what occurs with regard to Quebec.

Hon. Mr. Hugessen: Our system in the province of Quebec differs somewhat from that of the other provinces, in that our superior court judges deal with a great many of the cases which in the other provinces are dealt with by the county and district courts. I think that perhaps can be explained more easily if you note that in the province of Ontario, for instance, there are 22 judges of the high court, whereas in the province of Quebec there are to be 65 judges of the superior court. That appears to be an enormous difference in favour of the province of Quebec, until you turn to the county and district courts, where you find that there are 78 judges of the county and district courts in Ontario, and none in Quebec. So, by and large, if you add the two sets of judges together, the number of judges appointed in Quebec and Ontario is relatively the same, if you take into account the difference in population between the two provinces.

Hon. Mr. Croll: I have a question. According to the salary schedule the chief justice of any of the courts receives about $4,000 more than a judge of his court. That has been the normal practice. If you turn to page 4 of the bill you will see the salaries of the judges of the county and district courts set out. In Ontario there is one chief judge and 78 judges and junior judges of the county and district courts, each receiving the same salary, $16,000. What is the explanation for the senior judge, or the chief judge of the county and district courts, not receiving a greater salary than the judges who serve under him?

Hon. Mr. Hugessen: Well, coming from the province of Quebec and not knowing the position in Ontario, all I can do is turn the question back to my honourable friend from Ontario and ask him why that is so.

Hon. Mr. Hnatyshyn: I think it is the same in Ontario as it is in Saskatchewan. Actually, there is no such thing as a chief justice.

Hon. Mr. Choquette: A chief judge was appointed in the province of Ontario several months ago.

Hon. Mr. Hnatyshyn: We call them district court judges. In Ontario they call them county court judges. We have a chairman, but all the administrative work is carried out in our province by the chief justice of the Queen's Bench court, which is the supreme court trial division, and in our province there is no chief justice of the district court.

Hon. Mr. Farris: I take it these increases in salaries are accompanied by increases in retiring allowances for judges. I should like to know if these were provided for in the act?

Hon. Mr. Hugessen: There is no provision in this bill for increases in retiring allowances. But, as I recall it, the retiring allowance for a judge is a proportion of his salary, so that any increase he receives in salary is reflected in an increase in his pension.

Hon. Mr. Hnatyshyn: I think it is two-thirds of his salary.

Hon. Lionel Choquette: Honourable senators, I rise to support the motion for second reading of this bill and to say a few words in its praise.

In my view, the increases provided for our judges are fair and generous, and are well overdue. As I understand it, the salaries of federally-appointed judges were last reviewed and increased in 1955, in which year a flat

increase of $2,500 was provided for each judge. At best that was a stopgap effort, and all of us realize that salaries adequate in 1955 are no longer adequate in 1963. These must be maintained at a level sufficiently high to attract to the bench lawyers of the highest competence without the necessity of their making an undue personal and financial sacrifice.

The independence of the judiciary is one of the most cherished principles of our system of justice, and it must not be prejudiced or qualified by the payment of inadequate salaries. I think this aspect has been very well and eloquently covered by the sponsor of the bill.

Now I should like to say a few words about our puisne judges in Ontario. I remember a few years ago a friend of mine was appointed to the Bench in Ontario as a puisne judge. He had to move with his family to Toronto. That is not of necessity a punishment as Toronto people know. Furthermore he had to fulfil his schedule of courts from Toronto. He travelled sometimes to Cochrane, and from there back to Toronto for a few days, and from there to Windsor or to London, and then to Kingston, Ottawa or perhaps L'Orignal. He likened his position to that of a travelling salesman; he said he came home to have his laundry done and to say hello to his wife, and then he had to go back on circuit again.

Now, this may be a provincial rather than a federal matter, but I should like to see, in Ontario at any rate, something in the nature of a judicial district, as is the case at present in the province of Quebec, where puisne judges who are appointed to sit in the Supreme Court of Ontario could be appointed for a judicial district, could reside there, and could hear cases by appointment. In other words, they would always be available rather than just presiding at the regular sittings, as is the case at the present time. I hope that this will be done some day, because representations have been made by bar associations on numerous occasions heretofore and nothing has been done.

I am also pleased to see that our county court judges have had an increase in salaries from $10,500 to $16,000. Their functions are numerous and onerous. They are judges of the Surrogate Court; they have to deal with matters of probate; they have to pass accounts; they have to look after testamentary disputes, and they hear appeals from the court of revision. They sit on division court cases and on judgment summonses. Sometimes they hear 200 of these in one day, and if that one day is not sufficient to exhaust the list they have to go on again the next day. They hear county court claims, that is claims of over $500; and they hear criminal cases with or without a jury; they hear chamber motions on appointment, and they may even hear Supreme Court cases by consent of the lawyers involved. These judges have to deal with the same law, the same evidence; it is only the amount which determines the jurisdiction of the court. I consider this increase to be long overdue, and I am very happy that it is now being granted.

Now, as I have said, I wish to praise this bill, and I do so, but I should like to make a suggestion along the lines mentioned by honourable Senator Farris. I have some data on that point. As I understand it, nothing was done in 1955 with regard to adjusting the pensions of judges commensurate with their salaries. Again, as I am informed, while salaries have been further increased, the pension survivor benefits have not been adjusted commensurately, or indeed at all.

Hon. Mr. Hugessen: Excuse me. If I remember correctly, in the 1955 legislation it was specifically stated that although the salaries of judges were increased, their pensions were to remain on the same basis as their old salaries.

Hon. Mr. Macdonald (Cape Breton): That was changed a couple of years ago.

Hon. Mr. Macdonald (Brantford): That was changed when legislation was introduced requiring judges to retire at 75 years.

Hon. Mr. Choquette: I must, therefore in supporting this motion, express the hope that legislation bringing pension and survivor benefits into proportion with the salaries will not be further delayed but will be proceeded with sometime later in this session.

Hon. J. W. de B. Farris: Honourable senators, I have some reluctance in making the suggestion I am about to make, but with some conviction I would ask the Senate to allow the adjournment of the debate on this issue until tomorrow. The reason for my doing so is that which prompted my question to Senator Hugessen, and that is the relationship between the salaries and retiring allowances.

The Chief Justice of British Columbia was appointed during the regime of the Conservative Government. He was appointed for life. He gave up a very desirable practice and made a great financial sacrifice in accepting the position of Chief Justice for life. Later legislation was passed which I certainly opposed, but which was passed by this house, and by which, notwithstanding the obligation to appoint these judges for life, the privilege was taken away from them and it became necessary to terminate their tenure of office at 75 years of age. Chief Justice DesBrisay was a Conservative, and a supporter of Mr.

Diefenbaker, and while I want to make it clear that he was not appointed on my recommendation, I believe that he has been one of the best chief justices we have had in British Columbia or, as far as I know, in any province.

Hon. Mr. Brooks: He had all the qualifications.

Hon. Mr. Farris: He is fair and competent, Now, he reached 75 years three or four weeks ago. If this amputation had taken place two weeks later there would not have been any question but that he would have been entitled to a retiring allowance on the basis of the new salary. It is because of this unfortunate sequence of events that this has not happened.

I may be accused of being delinquent in asking that this debate be adjourned until tomorrow, but I have two reasons justifying my position. One is that before the Chief Justice's term of office expired three or four weeks ago—I have forgotten just exactly when it was—I went to one of the cabinet ministers who is a friend of mine and asked him if this matter of the judges' salaries was coming up at this time. I was told that it was not, so I did nothing more. This bill is now before us, and I must say that I support the bill entirely.

I used to pester the former Minister of Justice, saying that the salaries of our judges ought to be increased but I never got very far. I do not know how long this question has been discussed, and I have not had an opportunity of talking to the leader on this side of the house, but I did tell him what I proposed to do tonight. I told also my honourable friend opposite (Hon. Mr. Brooks), and as far as I know there is no disagreement.

If this house had jurisdiction I would not hesitate to move an amendment to clause 4 of this bill which reads:

> This Part shall come into force on the 1st day of August, 1963.

In fact, we are going to pass this bill before the 1st day of August. The legislation concerning members of Parliament is retroactive in that the increases provided by it are to commence as of April 8 last, but there is no retroactivity in this bill.

I would like to move the adjournment of this debate until tomorrow in order to give some of us an opportunity—there are some honourable senators opposite who are in complete accord with my views, though I have not discussed this matter with them today—to talk to Mr. Chevrier. I will talk to him in company with others and point out to him that there is a Chief Justice who has been a good Chief Justice—I think everybody from British Columbia will agree with me—and a conscientious one; a man who has given of his time and who has sacrificed a big practice in order to take up this position, and now, in contravention of the obligations, his appointment having been terminated at 75 years of age, he has been by a few weeks cut off from the benevolence of this section.

I understand that we have no jurisdiction to amend the bill, because that would be increasing the allowance by a few dollars, but the Government has jurisdiction to amend its bill. Therefore, I am asking the house that I be allowed to adjourn this debate until tomorrow in order that those of us who feel strongly on this matter may have an interview with Mr. Chevrier with a view to having this date altered to meet this particular situation. I so move.

Hon. Mr. Macdonald (Brantford): Honourable senators, I have no objection to the motion to adjourn this debate until tomorrow. I think it is most unfortunate that the former Chief Justice of British Columbia should be retired just two or three weeks prior to the coming into effect of this bill.

Hon. Mr. Farris: Especially under the circumstances of his retirement.

Hon. Mr. Macdonald (Brantford): I do not think we have any power to amend this bill because that would involve the expenditure of money, but I do think that second reading of this bill should be held over so that Senator Farris and those associated with him may have an opportunity of discussing the matter with the Minister of Justice. It is my hope that the bill will receive second reading to-morrow and that we can then go ahead and give it third reading.

Hon. Mr. Hnatyshyn: I would like to inquire as to when the Chief Justice was appointed. From my understanding of what Senator Farris has said it seems that he has not served 10 years. There is a provision in the Judges' Act to the effect that before a judge is entitled to a pension he must have served 10 years. Would the Chief Justice of British Columbia have qualified for a pension at all if he has served less than 10 years? To qualify for a pension, a judge must be appointed before he reaches 65 years.

Hon. Mr. Macdonald (Brantford): Generally speaking, the honourable senator is correct, but when the act providing for the retirement of judges at the age of 75 years was passed an exception was made in the case of a judge then holding office who had not served the required length of time. The former Chief Justice of British Columbia is entitled to a pension.

Hon. Mr. Farris: I would like to say also that, apart from this question, I wholeheartedly support the provisions in this bill increasing the salaries of the judges, and I would not in any way be a party to obstructing the passage of the legislation.

Hon. Mr. Molson: May I ask the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) a question? Senator Farris has alluded to an apparent hardship in the case of the Chief Justice of British Columbia, but would not his pension, in any case, be based on his past service? I find it hard to see in what respect his pension would be affected if the date of coming into force of the new salary scale is changed. Am I incorrect?

Hon. Mr. Croll: No, you are right.

Hon. Mr. Macdonald (Brantford): I am inclined to think the honourable senator is wrong, because if the provisions of the bill were made retroactive by a month, then the former Chief Justice of British Columbia would have been holding that position and drawing the salary at that time. He would have been retired while receiving the increased salary, and thus would have received an increased pension.

Hon. David J. Walker: Honourable senators, in view of what Senator Farris has said I think we owe it as a duty to the judges to consider this bill more fully. Most of us did not see it until this evening. I would like particularly to go into the retirement benefits to which a judge is entitled, and to see that under this amending act he is properly protected.

May I compliment Senator Hugessen for the very able manner in which he has outlined these proposed changes. That task could not have been more succinctly or ably done.

With respect to what Senator Choquette has said, may I point out that we have enough troubles in both this house and the other place. It is within the jurisdiction of the attorneys general of the provinces to make any alterations in the duties and itineraries of the judges as are necessary. I support Senator Farris' motion that this debate be adjourned until tomorrow.

Hon. Mr. Hollett: Honourable senators—

The Hon. the Speaker: Honourable senators, there is a motion that this debate be adjourned.

Hon. Mr. Macdonald (Brantford): I rise on a point of order. I do not think there is a motion before the house at the present time. Senator Farris did move the adjournment of the debate, but as there was no seconder for his motion, there is no motion to adjourn the debate before the house at the moment.

Hon. Mr. Walker: Then may I second the honourable senator's motion?

Hon. Mr. Hollett: May I say just one word, not on the motion but on Senator Farris' remarks?

Hon. Mr. Macdonald (Brantford): I think Senator Monette also wants to speak. The reason I mentioned that there was no seconder for the motion is that I think we should hear from these two honourable senators.

Hon. Mr. Monette: Honourable senators, I wish only to point out that in Montreal there is a judge who will retire not three or four weeks before this date, but just three or four days before it. Having regard to that fact, I agree to the adjournment of the debate for the worthwhile purpose mentioned by Senator Farris.

Hon. Mr. Hollett: Honourable senators, I agree also with the suggestion made by Senator Farris, especially in view of the fact that one of our judges in Newfoundland was retired only a couple of months ago. If consideration is to be given to a judge in any of the other provinces, then that same consideration must be given to a judge who retired recently in my province.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 31, 1963

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa

31st July, 1963

Sir,

I have the honour to inform you that the Hon. Wilfred Judson, Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 31st July, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

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

The Honourable
The Speaker of the Senate.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Annual Report for 1962 of the Agricultural Products Board, pursuant to section 7 of the Agricultural Products Board Act, chapter 4, R.S.C., 1952. (English and French texts).

PRIVATE BILLS

THE CANADA ACCIDENT AND FIRE ASSURANCE COMPANY—REPORT OF COMMITTEE

Hon. A. K. Hugessen, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-33, respecting The Canada Accident and Fire Assurance Company, and had directed that the bill be reported with the following amendment:

Page 1, lines 10 and 11: Strike out "La Compagnie d'Assurance du Canada contre les Accidents et l'Incendie" and substitute therefor "La Compagnie d'Assurance contre les Accidents et l'Incendie du Canada"

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

Hon. Mr. Gouin moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-34, respecting The National Life Assurance Company of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Willis moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE CROWN LIFE INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-35, respecting The Crown Life Insurance Company, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. McLean: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

REPORT LATER THIS DAY

Hon. T. D'Arcy Leonard: Honourable senators, Senator Connolly (Ottawa West), Chairman of the Standing Committee on Internal Economy and Contingent Accounts, has two reports to present. I would suggest that we might receive them later this day, when he will be present.

The Hon. the Speaker: Reports stand until later this day.

LONDON VICE TRIAL

QUESTION AS TO HIGH COMMISSIONER'S PRESENCE

Hon. Jean-François Pouliot: Honourable senators, I have a question which is based on the first paragraph of a dispatch sent by Eric Dennis, Chief of the European Bureau, to the *Chronicle Herald* at Halifax, and published July 25. It reads thus:

> London (Copyright)—It was a dreary and depressing procession of prostitutes and policemen at the Old Bailey here yesterday as the vice trial of society osteopath and artist Dr. Stephen Ward went into its third day—so dreary at times that Canadian High Commissioner George Drew, watching the proceedings from one of the few spectators' seats in the court room, repeatedly nodded off to sleep.

My question is as follows:

Did High Commissioner Drew attend in his official capacity and, if so, did he send a report to the Government? If not, I will warn him to be careful and not to follow the example of Lot's wife, who was changed into a pillar of salt on account of her curiosity.

Hon. Mr. Macdonald (Brantford): Honourable senators, I have no information on that subject whatsoever.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Lefrançois, seconded by Hon. Mr. Taylor (Westmorland), for an address in reply thereto.

Hon. Allister Grosart: Honourable senators, I had proposed to speak earlier in this debate, but circumstances and the Whips disposed otherwise. However, it does give me an opportunity in the tradition of this debate to pay my respects to my betters, and I hasten to make good the omission that may be charged to me in the previous appearances I have made here.

I congratulate His Honour the Speaker, the Leader of the Government (Hon. Mr. Macdonald, Brantford), and my own leader, the Leader of the Opposition (Hon. Mr. Brooks), on the high offices they now occupy. Perhaps because I am paying my compliments late in the session it gives me an opportunity to draw attention not only to the distinguished records that these three great Canadians brought here but to the distinction that they have added to their records in this session.

It is a rather remarkable fact that these three gentlemen, who are our leaders and to whom we look for guidance here, have, as I estimate it, a total of 93 years of service in provincial legislatures and the federal Parliament of Canada. In the short time I have been a member of this chamber I have been constantly impressed by the tremendous wealth of ability and experience that is around me. I estimate that there are some 10 members of the Senate who have served as cabinet ministers, in one of the provincial legislatures or in the federal Parliament.

I pay my compliments to the mover and seconder. I will attempt to show they performed a difficult task in presenting the Speech from the Throne in as excellent a light as they did. I compliment them on their very careful selection of subjects for emphasis. It is my view that they may have left out a few subjects that need to be emphasized, and I shall do my best to fill that gap as I go along today.

I think one of the advantages of the custom we have in the Senate of carrying on this debate pretty well throughout the session is that it gives us an opportunity to review the Speech from the Throne, not only in the light of the high hopes that prompted those responsible for it, but also in the light of what has been done, to watch it unfold from words to action, and to compare its high pretensions with its performance, and its eloquence with its effectiveness.

I read the Speech from the Throne a number of times, and my first comment would have to be that it was a brave speech. In reading it you can almost hear echoing through it the sound of back-slapping. As the members of the new administration gathered, having the results of the election before them, you could almost hear them saying, one to another, in the Speech from the Throne, "Oh brave new world that hath such people in it." I say that because the preamble of the speech made it clear that it was going to be a very brave new world. Old virtues were going to be tested. It was found that "familiar ways of thought and action are becoming less certain guides" in this new world of a new Liberal administration. "Old paths are no longer open to us. The task before us is to seek out, with wisdom and imagination, those new paths that will lead us surely forward."

I am quite sure that after the experience of the last few months the members of the present administration would like to have adopted some of those familiar ways of thought and action. If they had done so, I believe they would have found them not the uncertain guides they designated them, but very certain guides that would have prevented them getting into some of the difficulties which have beset them in the past few months.

The Throne Speech, like any work of art, has a prelude and an aftermath. I would like to discuss it in terms of the prelude, which is, of course, the promises made in the days before the administration took over; in terms of the aftermath, which is the performance of the last few months; and in terms of comparison of what is suggested in the speech as the course for Canada to follow in this brave new world, in relation to what had already been done. That is to say, the course that had not only been chartered but had been embarked upon by the previous administration. Finally, I should like to contrast the speech, prelude and aftermath with what has been done, or what has not been done, to implement the major promise inherent in the prelude and in the speech to get the economy rolling.

I start then, honourable senators, with the promises. Like many others, during the days before the speech came down, I found myself wondering, guessing what might be in it, and naturally I turned to those statements of policy which had been made in the years before the new administration took over. I decided to look and see what they had said they were going to do, and thought I would find it all in the Speech from the Throne. Let us say that I was disappointed. I think it was Swift who said that promises, like pie crust, are made to be broken. I am not suggesting for one moment that that was the attitude taken at the time of the prelude, but I am going to suggest it is a pretty fair description of what happened in some areas.

What were we going to get? What was the public of Canada reasonably entitled to expect? One thing, of course, was tax cuts. These tax cuts were not just general cuts, they were very specific. I wonder how many of us remember that we were to have, to quote the exact words, "tax cuts under the Pearson Plan". I am now reading from the "Pearson Plan". It is headed "Canada's Liberal path to prosperity, progress and peace—the Pearson Plan". It is not dated.

Hon. Mr. Smith (Queens-Shelburne): Was it 1958 or 1962?

Hon. Mr. Grosart: I think this was 1958; in fact, I know it was. I am quite sure the honourable senator is not suggesting for one moment that the date makes any difference, because the preamble says:

> The Liberal party submits to the Canadian people for the general election of March 31, 1958,—

I am going to bring the record up to date.

> —a program rooted in the fundamentals of Canadian Liberalism.

These are obviously eternal Liberal values.

I was particularly interested in what was going to happen to young married couples. The document reads:

> How we will do it. Raise the basic tax exemption for a married couple from $2,000 to $4,000 during the first three years of married life.
>
> If you have been married since January 1, 1956 and you can't claim other tax deductions, the result is—

And it goes on to say that if you have a total income of $3,000, you pay nothing; if you have a total income of $4,000, you pay nothing; if you have a total income of $5,000 you pay $90.

I did not see that in the Speech from the Throne, and I will not comment on it any further at this moment except to say that I was very surprised at there being no mention of it.

Then, having an interest, as all senators have, in the rights of the provinces—it is one of our great functions to be interested in those rights—I expected to see in the Speech from the Throne notice that there would be an immediate transfer of succession duties to the provinces. I did not see it.

Then there was to be a drastic change in the rights of the unemployed in respect to unemployment insurance. I quote:

> The Liberal party would improve the law; it would provide unemployment insurance benefits to people who are out of work because of illness on the same basis as benefits are now paid to people who lose their jobs for other reasons.

I was surprised to find that the Speech from the Throne did not contain that very wide and expensive extension of unemployment insurance to anybody who happened to be sick.

There was something for women workers when they reached the age of 60 years, and for men when they reached the age of 65 years. For unmarried women and widows we were going to have old age assistance under federal legislation at the age of 60 years. I was surprised that that was not in the Speech from the Throne.

Someone will say, "Of course, all these things may come". That is fine, but the Speech from the Throne, as I understand it, is a statement of the legislation that the administration intends to introduce in its first session, and I thought that many of these things would be in it because throughout the whole pattern, as I will show as I go along, there is continual repetition of the word "immediately". All of these things were going to be done immediately and that, of course,

includes the increase of $10 in old age pensions. I do not know what the administration's definition of "immediately" is, but I think I know what the old age pensioners' understanding of it was.

I will give you an example. I have here a clipping from the Cape Breton *Post* of July 19, 1963. The heading is: "Where's our $10? Pensioners asking". It reports a meeting of the Senior Citizens' Club on Main Street, Glace Bay, on a Thursday afternoon. I think this is happening on many main streets in Canada. The report says:

> This topic was the most important one on the agenda at Thursday's meeting of the union at the Senior Citizen's Club on Main Street Thursday afternoon.
>
> The union members made it plain that they didn't want any campaign speeches or beating around the bush. They want to know right away if the raise will be put into effect and when. The federal Liberal Government announced some time ago that they would increase the pension but this increase has not occurred yet.

This news item continues, but I will not take up the time of the house by reading it all.

There was to be tax relief for business. I am not referring now to incentives; this is direct tax relief. This was one of the items that I expected to see in the Speech from the Throne, as I had an idea that I might go back to business myself—that is, until the events of last evening. There was to be a 10 per cent cut in the tax on profits up to $10,000, and I thought I might be able to get into a small business of some kind and perhaps make a profit of $10,000 in the first year. I may have been over-estimating my ability, but I was looking forward to that 10 per cent cut and I did not see it in the Throne Speech. I am quite sure that many small businessmen, who may well have voted for the brave new world with that in mind, were also disappointed.

Hon. Mr. Macdonald (Brantford): I may say to my honourable friend that I have never known anyone to be so happy over so many disappointments.

Hon. Mr. Grosart: I hope that, as I go along, the honourable Leader of the Government will become happier than I am over my disappointments.

There were, of course, other promises and other things that one might have expected to see in the speech. There was the definite statement that there would be no Government spending which would result in a net increase in Government expenditures. This is a strange promise, but it was definitely made. I think it was intended to cover a particular area, perhaps, but certainly we have had plenty of evidence of policies which will result in net increases in Government expenditures.

I am sure we all remember the tremendous criticism that was made of deficits during the previous years. It is not fair to say that the members of the administration said that there would be no deficits. They did not say that. They said the deficit would be greatly reduced. But, as I read the evidence of economists and business forecasters, it does appear that in this current fiscal year for which the present administration will have the responsibility we are likely to have the largest peacetime deficit in the history of Canada.

Another promise—and I think it is fair to call it that—was made which interested me very much, and I was again surprised to see that it was not in the Speech from the Throne. I am referring to the statement that under a Liberal administration we would have within the Civil Service compulsory arbitration. This is a subject that has engaged the attention of governments over a good many years, and I merely draw attention to it to remind those who have responsibility in this area that they have committed themselves to compulsory arbitration.

Then, of course, there is that increase of $10 in the old age pension. There has been a good deal of argument as to how far the promise went. However, it was stated that it would be brought in irrespective of the contributory old age pension plan that was promised, I think, by all parties, and there is in the Speech from the Throne a proposal to implement a system of contributory pensions.

I will not make any comments of my own but, if I may, I will read a few highlights from the script of the remarks made by Jean-Marc Poliquin, a very eminent newspaperman and newscaster whom I heard speaking on the C.B.C. on the afternoon of Sunday, July 21. He spoke of the contributory pension program that has been introduced, and said that there are many objectionable features in it.

Then he said:

> This is an emasculated version of the Pearson Government's major social welfare election plank. The Liberal propaganda had led ordinary Canadians to believe the new pension plan would be a generous one. In fact, the plan seems picayune in many respects.

It goes into detail with which I will not concern the chamber at this moment. He continued:

> For a good many years, the contributory pension will be little more than a small bonus added to the basic old age pension.

He gives an example and maintains that the Canada Pension Plan will not build up the necessary funds to make it operative.

He says the 2 per cent contributory factor is unrealistic. He also says:

> In Quebec, Premier Jean Lesage made it quite clear that he will oppose the Canada Pension Plan at the next federal-provincial conference.

We know what happened at that conference last week. Mr. Poliquin then says that Premier Lesage announced that

> ...his Government will take over soon the effective control of a portable pensions scheme in the province. Therefore, the federal Government should shelve this pension plan in order to avoid falling into a financial and constitutional mess. But pending a full discussion of the problem, it should increase right away the old age security payment to $75 a month as promised during the electoral campaign.

Honourable senators, I say I am surprised that that has not been done, and there was no indication in the Speech from the Throne that it would be done.

I come now to the second aspect of the comment I would like to make on the Speech from the Throne, and that is the aftermath.

Somebody said somewhere that one of the problems of government in Canada was that the mistakes of the Minister of Finance carried compound interest for the rest of Canadians. I am sure honourable senators will know the general situation to which I am referring.

A strange thing has happened in Canada. The word "expertise" has become almost a dirty word. We were led to believe that the budget was the product of the brilliance of mind of the best experts who could be found.

However, in a very short time we have had what I believe may fairly be described as the fastest and farthest backtracking ever taken by any federal government in any similar period. I could mention the specifics, but they are known to all honourable senators. Instead, may I give the opinion of someone else. I read from the July 1963 issue of *Industry*, published by the Canadian Manufacturers' Association. It says:

> The measure of manufacturing industry's disappointment with the new federal government's first budget is the measure of the high hopes with which it was awaited.
>
> Nor, we think, making every allowance for the unenviable and well understood fiscal situation, were those hopes either excessive or unreasonable, based as they were upon the general tenor of confident utterances so lately volunteered.
>
> Alas for great expectations! The dynamic incentives which industry, rightly or wrongly, believed it had good reason to anticipate are not so dynamic after all. True, there are a number of corporate inducements of one kind or another in the budget but, for the most part, they prove upon examination to be restrictive and narrow in their application and consequently of limited value.
>
> From the manufacturing standpoint, however, the most dismaying and least forgivable feature of the budget...

It refers to the 11 per cent tax. We all know about that. I am trying to abbreviate as much as I can. It quotes then Mr. H. Roy Crabtree, President of the Canadian Manufacturers' Association as saying that the budget is "regressive and regrettable". The article then comments:

> It is indeed. Unless it, too, is the subject of second thoughts the only possible verdict on the 1963 budget must be that it marks another opportunity lost—and, for industry, another turn of the tax screw.
>
> It gives us no pleasure at all to so pronounce. But facts are facts and manufacturing also must face them.

Honourable senators, the third aspect of the comments which I should like to bring before you is the amazing extent to which all the best features of the Speech from the Throne and its aftermath actually prove on examination to be a carrying out of policies and procedures and practice already undertaken by the previous Government.

Hon. Mr. Macdonald (Brantford): Oh!

Hon. Mr. Grosart: I think the honourable Leader of the Government merely coughed. I think I can give him some instances.

I may mention the development of the northern resources. Surely no one will deny that never in the history of this country has there ever been a policy of northern development such as that which was carried on during the five years previous to the coming in of the present administration. It was not, as has been described, an "igloo-to-igloo" policy. There was mention of incentives to be given to business—we have that here—but they are merely carrying on the tremendous program of incentives to business and the tremendous expansion of the Industrial Development Bank.

Again, in the Speech from the Throne there is mention of increasing Canadian ownership. An attempt was made in this direction by the present Government and it was not very

successful. It certainly compares in my view very unfavourably with the accomplishments of the previous government, particularly in those regulations respecting investment in our northern resources, where a completely new departure was made in Canadian policy in laying it down as part of the law that ownership of primary resources would and must be retained in Canada.

Honourable senators, I turn now to contributory old age pensions. I think we are all agreed that this is an excellent thing, in fact, a necessary thing. This was well under way under the previous administration. The present administration picked it up and is to be congratulated on doing so, but not for doing it in the way it did.

The Speech from the Throne refers to trade expansion. Was there ever a peacetime period of greater trade expansion in Canada than in those previous five years? Was there ever a time when government moved in, as it did, to spark that progress, to provide the incentive for business, to provide the facilities? Never!

The Government quite properly takes credit for their efforts to bring about a degree of greater understanding in regard to this problem of biculturalism in Canada. However, this also was already under way. The only thing the present administration did was to change a very good approach and substitute for it a bad one. The good approach was to make this matter the subject of discussion and action at a federal-provincial conference. The present Government says, "No; we want a royal commission". What is the difference? The difference is that in the royal commission set-up, large areas of those who have a vital interest in this matter are completely unrepresented. The provinces in themselves are not directly represented.

How much better would it have been to have had the federal Government and the provincial governments coming together, so that those who wished to take part could sit down at a conference and work this problem out, instead of putting it in the hands of a royal commission which, as I judge from the description of its personnel, is one which will not go very far in solving this problem. Why?

The assumption appears to be that generally the only persons interested in this problem, are the English-speaking and French-speaking people of this country. I am of the opinion that there are millions of Canadian citizens of other racial extraction who are every bit as entitled to be called in and consulted and asked for advice on this problem as those who are already represented, and those people should have representation on that commission. Millions of Canadians are disenfranchised as far as representation on that commission is concerned. If the way proposed by the previous Government had been followed, with its years of success in dealing with the provincial governments, there would have been brought together the deliberations and viewpoints of these many races.

I recognize, as other honourable senators have, the historical and traditional background which gives some precedence to one particular aspect of the problem, that is, the relationship of the French ethnic group to the English, Irish, Scotch and Welsh ethnic groups. But surely our sights are set high enough in Canada today to make sure that one or two groups do not decide what should be done, without consulting with all the others who are making their contribution to the Canadian mosaic. I think in this respect the present Government has taken a backward rather than a forward step.

There was a reference in the Speech from the Throne to the effect that something must be done about retraining young men. Of course that was already under way by the previous administration, and is a project the present administration will have a hard time improving. Under the previous Government's policy there are today 400 technical training schools built or being built in Canada at a cost of $438 million, towards which the Government of Canada contributed 75 per cent.

The fourth aspect I would like to call to the attention of honourable senators is the relation between the high hopes expressed in the Speech from the Throne in respect to "getting the economy rolling" and what is actually happening today. The record of the economy over the past five years, particularly in the year 1962, has set a target for those who say that there had to be a change of government to get the economy rolling. We all know, and in fact it is supported by all the evidence, that the gross national product of Canada, which is the main measure of our progress and productivity, increased 8 per cent last year. I think the Canadian people, as well as honourable senators, are entitled to keep asking, "How will the present administration get the economy rolling better than that?" There are conflicting estimates of what the percentage increase in the gross national product will be this year. The Minister of Finance forecast an increase of 5 per cent. May I read from an article in the publication of the Canadian Labour Congress for July-August 1963:

> This budget is a hodge-podge of proposals. It contains no vigorous, expansionary measures such as are needed to cope with what the government itself has

stated to be the 'most serious domestic problem facing Canada today'—unemployment.

Not one of the government's proposals is likely to be effective in increasing consumer demand—

I will skip a few paragraphs merely to save time although I should like to read it all.

The Minister's forecast of a 5% increase in the gross national product, after making allowances for price increases, means a real increase of only about 3.5%. This is most disconcerting. With a 6.2% increase last year, we still had an average unemployment rate of almost 6%. It is hard to see how 3.5% this year is going to bring dramatic results.

The proposed corporate tax incentives to stimulate industrial expansion in depressed areas are far from adequate in meeting this grave problem.

The article concludes:

We are deeply concerned about the imposition of the 11% sales tax on building materials and on machinery used in production. This will slow down the construction industry and retard industrial production. This means more unemployment.

It is worth while, I think, for the present administration to be constantly reminded of this target that has been set for them. I have already said that the gross national product was up 8 per cent. This was not achieved in one year. In five years of Conservative administration the gross national product was up 32 per cent, or from $30 billion to $40 billion. Industrial production was up 20 per cent.

I know the honourable Leader of the Government will be particularly interested, because he has said over and over again how important it is that we should increase productivity in this particular sector of the economy. My understanding is that Liberals generally do not really believe, in spite of the new Department of Industry, that we can have substantial increases in the manufacturing area of our economy. For example, I will read from a summary, not the original, of the conclusions of the Gordon Report.

The secondary manufacturing industries produce 22% of the net output of the economy at the present time.

The date referred to is, of course, 1956.

This may increase to 25% by 1980. It is expected that these industries will continue to employ about 20% of the labour force over the next 25 years.

This is from a summary of the conclusions of the Gordon Report, which appeared in a volume of 384 pages, entitled "Liberal Action for a Greater Canada", the speaker's handbook of the general election, 1957.

Hon. Mr. Macdonald (Brantford): You could not get a better authority.

Hon. Mr. Grosart: It is an excellent authority, if the honourable Leader of the Government says so, for my statement that this appears to be the Liberal attitude towards the possibility of increasing productivity and employment. May I read the paragraph again:

The secondary manufacturing industries produce 22% of the net output of the economy at the present time. This may increase to 25% by 1980. It is expected that these industries will continue to employ about 20% of the labour force over the next 25 years.

Hon. Mr. McCutcheon: I would like a better authority.

Hon. Mr. Grosart: It certainly makes us wonder at some of the statements about the purpose of the Department of Industry, and so on; but that is Liberal philosophy, as I understand it. I am glad the honourable Leader of the Government confirmed that.

Prices during that five-year period increased by only 11 per cent; net national income, 29 per cent, or from $23 billion to $30.6 billion; labour income, 37 per cent, or from $14.3 billion to $20.4 billion; farm cash income 21 per cent, or from $2.6 billion to $3.2 billion.

Those are targets for those who are going to get the economy rolling. I think we are entitled to watch their efforts and ask, "Are you going to match that record?" That is all we ask of this administration year by year, but my prediction would be that the failure of the present administration to even begin to match that record will become so apparent that there will not be too many years or even too many months of trial.

I continue, honourable senators, by reading from the *News Letter* of July-August, 1963 issued by The Department of Economic Development, The Canadian Chamber of Commerce. What amuses me, honourable senators, is that I had many quotations that I was going to use in my speech but I had to throw them away because every mail brought me in some new ones.

Hon. Mr. Macdonald (Brantford): The ones that you threw away were not favourable to your cause?

Hon. Mr. Grosart: No, that is not so; they just became outdated. As the volume of protests against the ineptitude of this Government mounted, my mail mounted, and I like

to keep up to date. They were not unfavourable to the point I am making. I only keep the ones that I think will help me when I have a speech to make.

I read from the *News Letter*:

> Far too many people equate experts with politicians, with the result that ill-advised and hastily-conceived solutions to current problems are sometimes put forward by those in authority. Some evidence of the dangers involved in leaving matters to the experts can be found in the reaction to the recent budget. The fact that one budget measure was withdrawn because of "administrative difficulties" and the uncertainty which was developed over the proposed changes in the sales tax amply demonstrate the need for a consideration of practical as well as theoretical aspects.

Honourable senators, I have a good deal more in my notes, but in view of the circumstances perhaps I have said enough to make my attitude towards the Speech from the Throne clear. May I conclude by making a few specific references?

I was interested in the remarks by honourable Senator Farris yesterday on the question of what he called "reform in the Senate". The Speech from the Throne indicates that there will be a committee on procedure set up in the other place, and the Leader of the Government has indicated there will be similar action taken here. Notwithstanding the good advice given by Senator Farris that this is really a matter for those who have had considerable experience here, I, as a new senator, venture a few suggestions. I find we come here and see these things that might be helpful, but it seems to me the longer one is here the more satisfied one seems to get with the way things are done. So I thought that while I am still in the position that Senator Farris described himself as being in, in his early days here, somewhat frustrated making suggestions, I would at this time very briefly put in my two cents' worth on the subject.

I hasten to say, honourable senators, that I agree entirely with Senator Farris' general proposition that if reform is needed it is reform in the Senate rather than reform of the Senate, and I think that is a phrase we can live with. I might have expressed it in other ways but Senator Farris has given us a good motto. I think these reforms can be effected. I am not going to go into any detail, but I think most of the wrong public image of the Senate—I emphasize the word "wrong" because it is wrong—is due largely to bad public relations on the part of the Senate. We take things so completely for granted. The work that is done here is, in my opinion, outstanding. We hear debates and speeches here that I personally would not expect to hear the equal of anywhere else. Serious consideration is given to legislation and improvements are made, but the fact that this is so does not often get out to the public.

I would like to give you one specific instance: When reports of committees are made to the house, sometimes the proceedings are printed, but not too often. Usually the proceedings of a committee on a Government or public bill are printed, but not so with respect to the many private bills which leave here for consideration in committee. Later a report is made to us in this chamber, and the bill is passed, but the senators as a whole do not know what went on in committee. I am told that, particularly in the matter of private bills, the evidence of Mr. MacGregor and others who come before that committee very often contains excellent suggestions and good comment on the bills. But, by and large, I think the average senator has no idea of what went on in that committee, or what the committee did. Usually the bill is not amended, and when it comes back only the formal report is presented.

I would respectfully suggest that consideration might be given to a verbal report to the Senate, which would get on the record, and I think in many cases it would indicate to the public that the committee did more than just sit and pass the bill. We all know that there are lengthy deliberations at times, but the people outside do not know.

The second, and a minor matter, that occurs to me, and one which I think tends to give a wrong impression, is that when debates are in progress and a senator has finished his speech, the debate is adjourned by a member on the other side and then perhaps allowed to stand for very good reasons. We have many outstanding debaters among the senators, and I would think that we might accomplish much more if one speech was followed by another on the same day. I hasten to interject that I would hope my own expression of opinion would not be followed by a speech of Senator Farris—I say that only to suggest I do not consider myself in his class as a debater.

I make these remarks because the honourable Leader of the Government asked us to put forward our views on this subject in this particular debate.

I trust I have made myself clear, honourable senators, as to my view of the Speech from the Throne. Its prelude speaks for itself, but we will watch its aftermath and its effectiveness in getting the economy rolling.

I hope I have said enough to suggest that the economy of Canada was rolling in high gear, setting new records in every single

economic indicator, year by year for five years with the exception of one year. New heights were being reached, the economy was rolling, and I hope sincerely that it will keep rolling.

Motion agreed to and the address in reply to the Speech from the Throne adopted.

(Translation):

The Hon. the Speaker: It is ordered that the address be engrossed and presented to His Excellency the Governor General by such members of this house as are members of the Privy Council.

(Text):

JUDGES ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Hugessen for the second reading of Bill C-92, to amend the Judges Act and the Criminal Code.

Hon. J. W. de B. Farris: Honourable senators, I moved the adjournment yesterday, as I stated then, because I wished to see if something could be done to give consideration in this bill as to pensions or retiring allowances for judges who had their term of office ended at 75 years of age, when they had been appointed for life, as a result of which they will not be eligible to receive the pensions they would have received if, instead of being retired because of age, they had been retired because of ill health or something of that nature. In such circumstances they would have been entitled to pensions on the new scale under this amendment.

Pursuant to the adjournment, the honourable Leader of the Government in this house (Hon. Mr. Macdonald, Brantford) was good enough to arrange an appointment to see the Honourable Mr. Chevrier. This was not easy to do because the Minister of Justice has many things on his hands just now at the termination of this part of the session. However, he was able to assure Senator Macdonald (Brantford) that he would give us an appointment this morning. It turned out that he had other appointments and, in fact, had to leave one of them, with the expectation of returning, in order to see us. I say "us" because I had the honour of being accompanied by Senator Macdonald (Brantford) and Senator McCutcheon. We had a very satisfactory interview—not necessarily in its results, but in arriving at a common understanding.

Honourable senators, I have taken careful notes of this because I want to give as accurate a report as my memory will permit, with the assistance of my notes, as to what took place at this interview.

I explained to the Minister of Justice that I thought it was the general sentiment of the Senate that judges who had been appointed for life, and whose tenure of office had been terminated in breach of the terms of their appointment, should have their retiring allowance on the basis of what it would have been had their life appointment not been breached and had they retired due to ill health or some other incapacity at the time the salary increases came into existence.

I pointed out to the minister that this would mean, in cases like the one I had mentioned of Chief Justice Des Brisay who became 75 less than a month ago, they should receive their allowance at the new rate, based on the presently increased salaries. I also explained to him that when I referred to Chief Justice Des Brisay it was not an application exclusively on his behalf, but I was using him as an illustration of the type of consideration that ought to be given to him and others in the same difficulty.

Mr. Chevrier was most considerate. He did not commit himself for or against our representations, but said most definitely that the matter could not be dealt with at this session. He said that the whole question of pensions was purposely left open—and this I considered very important—for further consideration at a later date because, he said, it was impossible to deal with pensions at this time as part of the present bill. He also said that when the matter was considered at a future date it would include consideration of all problems coming under the heading of pensions; that it could not be confined to the one isolated instance of judges such as the chief justice, but that the whole question, including widows' pensions and all the relative problems dealing with pensions, would have to be considered at the same time. No complaint could be taken with that.

I asked him if this consideration would take place this fall, after the adjournment. He replied that he did not expect that it would be dealt with this year but, in his opinion, it would be taken up in 1964.

I felt that while he naturally was not binding himself any more than any minister could under those circumstances, he was definitely interested in this question and was anxious to have it disposed of, and that his assurance was not a mere platitude but could be relied upon and that we might expect consideration to be given. He assured us that at the time those representations would be heard and considered they would be decided upon only in relation to all problems arising from the pension changes.

It was made clear to me firstly, that we could not expect our representations to be divorced from the general problem of reassessment of pensions. Secondly, that it was not practical to deal with the subject in the present bill. And thirdly, that the subject

would remain open for further examination and action, and that its failure to be included in the bill now before us need cause no apprehension that the matter was, to use a common expression, "out the window" and would not be considered.

I think my honourable friends who were with me were satisfied, as I was, that the interview was worth while and the assurances satisfactory.

Hon. David J. Walker: Honourable senators, after reading the bill I was concerned as to whether or not the pension or annuity rights of the judges after resignation or retirement were provided for under this act. Therefore, I went back to the original act of 1952 to ascertain what provisions had been made. I really took on quite a job, and one thing I am going to suggest to the Leader of the Government is that the Judges Act should most certainly be consolidated. At least, we should have an office consolidation, because there must have been 10 or 11 important amendments to the act in the last 10 years. It is most difficult for a judge, on the terms of which act his fortune and his rights depend, to have to go through 10 volumes of the Statutes of Canada in order to find out what his rights really are.

Hon. Mr. McCutcheon: Surely that is what judges are paid for.

Hon. Mr. Walker: Yes—that is what judges will now be paid for, with this increase in salary that we are all so pleased about.

I found that the last increase, as Senator Hugessen pointed out yesterday, was in 1955; and at that time there was a most difficult clause placed in the act—no one seems to know why—whereby, although the judges had their salaries increased, no provision whatever was made for allowing them to participate in their pensions by reason of that increase. As a matter of fact, section 8 of the Judges Act forbids it and states that:

> ...the salary annexed to the office of a judge at the time of his resignation... shall be deemed to be the salary annexed to that or the like office immediately before the coming into force of this Act.

This is to be found in the Statutes of Canada (1955), chapter 48, section 8. As a result of this strange anomaly the judges, who at that time received a substantial increase, were forced to look forward to a retiring pension which did not take that increase into consideration.

That is what concerned me yesterday. However, I found in the 1960 Statutes of Canada that this anomaly had been corrected, and that, as a matter of fact, section 8 itself had been abolished. It is now clear, beyond peradventure, by section 3 of the amendment to the Judges Act in 1960, chapter 46 of the Statutes of Canada that:

> ...an annuity not exceeding two-thirds of the salary annexed to the office held by him at the time of his resignation, removal or ceasing to hold office, as the case may be...

In other words, under the present act, as consolidated, a judge on retirement is entitled to two-thirds of his salary as of the date of his retirement, and of course this clause is operative under the new amendments in Bill C-92.

I am sure we are all happy to know that the wish of the Canadian Bar Association that judges' pensions should be increased is being carried out, at least to a certain degree, by reason of the fact that they will participate in increased pensions under the amendment in 1960, as a result of which they receive a pension of two-thirds of the total salary, including all increases in that salary and based on the total salary they were receiving at the time of retirement.

Therefore, the benefit of this act is obvious. Not only does it give the judges what has been long overdue, namely, a salary commensurate with their great responsibilities and the dignity of their high office, but as well it ensures for them and their widows, first, that the judges may continue in their retirement with a pension equal to two-thirds of their total salary, and second, after their death their widows receive a pension of one-third of their pension or two-ninths of their salary. Bill C-92 is, therefore, very far-reaching and beneficial in its effect and should have the support of all members of the house.

Hon. Mr. Burchill: In the event of a judge being obliged to retire by reason of ill health before he reaches 75 years of age, what is his pension?

Hon. Mr. Walker: That has been summarized in the Statutes of 1960. A judge retiring because of ill health is entitled to the same pension he would have received had he retired because of age or for any other reason. That is one of the contingencies by which the judge receives a pension equal to two-thirds of his salary, to have a two-thirds pension and, when he dies, the widow gets as pension one-third of his pension.

Hon. Mr. Hugessen: Honourable senators—

The Hon. the Speaker: I should like to inform honourable senators that if Senator Hugessen speaks now it will have the effect of closing the debate.

Hon. A. K. Hugessen: As mover of this bill, I am exceedingly grateful to the honourable senators who have taken part in the discussion.

We are all deeply indebted to Senator Farris for the report he has made to us this afternoon. I must say that when Senator Farris spoke yesterday evening I was a little apprehensive that the effect of his suggestions might be to delay the passage of this bill. But, as he has so clearly reported to us, the results of his interview with the Minister of Justice will have no such effect, and I think he is quite satisfied. I hope he is satisfied to have the bill go through in its present form.

I also agree completely with the honourable Senator Walker in the valuable contribution he made to the debate. It is perfectly true that during each of the last ten years there have been some amendments to the Judges Act. I agree with him that it would be a good step to consolidate this act in its present form so that it will be more clearly comprehensible to anyone who wishes to examine it. In obtaining his facts he had to go to the act of 1952 in the Revised Statutes of Canada, he had to examine the act of 1955, the act of 1960, and probably one or two others, in order to satisfy himself and this house as to what exactly the rights of judges are in case of retirement.

I have nothing more to add, except to say that I am delighted the discussion has achieved the result that we can now go ahead with the passage of this bill and provide these very well-merited increases in the salaries of our judges.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Hugessen: I move third reading of the bill now.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

THE CANADIAN UNION CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-36, intituled: "An Act respecting The Canadian Union Conference Corporation of Seventh-day Adventists".—Honourable Senator Croll.

Hon. Mr. Croll: Please stand until Tuesday, October 8.

Order stands.

28906-6—30½

SPECIAL COMMITTEE ON AGING

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Special Committee on Aging.

Hon. David A. Croll moved that the report be adopted.

Motion agreed to.

INTERNAL ECONOMY

FOURTH REPORT OF COMMITTEE

Leave having been given to revert to the order for Reports of Committees:

Hon. John J. Connolly, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's fourth report:

Your committee recommend:

1. That Mr. R. Lorne Ready, Constable, Senate, be retired effective August 1, 1963, under the provisions of the Public Service Superannuation Act.

2. That Mr. Ready be granted, in lieu of retiring leave with pay, a gratuity equal to the difference between ten weeks' salary and annuity for that period.

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

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

Motion agreed to.

FIFTH REPORT OF COMMITTEE

Hon. Mr. Connolly (Ottawa West) presented the fifth report of the Standing Committee on Internal Economy and Contingent Accounts:

Your committee recommend that the usual supply of stationery, etc., which has been selected by your committee with due regard to usefulness and economy, for use of senators in their rooms and desks in the Senate chamber, be supplied according to the lists approved by your committee and deposited with the clerk of stationery, and that the distribution be made in a way similar to that of the present session.

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

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

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, I had hoped that by now we would have received the bill amending the Excise Tax Act. It has not yet arrived, but it will doubtless come later this day. There will be royal assent at a quarter to six. Would honourable senators consent to our rising now until approximately a quarter to six, and to considering the amendments to the Excise Tax Act this evening?

Hon. Mr. Choquette: Is not Bill C-91 to receive royal assent today? If it is, we should give it third reading now.

Hon. Mr. Macdonald (Brantford): I do not think there is any necessity for haste with respect to that bill. Honourable senators may wish to discuss it. It is late in the afternoon, and I suggest we rise now until approximately a quarter to six, and then take up consideration of both bills this evening.

Hon. Mr. McCutcheon: Which bills is the honourable Leader of the Government referring to?

Hon. Mr. Macdonald (Brantford): There is item No. 1 on the Order Paper, being Bill C-91, respecting Parliamentary indemnities, and the bill to amend the Excise Tax Act.

Hon. Mr. McCutcheon: Thank you.

The Senate adjourned during pleasure.

At 5.45 the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wilfred Judson, Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act to amend the Atlantic Development Board Act.

An Act to amend the Customs Tariff.

An Act to authorize the Construction and Maintenance of a Bridge and Tunnel across the St. Lawrence River at the Boucherville Islands, in the Province of Quebec.

An Act respecting Ukrainian National Federation of Canada.

An Act respecting The Board of Trade of Metropolitan Toronto.

An Act to incorporate Kinross Mortgage Corporation.

An Act to amend the Judges Act and the Criminal Code.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(See p. 426)

SPEECH FROM THE THRONE

(Report of speech delivered on July 30, 1963.)

Hon. Sarto Fournier: Honourable senators, during the ten years I have had the honour and privilege of sitting among you in this Chamber there have been a few occasions where I had to presume upon your kindness and sympathy and ask you to listen to me.

I am most happy to say that on each occasion the members of the Senate did me the honour of accepting my invitation with the utmost kindness and cordiality. Once again today, I ask you to be as kind as you have been in the past.

Each time, as required by the Constitution, with the opening of a new session, we are invited to meet in order to pass legislation and to decide, to the best of our knowledge, upon the measures to be taken to ensure the progress, prosperity and welfare of our people, we always have to acknowledge a certain number of unfortunate events which happen between sessions and also a certain number of happy ones that we are always glad to underline. Among the events we are glad to mention, I believe the first which should come to mind, Mr. Speaker, is your appointment to the post which you now occupy. Ever since you have been in public life, you have always proved to Parliament and to the people of Canada that you could discharge to the utmost satisfaction the duties and responsibilities given you either by the people or the Government. I am happy to pay you this tribute.

We are also happy to welcome Senator Macdonald back in his capacity as Leader of the Government in the Senate to interpret in our midst the wishes and desires of the cabinet. We also see another great gentleman who represents with honour and dignity the interests of the opposition. There would be no democratic government possible if those who represent the government and the opposition did not possess the qualities and virtues required to insure the proper administration of government business and to fill the useful and necessary role played by the opposition. We also rejoice that new senators have joined us and we wish them a most sincere welcome. We are certain that those new appointees will make a valuable contribution to the Senate; these new senators are here to ensure continuity, because unfortunately we are not exempt from the common destiny and as happens in any other family we must, along the way, deplore the loss of those who are called to yet another place. We have also another reason to rejoice because we have heard the mover and the seconder of the address in reply to the Speech from the Throne. Each fulfilled that delicate and difficult task according to his good character, his temperament and his ideas. All those who spoke before me congratulated them and I am happy to associate with them in congratulating those honourable senators. Here I would like to pay a collective tribute to our deceased colleagues because of the useful part they have played during their lifetime as citizens, heads of families, businessmen and members of this house. Their action has been valuable, their work abundant and fruitful; we are fervently praying that they may now enjoy the peace of the just.

Humanity as a whole also experienced a great loss which has been deeply mourned. We all had a common leader in the person of Pope John XXIII. The whole civilized world has been pleased to recognize that that man was the very epitome of all that was good, and that under the guise of genuine simplicity his soul contained a thing not often found, the extraordinary magnificence of an intelligence in the service of a pellucid will. Of few men can it be said that they are a perfect product of humanity; when one of them appears, the whole community benefits and when he passes away mankind as a whole painfully realizes that it has suffered a great loss. Alas! He also "belonged to the world where the fairest things have the worst fate" and like any other living creature, he could not avoid the appointment with death. Fortunately, he had time to think out and to write down for all men of good will a message of life which is valuable in time and space, as much for today as for tomorrow. I am referring to the encyclical "Pacem in Terris". I think that that document is one of the most brilliant ever to come out of the mind of man. It is a summit in the sublime expression of divine order in human life. It is the decisive formula of true happiness for the individual and the community and since it is addressed especially to those who have the responsibility of leading and guiding the people, I think the Canadian Senate would make a noble gesture and a useful action in inserting the encyclical "Pacem in Terris" in our records.

I now come to the main object of the observations I intend to make. Like all other nations, we are faced with an infinite number of serious, urgent and tremendous problems. They may not all have the same importance, but they all deserve serious and continuing attention and some are so urgent that they require immediate action.

Consequently, we think it would be proper for us, members of the Canadian Senate, to set up a special committee to take into consideration some problems like the one concerning the holding of the World Fair in Montreal, the establishment of a national lottery in Canada and the development of gold mines in our country. I am certain that if we could find a simple and effective solution to those three problems, we would render a valuable service to the whole people of Canada.

About the World's Fair, I think, honourable senators, that we all agree to congratulate warmly those who, through their efforts, energy, farsightedness and initiative have made possible the holding of such an event in our country on the occasion of the centennial of Confederation in 1967. I feel it is only fair to congratulate the ministers of the Canadian Government as well as the authorities of the city of Montreal, the mayor and the president of the executive council, who lost no time in going to Paris to cash in on the consideration which Canada enjoys in the civilized world to secure the 1967 World's Fair for Canada, the province of Quebec and Montreal. They did a tremendous amount of work, they did not spare any effort, they worked for a good cause; today they have the pleasure of seeing that they have met with success.

The exhibition will be held in our city, on a site entirely created for this purpose in the middle of the St. Lawrence river, opposite the metropolis of Canada. The location proposed and chosen is really the best one. I do not think we could have found a more appropriate, more beautiful and better suited location for an event of that size; all visitors will be able to admire the marvellous view of the city of Montreal, with its mountain, its buildings and suburbs; those who would like to visit Mount Royal will also be able to see from that height the beauty of the complex of buildings and pavilions erected for about 50 participating countries.

Canada will surely have its own building. It would be appropriate, I think, to consider it at once; in my opinion it would not be wise to rely on architects for the erection of that building without first giving them our views on what we want; I believe it is our responsibility to find the idea and design. It is not a matter of holding a contest for "gigantic" buildings, but rather a "beauty" contest for exhibition buildings. Our visitors should not be called upon to decide which building is the largest but which is the most beautiful. "Gigantism" should make way for esthetics; what we want is not a tremendous affair but a thing of beauty set up in a spirit of artistic emulation so that the whole exhibition will fall in with the general theme which was adopted for it: "The World of Man".

I am sure that the hundreds of thousands of visitors who will come on this occasion from every part of the world will have much more pleasure in admiring beauty than in trying to assess the size of monstrosities. If I may make a suggestion, I think that the committee which I propose should be set up should work out a definition of what the Canadian pavilion should be. In my opinion perhaps we could erect a nice building the floor of which would illustrate the anthropogeography and the physical geography of our country, being careful to reproduce as exactly as possible mountains, valleys, prairies, forests, rivers, the St. Lawrence seaway, our main cities and everything that can help to give an accurate idea of this natural wonder which is the country we have the advantage to live in. The booths of each province could be integrated in that whole, in order to enable visitors to admire on the spot the characteristic features of each of the ten Canadian provinces. As I said, it is important that we should first decide what we want; then we could ask skilful and clever architects to build a thing of beauty.

Montreal has taken upon itself a tremendous responsibility in regard to the organization of the World Fair. It will cost us at least twenty times more than it will cost our fellow Canadians. This is why I have not changed my mind since last December, when I suggested in this chamber an amendment to the act creating the World Fair Corporation, in order that the city of Montreal might be placed legally on the same footing as the Quebec Government or the federal Government, when the moment comes to wind up the whole business. The burden imposed upon Montrealers in order to ensure the Fair's success is simply fantastic. I ask for nothing more than what seems to me to be fair and just in the interest of Montrealers because, in order to offset part of the expenses which the city of Montreal will have to make, it has been suggested that the site should be sold to a private concern at the conclusion of the fair. From the economic viewpoint this unfortunate transaction seems sensible and

necessary. However, I say that it would be most unfortunate to have to take such a backward step, and this must not be allowed to take place. We must, with the help of the senior governments, come to an arrangement which will enable the city of Montreal to replenish its coffers without entering into such a shameful transaction. Therefore, I urge the Quebec Government as well as the Government of Canada to see to it that Canada is not compelled to make a move that would be a gross historical mistake to say the least. We are perfectly willing to do everything we can and we call on the senior governments to do the utmost to help us in that respect.

There has been some talk about the establishment of a national lottery in Canada for some 30 years and I feel that the time has come to do something about it. Times have changed and our present economic needs force us to take immediate and decisive action. The central Government and the provinces need additional sources of income to ensure the economic and social welfare of Canadians. The level of taxation has reached the saturation point in this country. Since we cannot increase taxes, we must look for other sources of income. I readily agree with those who advocate the holding of a national lottery in Canada in order to supply funds to our provincial and federal governments. The experiment has been attempted elsewhere in a very great number of countries, in Great Britain, in France, in Belgium, in Israel, in Germany, in South American countries, and everywhere it has proved useful and profitable.

I understand that the problem involves a certain moral element which gives rise to the refusal of conscientious objectors. They have every right to feel that way and their views should be respected in every point. On the other hand, I believe that with a conscience quite as clear, the majority of Canadians are in favour of the establishment of a national lottery in Canada. Besides, it would be an excellent method of fighting certain types of organized vice, such as gambling which, in some cases, is nothing less than a disguised hold-up. In the carrying out of this project it is possible that we may come up against constitutional difficulties; there is no doubt that in the context of the Criminal Code the federal authorities are responsible for the problem, but this is not a sufficient reason to cast this project aside. It would be easy for people of good faith to reach an acceptable and reasonable agreement. I think that to avoid any speculation or a demagogic outbidding, there should be a uniform law which would apply throughout the country in order to prevent a sector from offering prizes or premiums which would ruin its neighbour. As I said earlier, the law should be uniform whether it is implemented by the federal Government or the provincial legislators. The Senate committee of which I am suggesting the creation could profitably give constructive advice to the federal Government concerning the establishment of a national lottery under conditions favourable to all.

The third point I would like to raise concerns the operation of gold mines in Canada. The problem of finding gold is as old as the world itself; it has been the concern of all the peoples who preceded us in history because, from an economic viewpoint, the possession of gold has always been a vital necessity. The Canadian soil contains a wealth of that metal to such an extent that we are the third gold-producing country in the world. Therefore, this represents a major industry in our country and since this industry produces wealth everywhere, it is difficult to explain the economic and commercial difficulties in which we find ourselves when we consider that if we were able to extract from our soil the gold which is lying there, we could so easily solve our problems. It is unbelievable to find that the gold industry is today in an indescribable state of stagnation.

In 1934, the American government, together with the Canadian government and others, decided to peg the price of gold at $35 per ounce, which means that, after nearly thirty years we cannot get a better price for our gold, and since 1948 the situation of the gold industry in Canada has consistently deteriorated.

When war broke out in 1939, the Canadian Government had the commendable idea of giving a priority to the production of gold in Canada. Indeed, we needed more and more gold, as our currency is based on gold which gives authority and prestige to the Canadian dollar and its value in terms of purchasing power. Furthermore, it is the most valuable means of exchange and the most useful. Today countries such as Germany, Belgium, France and others, which have recovered from the calamities of war, have reorganized their economy and have regained their places as important nations, were able to settle domestic and foreign economic problems because they managed to get gold while we, who have gold in our own soil, live in a state of poverty in the midst of economic and financial difficulties of all kinds.

The Canadian government abandoned its priority policy when the American government started the lend-lease program during the war. In 1948, to stop the gold industry in Canada from losing more ground, the

Canadian government fell back on an emergency measure to help the development of gold mines. The provisions of the act expire after two years. Therefore, every two years there is a pilgrimage to Ottawa to urge the authorities to extend their assistance, which means that, year after year, all the Canadians, workers, industrialists and other people interested in gold production, live in the midst of uncertainty and worry, not knowing what is going to happen. And yet, what has happened shows that the situation is very serious.

In 1948 we had in Canada 101 active gold mines. In 1963 there are only 48 left. Of those 48, nine can somehow go on with their mining operations, which means that out of the 48 mines we still have, 39 live on the yearly shot in the arm they receive from the government, which costs the Canadian people between $11,500,000 and $12,500,000 each year. This means that this industry, which could make Canada wealthy and prosperous, is in danger, is sick with pernicious anaemia and seems to be dying out. In 1948 Canadian gold production was 5,943,791 ounces, for a total value of $184,115,951. In 1962 we produced only 4,150,210 ounces worth $155,446,407, or almost one million ounces less, or a reduced value of $25,500,000.

As for labour, I would say that our gold mines employed 22,566 men in 1948, as compared with 16,300 in 1962, that is, 27 per cent less. Considering the fact that unemployment is the most serious problem facing Canada, it is most astonishing to see that our country has 300,000 unemployed at the beginning of August 1963. This situation has been going on for a decade and it is getting worse every year. I am convinced that we could provide work for 40,000 to 45,000 people if the operation of gold mines were reorganized in Canada.

I feel, therefore, that the Senate committee, which I propose be established, could apply itself profitably to looking fully into the problem of gold production in Canada, to hearing representations from financiers, labour unions, industrialists, experts of the Bank of Canada and the Department of Finance, as well as experts from the American treasury and the International Monetary Fund, to which we are bound by previous agreements.

I am convinced that to be content to maintain the present policy is to head slowly but surely toward the complete ruin of one of the major industries of Canada.

A drastic change in policy is essential. In my opinion, Canada should give a new direction to the government policy by means of a ten-year plan, so as to help in carrying out dullings and to grant tax exemptions to mining companies.

I do not believe we can delay any longer getting earnestly to work so as to revive an economic activity which would give back to our country a normal prosperity. I also believe that as soon as possible after getting properly acquainted with all aspects of the problem, we should get in touch with the authorities of the American treasury and of the International Monetary Fund to make it clear to them and have them recognize that Canada is faced with an emergency and that it would be in their own interests that the problem of gold production in Canada be settled to the satisfaction of everyone.

Perhaps we could also convince them to increase the price of gold progressively over a period of ten years so as to prevent inflation and, at the same time, to enable us to increase our gold production under profitable conditions.

Honourable senators, those are the three topics I wanted to deal with here. I merely wished to call your attention to those questions and point out that we should take the necessary steps to solve those problems which can no longer be left in abeyance.

I thank you for the sympathetic and kind attention you have given me while I had the pleasure of making these remarks.

THE SENATE

Thursday, August 1, 1963

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

Prayers.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, the Joint Committee on the Library of Parliament met yesterday morning, and I now have the honour to present its first report.

Honourable senators, when shall this report be taken into consideration?

Hon. W. Ross Macdonald: I move that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

For text of report see appendix, p. 489.

DOCUMENTS TABLED

Hon. Mr. Macdonald (Brantford) tabled:

Capital Budget of the National Harbours Board for the year ending December 31, 1963, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1963-1122, dated July 25, 1963, approving same. (English text).

Report of the Dominion Coal Board for the year ended March 31, 1963, pursuant to section 15 of the Dominion Coal Board Act, chapter 86, R.S.C., 1952. (English text).

Report entitled: Private and Public Investment in Canada—Outlook 1963, Mid-Year Review. (English and French texts).

EMPLOYMENT

ICE CONDITIONS—ST. LAWRENCE RIVER

INQUIRIES STAND

Hon. W. Ross Macdonald: Honourable senators, I have been unable to obtain answers to inquiries No. 1 and No. 2 by Senator Grosart and Senator Isnor. I shall try to get the information requested before we adjourn for the summer recess, but I cannot guarantee to do so.

SENATE AND HOUSE OF COMMONS ACT

BILL TO AMEND—THIRD READING

Hon. W. Ross Macdonald moved the third reading of Bill C-91, to amend the Senate and House of Commons Act and the Members of Parliament Retiring Allowances Act.

He said: Honourable Senators, it will be recalled that when this bill was called for third reading yesterday afternoon it was allowed to stand because we thought the Senate would be sitting last evening, at which time the bill would have received our consideration. However the legislation we were expecting from the other house did not come, and as a result we did not sit last evening and did not have an opportunity to consider this bill on third reading.

Honourable senators, with that explanation, I now move third reading of this bill.

Hon. Hartland De M. Molson: Honourable senators, I think we have all noticed that there has been a certain amount of criticism in the newspapers about the proposed increases in salaries and expense allowances contained in this bill. I do not think that reaction is universal, that all newspaper writers and all TV and radio commentators have been critical, because I personally have heard some speak with considerable understanding.

I was personally disappointed that more discussion did not ensue on the motion for second reading of this bill because I think there are a number of facts which might have been brought out at that time which would tend to put the bill in better perspective.

In the first place I do not intend to make any remarks about the fact that the members of the House of Commons work harder and longer or have a more difficult task than they had heretofore, or that they have been underpaid, because all those things have been said in the other place and said much better than I can say them.

I do not intend to review the history of parliamentary remuneration, because the right honourable Leader of the Opposition in the other house brought that out very effectively at page 2739 of the House of Commons *Hansard* of July 29.

However, I do think that we can give some thought to those members who come to Ottawa from greater distances in Canada, from the east and the west, who are trying to bring up their families, and who now find themselves faced with a serious problem. They live for probably nine months of the year in Ottawa, maintain two homes, do their work here and at home, maintaining their position as a representative of their constituency which, I know, includes being invited to subscribe to every good work, and perhaps some not so good, being invited to subscribe to every subscription campaign and money-raising effort within their own riding. In the light of those conditions, I do not think there is any argument but that the stipend a member of the House of Commons has been receiving—$8,000 a year, with $2,000 for expenses—was completely inadequate.

I am not going to comment on the fact that the members of the provincial legislature of Quebec have already had their stipend raised to $10,000 salary and $5,000 expenses except to say I am convinced that the cost of adequately performing their functions in the provincial house is very considerably less than it is for a member of the federal House of Commons.

Some Hon. Senators: Hear, hear.

Hon. Mr. Molson: Honourable senators, what I want to do is to put this question of salary, pay, remuneration, or whatever you choose to call it, for parliamentarians in perspective with what has been happening over the past few years to men and women in other walks of life in this country with regard to wages or salaries.

I must apologize at this stage, before I give any statistics, because in the time available to me this morning I was unable to make any precise comparisons. My research staff is limited to one person, being myself, and I am afraid the results are not always perfect. However, I would suggest that these figures are certainly quite reasonable for use as a general guide, even though the years may not be precisely comparable.

To begin with, I would like to read a few words from the *Canada Year Book*, 1962, at page 723, dealing with labour, hours and earnings in manufacturing industries.

> The annual survey reflects a continued upward movement in wages and salaries throughout the postwar period. Table 14 provides year-to-year comparisons of average earnings from 1949. In the 12 years from 1949, men's weekly wages rose by 69.7 p.c. and their salaries by 78.1 p.c. In the same period, women's weekly wages advanced by 61.7 p.c. and their salaries by 77.7 p.c.

You may wonder what I am going to try to prove with these figures, but I would suggest that such criticism as I have heard or seen is confined to two points: first, the amount of the increase and, secondly, the timing.

The members of the House of Commons—and these remarks apply equally to the members of the Senate—have had no increase since 1954, a nine-year period. I would suggest it is quite probable there will not be a further increase for another nine or ten years. In the *Canada Year Book*, 1962, at page 619, table 3 shows that in the seven years from 1953 to 1960 salaries in Canada rose by 40 per cent and wages by 31 per cent. Again, the figures are not totally out of line. Also, at page 720, table 11, covering the ten years from 1951 to 1961, which is perhaps a little closer, shows that the average earnings in industry rose by 56 per cent.

Now, dealing with the stipend in the House of Commons, the increase in salary is from $8,000 to $12,000, or 50 per cent in nine years. During part of this period, as I mentioned a few moments ago, salaries in industry rose 40 per cent in seven years, which to me does not make the 50 per cent increase sound so much out of line. Similar comparisons, slightly different, it is true, are obtained when you take their total salary and expenses. The increase is quoted as 80 per cent and is described as being excessive. I have quoted a period of 12 years during which average salaries increased by over 70 per cent, so I do not think it is quite as far out of line as has been suggested.

Now, one other thing that has not been mentioned, as far as I know, is that if a salary or a wage increase is deferred for a long period, there is in that period an amount which does not accrue, and which at a later stage has to be made up if we are to make true comparisons. It is something like the difference between simple interest and compound interest.

For example, if a man earning $100 a month is given a $5-a-month increase in rate each year for 10 years, he would at the end of that 10 years have $150 a month or a 50 per cent increase. During that period he would have received $3,300 in addition to the amount of his starting salary or wage. That is what the total dollar increase would be to a man originally getting $1,200 per annum. If another man beside him did not get the $5 per month increase each year over the 10 years, but at the end of that period received an increase of 50 per cent, or $50 a month, it would take him 6½ years to catch up to the first man. Therefore, in discussing the increase one must keep in perspective the nine-year gap between the present salary and the new increased salary under discussion, because it makes a vast difference.

Now there is one other point I wish to make about this indemnity. It is true that the rate for the ordinary member of the house was increased in 1954. It had been $4,000 in 1945, then he got a $2,000 allowance for expenses after that year, and in 1954 it was increased to $8,000 plus expenses. But I am told that for the majority of those years between, let us say, 1949 and 1954, before the increase, there were two sessions a year, and his remuneration was calculated per session and not per annum. So that by 1954, when he was given $8,000, it was not an increase over his ordinary annual earnings of the previous years.

The other main criticism I have heard is with respect to the timing of these increases.

It has taken the members of Parliament nine years to obtain an increase, but I do not think any useful purpose will be served asking why. There are a multitude of reasons. The fact is that the amount of the indemnity paid to members of the House of Commons has been static for nine years. If that is a sample of the rate of progress with respect to increases in Parliamentary indemnities, then it is a safe bet that another nine or ten years will elapse before there is a further increase. If there is approval of the principle that representatives of the people in the Parliament of this country should be adequately paid, then there is certainly no justification for any further delay in putting these increases into effect.

It is quite true that it would have been far better had modest increases been given over the years, as has been done in practically every walk of life. If that had happened then I am sure there would have been no shock at this moment that members of Parliament are to receive indemnities of the order provided by this bill. During all those years members of Parliament, unlike their counterparts in business and professional life, have received no increase.

I should perhaps say a word about the Senate, but I do so reluctantly. However, I point out that until this bill was presented members of the Senate have been paid a living allowance of $2,000, which has been taxable. By the time income tax has been paid on that amount of $2,000 I doubt very much that any member of this house has been able to come to Ottawa to fulfil his functions and live on what was left.

For a very long time it has been an accepted principle that money spent in order to earn income, in the case of both a corporation and an individual, is a legitimate deduction for purposes of calculating income tax. It is impossible for a senator to earn his income and live at home. He has to come to Ottawa, which means that he, like the members of the House of Commons, has to maintain a separate establishment here, be it humble or otherwise. He is, therefore, under the necessity of making expenditures in order to earn his stipend, and yet he has been allowed no deduction. That circumstance, I must say, I have never found to be reasonable.

I must agree, however, that members of the House of Commons have considerably greater expenses than do the senators, and so I am perfectly satisfied that the stipend suggested for senators should be considerably less than that for the members of the House of Commons.

I dare say that there are many who will say that the senators need no increase. There may be some who do not need it, but I certainly know from my own experience here that many senators are not extremely wealthy, and some have been doing their duty here under the burden of considerable personal sacrifice. It is obvious that a means test could not be suggested to determine which senators should get an increase and which should not. Therefore, the increase must apply to all.

I am very happy that the judges have been given a substantial increase in their stipends, and also that the senior civil servants were previously given substantial adjustments in their salaries. I honestly believe that the Government of Canada can only be expected to produce good results when all its representatives, whether they be elected members of the Commons, members of the Senate, or members of the Civil Service, are adequately paid for the duties they carry out.

For those reasons, honourable senators, I am very happy indeed to support this bill.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA—THIRD READING

Hon. Harry A. Willis moved the third reading of Bill S-34, respecting The National Life Assurance Company of Canada.

Motion agreed to and bill read third time and passed.

THE CANADA ACCIDENT AND FIRE ASSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill S-33, respecting The Canada Accident and Fire Assurance Company.

Hon. A. K. Hugessen, for Hon. Mr. Gouin, moved that the report be adopted.

Motion agreed to.

THIRD READING

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

Hon. Mr. Taylor (Norfolk): Honourable senators, on behalf of Senator Gouin, I move, with leave of the Senate, that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

INTERNAL ECONOMY

REPORTS OF COMMITTEE

The Senate proceeded to consideration of the fourth and fifth reports of the Standing

Committee on Internal Economy and Contingent Accounts.

FOURTH REPORT ADOPTED

Hon. John J. Connolly moved that the report be adopted.

Report adopted.

FIFTH REPORT ADOPTED

Hon. Mr. Connolly (Ottawa West), moved that the report be adopted.

Report adopted.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, we find ourselves now in the same position we were in about this time yesterday afternoon. We are awaiting some bills which we hope will soon be passed in the House of Commons. There are the following bills to be considered in the other place: The bill to amend the Excise Tax Act, the Economic Council of Canada Bill, the Municipal Development and Loan Bill, and the interim supply bill.

Any of those bills may come to us very soon. I do not know which, if any, is being considered at the present time.

Hon. Mr. Brooks: Could the honourable Leader of the Government state at what stage each of those bills is at present?

Hon. Mr. Macdonald (Brantford): I understand that the bill with respect to municipal loans is in second reading. From what I have read in the newspapers, the bill as presented will be changed considerably.

The bill to establish the Economic Council of Canada is now in committee of the whole. The bill on the Excise Tax is now being considered on third reading.

Hon. Mr. Brooks: Is there an amendment to that bill?

Hon. Mr. Macdonald (Brantford): I was about to ask the honourable Leader of the Opposition if he knew whether the Opposition intended to move an amendment.

Hon. Mr. Brooks: I have not been in touch.

Hon. Mr. Macdonald (Brantford): I have no information on that subject. The interim supply bill, of course, has not been introduced yet.

Honourable senators, I suggest that we rise now, to return at the call of the bell either at 6 o'clock or at 8 o'clock. It is immaterial to me.

Hon. Mr. Farris: Has the Right Honourable the Prime Minister made a statement this afternoon on the Norris report?

Hon. Mr. Macdonald (Brantford): My information is that a statement has been made by the Minister of Labour. I was not in the other house at the time, so I cannot say just what the minister said. My information with respect to the matter is that it is not likely that we will receive a bill respecting the report before we go away for a vacation.

Honourable senators, we shall adjourn now to the call of the bell at approximately 8 o'clock.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

DIVORCE

BILLS PASSED BY COMMONS

The Hon. the Speaker informed the Senate that messages were brought from the House of Commons to return divorce bills SD-1 to SD-4, both inclusive, and SD-6 to SD-251, both inclusive, and to acquaint the Senate that the Commons have passed these bills without amendment.

Some Hon. Senators: Hear, hear.

HON. A. J. BROOKS, P.C.

FELICITATIONS ON FORTIETH WEDDING ANNIVERSARY

Hon. W. Ross Macdonald: Honourable senators, may I bring a pleasing note into this evening's proceedings. Upon looking at the *Canadian Parliamentary Guide*, I find that on April 1, 1923, which was 40 years ago, Edith Lipsett became the wife of Alfred Johnson Brooks.

Hon. Mr. Blois: Would you repeat that date?

Hon. Mr. Macdonald (Brantford): I should have said August 1, 1923.

Senator and Mrs. Brooks having enjoyed 40 happy years of married life, I am sure we all rejoice with them this evening, and I trust we shall all be here to celebrate their golden anniversary.

Hon. A. J. Brooks: Honourable senators, I am very much pleased to receive this recognition. They have indeed been 40 very happy years. I was glad when the honourable Leader of the Government (Hon. Mr. Macdonald) corrected himself as to the date, because of course April 1 is April Fool's Day, and while my wife might have thought it most appropriate, I would not take that view. Thank you very much, honourable senators, for your best wishes.

DISSOLUTION AND ANNULMENT OF MARRIAGES BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-93, authorizing the Senate of Canada to dissolve or annul marriages.

Bill read first time.

SECOND READING

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

Hon. Arthur W. Roebuck: Honourable senators, with leave of the Senate, I move second reading now.

Hon. Mr. Farris: Have we copies of the bill?

Hon. Mr. McCutcheon: Have copies of the bill been distributed?

The Hon. the Speaker: I do not know. I have the copy which was sent to the Table. I believe copies are available now.

Hon. Mr. Roebuck: Honourable senators, this is a red-letter day in some respects. Back in 1837 there was an understanding, perhaps a tacit understanding, that for the province of Quebec—not, of course, for Newfoundland at that time—there should be no divorce court but that the ancient right of petitioning Parliament should still apply to applications or petitions for bills of divorce.

At the beginning there were some four to six divorce cases tried per session but the numbers gradually grew until in modern times Parliament has been actually passing divorce bills numbering somewhere between 300 and 400 per session.

Everything has run fairly smoothly in the nearly one hundred years that have gone by, until quite recently when difficulties arose in the House of Commons, into which I need not go at the present moment. We all have a pretty fair idea of what has taken place.

As a result of the difficulties in the House of Commons, and not in this chamber, divorce bills have piled up until there were recently 494 bills that had been heard in the Senate Divorce Committee, recommended to the Senate, passed by the Senate and sent to the House of Commons. Of that block of 490-odd bills some half of them or thereabouts are now two years old, and the balance are from last session.

Three and four sessions ago the difficulties were in existence, but somehow the bills were passed in the last days of the session. But in the last two sessions none have been passed by the Commons until this afternoon.

As a result of the difficulties and the frustrations that we were meeting, the Chairman of the Miscellaneous Private Bills Committee of that time, Mr. Robert McCleave, and I collaborated in the drawing of a bill which would have granted to the Senate the authority of Parliament to dissolve marriages by resolution, so that the old method of passing bills which become law on the assent of the Governor General would have been set aside and we in this house would have taken the entire responsibility, as we do now take the major portion of it.

That bill has been in the hands of the other house for some time, and in the session of 1962 it was introduced by Mr. Mandziuk as a private bill. It got nowhere; nothing happened.

But quite recently, as a matter of fact today, Mr. Mandziuk re-introduced the bill and, as His Honour the Speaker has announced, the bill is here now, having been given first, second and third readings by the Commons today. So there is now before us a solution, in my judgment, of the difficulties through which we have been passing and all the frustrations we have met.

Honourable senators, I must read the bill, because it has only recently come into our hands, and I will comment as I go.

By section 1, the act may be cited as the "Dissolution and Annulment of Marriages Act".

That is the same heading or title as was in the original act that I took part in drawing two years ago.

Section 2.(1) reads:

> The Senate of Canada may, on the petition of either party to a marriage, by resolution declare that the marriage is dissolved or annulled, as the case may be, and, subject to the provisions of subsections (2), (3) and (4), immediately on the expiration of thirty days from the date of the adoption of the resolution the marriage is dissolved or annulled, as the case may be, and shall be null and void, and thereafter either party thereto may marry any person whom he or she might lawfully marry if the said marriage had not been solemnized.

Those are my words. I should apologize for mentioning the drawing of the bill, but I think it is of real interest to know that the origin of the thought that is in that paragraph originated here in our divorce committee, with myself.

Hon. Mr. Farris: Why is there absolute power in the Senate to do it without any investigation?

Hon. Mr. Roebuck: That is modified as we go on.

Hon. Mr. Pearson: Does this apply to any province in Canada, or just to Quebec?

Hon. Mr. Roebuck: No. Let us be clear on this. There is no provision in the bill restricting the use of this procedure to any province, but the general rule that applies to matters of this kind would, I believe, govern.

Honourable senators may remember that just last week I spoke about the ancient rule with regard to divorce and the right of the citizen to apply to Parliament for relief. I pointed out that the ancient rule is that if relief can be obtained "at home", to use the words of the old practice, the individual has no right to come to Parliament but should go to his home authorities for relief. If there is no provision for relief at home then he may come to Parliament, and it is Parliament's duty to give him the relief to which he is entitled. Acting under that general principle of parliamentary law, when people from the province of say, Ontario, where there is a divorce court, have applied to us in the Senate for relief, we have told them that it is for them to go to the courts of their domicile and so obtain relief "at home". But where there is no court to go to in their province of domicile, then they were entitled to come to the Parliament of Canada.

We have not enforced that rule rigidly, because there have been times when there was real doubt as to whether the domicile was in the province of Quebec or Newfoundland, or in some other province, and the parties have come to us because of a *bona fide* mistake. Under such circumstances, we have not sent them away; we have heard their plea and in proper cases have recommended a bill of divorce. Other than on some special occasion such as I have described, we have told applicants to go to their provincial courts. If someone domiciled in one of the provinces having divorce courts comes to us applying for a resolution in accordance with the provisions of this act, we will say, "No, go to your own courts; your case is within their jurisdiction." We would not be bound to refuse him but, according to the general parliamentary law of the ages, that would be the thing to do.

Hon. Mr. Choquette: At what stage of the proceedings would you give that ruling, when the petition is filed? On the face of it, you would see they do not qualify?

Hon. Mr. Roebuck: That is our practice now. As honourable senators know, when a petition is filed it is always examined by our officials, and they see it is in order. If the domicile is not sworn to be either in the province of Quebec or Newfoundland, then the parties are told to go elsewhere. If they persist, then the problem comes before the chairman, myself; and if they persist further it goes before the committee, and the committee passes a resolution to reject the petition or hear the evidence as the case may be.

Hon. Mr. Pearson: It might be a great deal cheaper to come to the Senate for a divorce than go to a provincial court.

Hon. Mr. Hnatyshyn: It is twice as expensive here.

Hon. Mr. Pearson: They might insist on coming here.

Hon. Mr. Roebuck: The fee for a parliamentary divorce has been $210 and, speaking personally, I would not advise that we reduce that amount for a parliamentary resolution. Now $210 is much more than the amount charged in any of the provinces by way of fees on the filing of the writ and the statement of claim. Furthermore, in provinces where divorces are granted, they are heard by the ordinary courts. For example, in Ontario it is in the trial division of the Supreme Court. These courts sit in the county town of the county in which the parties reside, and where their witnesses reside, and likely where their lawyers reside. Here they have a home place for relief.

On the other hand, to come to Ottawa involves bringing the whole paraphernalia of a lawsuit to Ottawa, at considerable expense. We have made inquiries, and our information is that these cases cost the applicants somewhere in the order of $1,000 each. There is no such cost in any of the provinces.

Hon. Mr. Hnatyshyn: A divorce costs half that in our province.

Hon. Mr. Roebuck: There is very little reason for people coming here instead of going to their own courts.

Hon. Mr. McCutcheon: Senator Roebuck will agree that I have merely an academic interest in this bill—which I might say I am in favour of—but is he saying that I cannot come to the Senate and apply for a divorce merely because I live in the province of Ontario?

Hon. Mr. Hnatyshyn: That is what he said.

Hon. Mr. McCutcheon: There is nothing in the bill to that effect.

Hon. Mr. Roebuck: I pointed out that the bill does not say that.

Hon. Mr. McCutcheon: Well then, please explain it to me.

Hon. Mr. Roebuck: I shall explain it as far as possible. The ancient rule is that if you can obtain your relief "at home", you have no right to trouble Parliament.

Hon. Mr. McCutcheon: Will my friend quote me any authority for that ancient rule; I have never heard it.

Hon. Mr. Roebuck: Probably not. I cannot, of course, quote authority offhand. It is common law. I can give my friend authority later.

Hon. Mr. Farris: What is the definition of "home" in that respect?

Hon. Mr. Roebuck: I can tell you this, that the reference to the ancient law came to me from our Parliamentary Counsel, if that is authority.

Hon. Mr. McCutcheon: That is not sufficient authority for me.

Hon. Mr. Grosart: Is that ancient law or ancient custom?

Hon. Mr. Roebuck: It is ancient custom. There is no act of Parliament either in England or here.

Hon. Mr. Grosart: Honourable senators, there is no person in this chamber who in his lifetime has been more opposed to the exercise of arbitrary power than has Senator Roebuck, and I am surprised to hear his explanation that the Senate committee has said, over the years, that they could decide who may come. The bill says very clearly "The Senate of Canada may ...". I am not a lawyer, but it is my understanding of the semantics of the case that "may" usually means "can". By and large, I believe this is the way laws are drafted. I am more than surprised to hear that a committee of the Senate should say that they will decide who may avail themselves of this procedure. I think this may need clearer definition.

Another point which occurs to me is that the first four words in section 2 (1) might very well be "The House of Commons of Canada may ...".

I am sure honourable Senator Roebuck has reasons for saying what he has, because he has had tremendous experience in this field. But I would like to be advised why the Commons, in its wisdom, has sent to the Senate this bill which says that we may do it, when it seems to me they might very well have said that the Commons may do it. I am sure the honourable senator has an explanation.

Hon. Mr. Roebuck: May I be allowed to answer the second question first. I think it is obvious why the burden is put upon us rather than on the Commons. It is because the experience of the years shows that we deal with these matters in a purely judicial manner, and that we are much better fitted than is the Commons for the trial of cases such as these.

Furthermore, we have much more time for this sort of thing than has the House of Commons. We have fewer members and we do not pursue debates in quite the same spirit as does the Commons. We have proven this by doing all this work in the past. It would be a drastic thing to take these matters entirely out of our hands, if they are to be left in Parliament at all, and send them to the Commons.

The other question was with respect to an arbitrary decision of the Senate committee as to who they would hear and who they would not hear. May I suggest that there is nothing arbitrary about it. The Senate committee has not acted capriciously in this matter. What the Senate committee has done is to say that those who are domiciled in a province in which there is a divorce court should go to that court. In cases where it is perfectly obvious that the domicile of the individual is in one of those provinces, then we send him or her there. We cannot force petitioners to go there. They can come to the Senate committee and give their evidence, and we may then, exercising the right of discretion that we have, give them a divorce or refuse it.

Hon. Mr. Choquette: May I ask a question on that point by way of a hypothetical case? I have in mind a couple who are not sure of their place of domicile, and who reach the stage where they are before the committee. Although the committee might not be called upon to decide where the domicile really is, they decide incidentally that Ontario is their domicile, but they grant the divorce.

It is well known that in Ontario once a divorce is granted by the provincial court the parties cannot remarry until the expiration of 30 days. What would happen if a marriage is dissolved by the Senate after a decision has been made that the domicile is Ontario? Would those parties still be entitled to remarry under clause 2 of this bill within the period of 30 days?

Hon. Mr. Roebuck: Yes. The parliamentary resolution would take precedence over the proceedings in the courts. The delay in the courts is 30 days, and we have adopted that period of time here. But let me point out that if somebody comes to us with a real and genuine doubt as to his or her domicile, we take no narrow view. If the petition is bona fide we try the case and give the parties their relief, which we have a perfect right to do. Our rights are Canada-wide in that regard. This is the Parliament of Canada, and not of any province, so our decision is beyond attack.

Hon. Mr. McCutcheon: Honourable senators, Senator Roebuck has said exactly what I

wanted him to say. The rights of the committee are Canada-wide; they apply right across Canada. They are restricted to no province. I am satisfied to know that if I come before the committee—and I do not think that will happen—I can be sent back to the province of Ontario. I just want to make clear that we are talking about dominion-wide and Government-of-Canada-wide rights, from St. John's to Victoria. After hearing Senator Roebuck say that I think the bill should pass.

Hon. Mr. Grosart: May I ask a supplementary question? I do not entirely agree with the statement made by my honourable colleague, Senator McCutcheon. In view of the fact that this bill makes no reference whatsoever to the domicile of anybody who may petition, I ask this supplementary question: On what authority does this committee presume to say that, by a purely extra-statutory decision, we will decide who may avail themselves of these very wide privileges? In regard to the ancient right of petition, to which the honourable senator referred, by what authority does this committee say it will restrict to certain persons domiciled in certain provinces that ancient right which is offered, as Senator McCutcheon has said, on a Canada-wide basis?

Hon. Mr. Hnatyshyn: Honourable senators, I may add that the precedent has been, as far as the Senate divorce cases are concerned, to grant divorce only in the case of a person who is domiciled in a province where there is no divorce court. Even those provinces which have divorce by courts grant decrees only to persons who are domiciled there. For instance, if a person domiciled in Ontario applied for divorce in Saskatchewan, the judge would have to dismiss his case.

This is not a haphazard system which the Senate uses. It is true that in the position which has existed up to now, Parliament could have granted a divorce from any part of Canada; but the practice and precedent has been not to grant any divorce to persons domiciled in provinces which have divorce courts.

I think that precedent has been established, and there has not been any difficulty with it. In the four or five years during which I have been a member of the Senate Committee on Divorce, I have not seen a petition come before us where it was obvious that the domicile was in other than the province of Quebec or the province of Newfoundland. It is true that sometimes the committee has to find as a fact where the domicile is. However, one gets that type of case in every province; every judge confronted with such a problem has to decide whether the action has been brought in the proper forum. We listen to the evidence on domicile, and if we come to the conclusion that the domicile is in the province of Ontario or in the province of Manitoba, for example, we dismiss the petition.

Hon. Mr. Willis: Honourable senators, I should like to say a few words now. I practised in the divorce courts of Ontario for some time before coming here, and I think this is an excellent piece of legislation. In regard to the matter of domicile, as a practising lawyer I can say that if a wife comes in and we are in doubt as to where her husband is domiciled, she then could find out quite easily, and this has been done in many cases. I think this is an excellent piece of legislation and should be accepted.

Hon. Mr. Choquette: That is, up to section 2.

Hon. Mr. McCutcheon: I was only looking for information.

The Hon. the Speaker: Honourable senators, I would be glad if we could have a more orderly debate on this subject. Honourable senators might give the honourable sponsor of the bill (Hon. Mr. Roebuck), who has moved second reading, an opportunity to explain the various clauses in the bill and give his opinion on them. Later, honourable senators will have an opportunity to explain their own views.

Hon. Mr. Roebuck: Honourable senators, I am glad to answer these questions. I have had no opportunity to prepare an address on this bill, as you might imagine. It has come into my hands only this evening.

Hon. Mr. Farris: You have had more familiarizing than the rest of us.

Hon. Mr. Roebuck: Oh, much more, and I am probably much more familiar with it than anyone else in this chamber. I am glad to answer questions.

In reply to what has been said so far, may I point out that there is a grave distinction between an application to a court in one of the provinces and an application to Parliament. In the provinces the courts are under obligation to grant a divorce if the facts justify the application according to law. If the trial court fails to do so, there is an appeal to the appellate division. There is nothing of that kind here. No one has any absolute right to come to Parliament and demand a divorce. People have a right to come to Parliament, but they cannot demand anything from Parliament. Parliament is supreme. Parliament is not under obligation to grant divorces. We do it as a matter of public service and, shall I say, though one might mistake the word, we do it by grace and not by compulsion. That may explain, in a way, our right to say that

we will not grant divorces to persons in provinces where there are divorce courts; that is where their relief lies. The only change in this section, which is the operative section of the bill, is as to the expiration of 30 days, while I had it as 10 days. Of course, I accept that change. That is in keeping with the time between the decree *nisi* and the decree absolute in the courts. Perhaps that is an improvement.

I pass now to subsection 2 of section 2, which has been changed a little only by the elimination of some words. It reads:

> (2) If, before the expiration of the thirty days referred to in subsection (1), a petition to the Parliament of Canada by either party to a marriage in respect of which a resolution for its dissolution or annulment has been adopted by the Senate, together with a draft bill based thereon and the required fee, is filed with the Clerk of the Parliaments praying for the passage of an Act annulling or modifying such resolution, the operation of the resolution shall be suspended until an Act based upon the petition has received Royal Assent, whereupon the resolution shall have no force or effect or shall have such other force and effect as may be prescribed in that Act.

There is the right of appeal against a resolution, with which one of the parties may disagree. The resolution would be moved here and passed; there would be a 30-day wait before it became effective, and if in that period either one of the parties applied for a bill, which upon being passed would become law by act of Parliament, the action of the resolution would be suspended until the bill had been disposed of. If the bill failed to pass then the resolution would come into effect forthwith. If the resolution were set aside by the bill being passed, then the bill would become effective and not the resolution.

Hon. Mr. Farris: Upon what is the appeal based?

Hon. Mr. Roebuck: I presume it is based on the same sort of evidence that we now accept.

Hon. Mr. Farris: Is that in the bill?

Hon. Mr. Roebuck: No, that is not in the bill; however, I shall be coming to a section shortly which gives the broadest authority for the passing of regulations.

Hon. Mr. Farris: You have been speaking in terms of "we". There is a new "we" coming in under the bill.

Hon. Mr. Roebuck: When I say "we" I mean the Senate.

Hon. Mr. Farris: Do they appeal to the Senate?

Hon. Mr. Roebuck: In a sense, perhaps it is not quite right to call it an appeal. The dissatisfied party may apply for a bill by petition, and the filing of the petition and the bill, as well as the payment of fees—

Hon. Mr. Farris: To whom does the party apply?

Hon. Mr. Roebuck: The party applies, as now, to the officials of the Senate.

Hon. Mr. Farris: I do not read the bill that way.

Hon. Mr. Power: He applies to Parliament.

Hon. Mr. Roebuck: Yes, to Parliament; but he hands the documents to the Clerk of the Parliaments, Mr. MacNeill.

Hon. Mr. McCutcheon: He makes an application for a private bill.

Hon. Mr. Roebuck: He applies for a private bill, in accordance with all the regulations that govern private bills. I called it an appeal, because in a sense it is such. In another sense it is not an appeal. It is, as it were, the appeal to Caesar, turning from the Senate in the exercise of its resolution powers to the old method of an application to Parliament.

Hon. Mr. McCutcheon: I don't like that.

Hon. Mr. Power: Could he apply to the House of Commons? Could the party initiate the appeal in the House of Commons?

Hon. Mr. Roebuck: Exactly the same as now.

Hon. Mr. Grosart: May I ask a question? I think the bill makes it very clear. It says, "if a petition to the Parliament of Canada has been adopted by the Senate." It does not say anything about the House of Commons. Does that not mean that this petition would, in effect, be a petition against the resolution based, as we will come to later, on the recognition of the committee, and that the petition would come to exactly the same body which had already by resolution adopted the report of the committee?

Hon. Mr. Roebuck: Of course, the petition is to Parliament. It is a private bill, and it is filed with the Senate and also filed with the House of Commons.

Hon. Mr. Grosart: Yes, but under the bill it must be adopted by the Senate.

Some Hon. Senators: No.

Hon. Mr. Grosart: It says so.

Hon. Mr. Roebuck: Subsection 2 of section 2 says:

> If, before the expiration of the thirty days referred to in subsection (1), a

> petition to the Parliament of Canada by either party to a marriage in respect of which a resolution for its dissolution or annulment has been adopted by the Senate, . . .

Hon. Mr. Hnatyshyn: That is what he is appealing from, the resolution.

Hon. Mr. Roebuck: That is surely as clear as daylight. As I have said, there you have a method of appeal against our action if we pass a resolution to which some party takes objection.

Hon. Mr. Hollett: The sixth line of subsection 2 contains the words "is filed with the Clerk of the Parliaments". How many Parliaments have we?

Hon. Mr. Roebuck: That is the phrase which has always been used. I know to whom it refers, and I think you do too. It refers to our worthy Clerk who sits here at the Table. He is the Clerk of successive Parliaments. He was the Clerk of the Twenty-Fifth Parliament and he is the Clerk of the Twenty-Sixth Parliament, which is now in session. I hope he will live to be the Clerk of many Parliaments to come.

Hon. Mr. McCutcheon: Hear, hear.

Hon. Mr. Roebuck: May I now proceed to subsection 3. This section is exactly the same as the one I drew in the previous bill, which was presented to the Commons by Mr. Mandziuk in 1962. It reads as follows:

> (3) If the bill referred to in subsection (2) is disposed of otherwise than by becoming law, the resolution dissolving or annulling the marriage shall have full force and effect on the date on which the bill has been so disposed of.

That is, if the bill is dismissed either in this house or in the other house and thus comes to an end, then the resolution takes effect.

Hon. Mr. McCutcheon: Agreed.

Hon. Mr. Roebuck: Subsection 4 is not as I drew it two years ago.

Hon. Mr. Monette: May I ask the honourable gentleman a question? I understand that an applicant proceeds by way of petition, and that the petition moves on toward a resolution. If that resolution is not attacked by an interested party within 30 days, it is a resolution which remains definite.

Hon. Mr. Roebuck: No.

Hon. Mr. Monette: If a resolution is passed dissolving a marriage, and it is not attacked, or refused, by the interested parties within 30 days, the resolution remains and preserves its full effect for ever.

Hon. Mr. Roebuck: It comes into effect.

Hon. Mr. Monette: Yes. The parties have the right within 30 days, if they are not satisfied, to complain; in which case they have the right to present a bill to Parliament and the procedure would be the same as it exists now.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Monette: To summarize it: there will first be an attempt to give justice, and when justice is done, if it is not accepted it will come back as an act of Parliament.

Hon. Mr. Roebuck: Perfectly expressed.

Hon. Mr. Leonard: May I ask Senator Roebuck a question? Is not the appeal, the so-called appeal as you described it, which is proceeded with by way of petition for a private act, an appeal to the same body that has already granted the resolution dissolving the marriage? Therefore, is it not an appeal from the judge who has already tried the case to the same judge?

Hon. Mr. McCutcheon: Not at all.

Hon. Mr. Roebuck: Well, in ancient law there used to be an appeal from the chancellor drunk to the chancellor sober. Of course, the appeal would come back here. However, honourable senators, we are men of broad minds, I hope, and if reasons are given to show that we were wrong on the first occasion, we would be the first to admit it and to set aside the resolution if the facts justified doing so.

Hon. Mr. Macdonald (Brantford): Would not the facts be heard by a different body of persons? Under the resolution procedure, as I understand it from the following paragraph, the facts are heard by someone to be designated by the Senate.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Macdonald (Brantford): But under a petition to Parliament the facts will be heard by the committee; so it will be a different body.

Hon. Mr. McCutcheon: But, honourable senators, there is a further condition here in this so-called appeal by way of a bill; it must go to the Commons.

Hon. Mr. Leonard: Not if it does not pass the Senate.

Hon. Mr. McCutcheon: Let me put it to honourable senators this way, that if I were upset about the thing I would present my private bill in the Commons.

Hon. Mr. Macdonald (Brantford): And there is nothing to prevent the case from being heard in the Commons first.

Hon. Mr. Roebuck: Can we not proceed by way of direct questions?

Hon. Mr. McCutcheon: I am trying to help you.

Hon. Mr. Roebuck: Yes, I know, and I appreciate it. I am not objecting to questions being asked. I did not prepare what I have to say but I cannot proceed with my explanation when under continuous gunfire.

Let me comment on what has been said here. Supposing a resolution has been passed and then someone appeals against it by filing a private bill, then the rules of the Senate, as they are now constituted, would apply to that bill, and by the rules of the Senate it would be referred *ipso facto* to the Senate committee, whereupon the Senate committee would then hear the witnesses; whereas, previously they had been heard by an official.

The proceeding, the examination of witnesses would be heard *ab initio,* right from the beginning, and I can assure you that we would not be much influenced when retrying the case by the fact that we passed the resolution on the official's recommendation.

Hon. Mr. Monette: Pardon me, but when it comes back here as a petition it comes back before Parliament. After the resolution passed the Senate it would have to go to the House of Commons, so it is really not an appeal. The new petition is made because the resolution did not give satisfaction to the parties, and so they have to come before Parliament.

Hon. Mr. Roebuck: Yes. In the previous bill which I drew I provided that the petitioner, if he could not get a sponsor to his bill, it would be sponsored by the chairman of the committee, and that will be the situation as long as I am chairman. If anyone brings a bill and has not a sponsor of his choice, I will sponsor it as chairman of the committee.

Hon. Mr. Hollett: If a petition is made it must be made to the Parliament of Canada, and if that is the case I submit that it has to go before the House of Commons and if the Commons deals with that petition as it has been dealing with them in the past year or so, then the petitioner will get no relief.

Hon. Mr. Roebuck: The situation would not be different from what it is now. When a person applies for a bill of divorce he applies to the Parliament of Canada. Application is made to the Senate and the bill is referred, according to the rules, to the Senate Committee on Divorce. If the bill is reported and the Senate passes it, then it goes to the Commons and if we do not pass it the Commons does not see it. The same rule would apply to the petition by way of appeal.

Hon. Mr. Hnatyshyn: What would happen if it goes to the Commons?

Hon. Mr. Roebuck: It would come to the Senate first.

Hon. Mr. Hollett: But will the Commons deal with it?

Hon. Mr. Roebuck: You might ask me an easier question than that.

Hon. Mr. Hollett: There must be some relief for a person who feels himself aggrieved.

Hon. Mr. Roebuck: That is another reason why I think nearly everyone seeking relief will apply for a resolution rather than for a bill, because of the uncertainty with which it may be dealt in the Commons and the certainty with which it will be dealt here in the Senate.

Hon. Mr. McCutcheon: That is why Senator Roebuck and I want to put this bill through—we think the number of appeals will be so infinitesimal that it will not be more than a matter of academic interest.

Hon. Mr. Roebuck: I agree with you, sir. I come now to subsection 4 of section 2, and I read:

> (4) Notwithstanding anything in this or any other Act, where a petition or a bill of the kind referred to in subsection (2) is not finally disposed of by the Parliament of Canada by reason of prorogation or dissolution, the petition or bill shall, at the next ensuing session of Parliament, be deemed to have been filed or introduced at such session and shall be dealt with and disposed of as if it had reached the same stage in such session as it had reached in the immediately preceding session at the time of such prorogation or dissolution.

Hon. Mr. Power: Honourable senators, is that not something entirely unusual in legislation? So far as I know, any bill, whether it be a Government bill or the most important bill ever to come before Parliament, would not be allowed to be revived at the same stage in a subsequent Parliament or a subsequent session. I fail to see why these particular bills should have an advantage over other legislation introduced into this house.

Hon. Mr. McCutcheon: With all due deference to my friend Senator Power, for whom I have the greatest respect, we are not talking about a bill; we are talking about a resolution.

Hon. Mr. Power: We might very well have a bill out of it. Let me read what it says:

> Notwithstanding anything in this or any other act, where a petition or a bill...

Hon. Mr. McCutcheon: I am sorry, I think they have worded this provision wrongly because, as I understand it, divorces are not going to be granted by a bill but rather by resolution.

Hon. Mr. Power: Certainly there is a provision here that if one party is dissatisfied he may appeal to Parliament for a bill to settle his particular grievance. This bill might have reached third reading, and under this section, if Parliament were dissolved or adjourned or prorogued, the bill at the next subsequent session would start again at third reading. Honourable senators, you cannot do that with a customs bill or an excise bill; you cannot do it with any known bill.

Hon. Mr. Choquette: We were able to do it this session with many of the bills which we had passed, but which had not passed the Commons.

Hon. Mr. Power: I would like an explanation as to why a bill dealing with divorce should have a privilege over every other kind of legislation which comes before this house.

Hon. Mr. McCutcheon: I would—

The Hon. the Speaker: Order, honourable senators. Once again I ask honourable senators to give a chance to the honourable Senator Roebuck to explain the bill and give us his opinions. I do not mind an occasional question being put, but if we are going to carry on as we are, I do not know where we will end up. I would ask honourable senators to co-operate with the Chair, so that we may have a more orderly debate.

Hon. Mr. Roebuck: The reason for this clause is that on one occasion after another we have prorogued with bills of divorce, which are private bills, not of general application, which have been dealt with by the committee, passed by the house and are sent to the Commons, but are not dealt with there when dissolution occurs, and to make these people go through that whole sequence of events again seems to be very unjust and unnecessary.

Hon. Mr. Power: Does that not apply to everybody?

Hon. Mr. Roebuck: Well, anybody can bring in a bill to make this provision apply to all bills, if he wishes to. We are now talking only about divorce bills and the fact that this is new is not an argument against it. If only old ideas can be brought here, then no progress can be made.

Hon. Mr. Power: It is not because it is new that there is an objection, it is because it is something contrary to our constitutional practice, and why we should do that for divorce bills and not for any others I do not know. That is why I would like to have an explanation. It is certainly not that I do not know what is going on in the world and do not know that there is progress.

Hon. Mr. Roebuck: As I said, anybody can bring in a similar provision and have it apply to other bills, if any member thinks that should be done.

Hon. Mr. Connolly (Ottawa West): May I ask the honourable senator a question? In view of the discussion that has gone on with respect to subsection 4, I suppose it is fair to say that if this subsection were removed from the bill the general principle that the honourable senator is advocating in respect of the entire bill is not disturbed.

Hon. Mr. Roebuck: Well, what are you going to do about appeals against a resolution that has been passed, when an appeal is taken and it has not been dealt with before prorogation? We cannot allow that situation to take place.

Hon. Mr. Power: Why not?

Hon. Mr. Roebuck: Let me go on to section 3.

This, by the way, is new as far as the bill I drew two years ago is concerned. I welcome it, and I may say the only reason I did not have it in the original bill, the one which was presented to the Commons earlier by Mr. Mandziuk, was that I thought perhaps the least disturbance possible to the present procedure would be the wisest course to follow, that the least disturbance would make it the easier to pass and raise the least objection. The Commons have been a little more courageous than I and so they have added this clause to the original bill. I read section 3:

> 3. A resolution of the Senate declaring that a marriage is dissolved or annulled shall be adopted by the Senate only if an officer of the Senate to be designated by the Speaker of the Senate so recommends after hearing evidence on the petition, but such officer shall not recommend that a marriage be dissolved or annulled except on a ground on which a marriage could be dissolved or annulled, as the case may be, under the laws of England as they existed on the 15th day of July, 1870, or under the Marriage and Divorce Act, Chap. 176 of the Revised Statutes of Canada, 1952.

There are two thoughts here to be grasped. First, that the Speaker of the Senate shall appoint an officer—not a member of the Senate, but an officer of the Senate—to hear

the evidence. That officer will make his recommendation—and it is only a recommendation —I suppose to the Senate committee. We will govern that by regulation, for which we are given power.

The next thought is that the official is bound by the rules in force in England on July 15, 1870, or under our own Marriage and Divorce Act, chapter 176 of the Revised Statutes of Canada, 1952. That chapter of the Revised Statutes provides for divorce on the ground of adultery only. That is the only power that that act gives to the courts constituted under it.

With regard to the law as it existed in England on July 15, 1870—that was before the Matrimonial Causes Act which was passed subsequent to 1870—divorce was granted on the ground of adultery only.

Hon. Mr. Farris: Would not it have been an awful lot simpler to say in common language what you are now saying?

Hon. Mr. Roebuck: I suppose it would have been, but that is the way it was put in the act which we passed and which constituted the divorce courts of the provinces. We have merely followed the wording of that act.

Hon. Mr. Lambert: In connection with this provision, the present practice of the divorce committee of hearing the evidence will be discontinued?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Lambert: And this official alone will do what the committee has been doing up to now?

Hon. Mr. Roebuck: Yes, but with this qualification, only when the application is for a resolution and not when it is for a bill.

Hon. Mr. Farris: I would like to ask my honourable friend two questions. First, I can find no directions here regarding the procedure to be carried out by this official to be appointed. And secondly, I cannot find under what authority he is to summon witnesses.

Hon. Mr. Roebuck: That is true. Remember that I did not draw that particular clause.

Hon. Mr. Farris: I am not criticizing you now.

Hon. Mr. Roebuck: No.

Hon. Mr. Farris: But we are dealing with that section now.

Hon. Mr. Roebuck: If you will wait for a moment until I finish what I was saying on the law of England as of July 15, 1870—I was speaking about divorce and was saying that it was restricted at that time to the ground of adultery. There was also nullity. One of the grounds for a nullity was incapacity, non-consummation due to the incapacity of one of the parties. We have been acting on that law for years past; so, there is no change there.

Hon. Mr. Haig: Before Senator Roebuck leaves section 3, I understand this section provides that the Speaker of the Senate shall appoint an officer who shall hear evidence on the petition. If the evidence shows that this person qualifies to obtain a divorce under the rules of the act of 1870, to whom does he make his recommendation? Is the Senate Divorce Committee discontinued from here on in?

Hon. Mr. Roebuck: Oh no, it is not—a long way from it. The answer to that question is in the next paragraph.

I have finished what I planned to say on section 3. Now let me turn to section 4.

> The Senate may make such rules and orders respecting petitions for dissolution or annulment of marriages, the procedure at hearings thereon and all other matters as it considers necessary or desirable for the carrying out of the provisions of this Act.

Over the recess, and before we return to Ottawa on September 30, I have every hope that we will have the rules that are required under this act ready. You will note that that section is in the very widest terms, giving us the most sweeping powers with regard to making regulations, rules, orders, and so on.

Hon. Mr. Hnatyshyn: I am still not quite clear. Under this new act will the Senate committee hear evidence, or will the evidence be heard by an officer, appointed by the Speaker of the Senate, who will then make a recommendation to the Senate committee? The way I read the bill it occurs to me that the Senate committee will not sit on these cases and hear the evidence.

Hon. Mr. Roebuck: I do not read it that way.

Hon. Mr. Haig: I read it that way.

Hon. Mr. Roebuck: The officer makes his recommendation, and as to whom he delivers it will be covered by the rules and regulations which I trust this house will adopt. I suggest offhand, and prior to a real consideration of the details, that the recommendation will come to the Senate committee, which means that some member of the Senate committee will have to read it, and the committee will consider and, if necessary, reject his recommendation. The committee will not be a rubber stamp to anyone. Whatever he recommends will go before the Senate committee, and we

will pass on each recommendation, as we do today with respect to recommendations from subcommittees.

Hon. Mr. Hnatyshyn: I understand that, but it says:

> ... only if an officer of the Senate to be designated by the Speaker of the Senate so recommends after hearing evidence on the petition, ...

Does that mean that evidence will be given before this officer, and then repeated before the Senate committee?

Hon. Mr. Choquette: No.

Hon. Mr. Roebuck: The evidence will be given before the officer, and that officer will sit, I take it, all year round, with the usual holidays.

Hon. Mr. Hollett: He will be a judge, will he not?

Hon. Mr. Roebuck: In all probability. That is in the hands of the Speaker, and I must not bind him in any way as to whom he appoints. However, I think it is common sense to say that he will appoint someone with great experience—possibly a retired judge or leading counsel. This is a real job, and we will consider his recommendations when they are received by us.

Hon. Mr. Hollett: In other words, we are setting up a divorce court for Quebec and Newfoundland here in Ottawa. That is what it amounts to.

Hon. Mr. Roebuck: But why use those words, which are objectionable?

Hon. Mr. Hollett: I am merely trying to be explicit.

Hon. Mr. Roebuck: You can call it a court if you like, but it is a very unusual court.

Hon. Mr. McCutcheon: We are not setting up a divorce court at all. We are authorizing an officer—

Hon. Mr. Brooks: Who is an officer of the Senate.

Hon. Mr. McCutcheon: —an officer of the Senate, to hear evidence and to make recommendations to my friend's committee. There is nothing in this act that will destroy the Divorce Committee of the Senate. If there were I would not vote in favour of it.

Hon. Mr. Grosart: May I rise to a point of order? I would like to make some remarks on this bill, and I have desisted because my understanding is that the sponsor of the bill is making a speech, or is introducing the bill. I have tried to make my interruptions by way of questions directed to the sponsor. We are now having speeches all over the chamber on it. I agree entirely that the honourable senator introducing the bill should be allowed to go ahead and have the right to accept or refuse questions. Then, I presume, at the appropriate time those of us who have comments to make will be given the opportunity to do so in the debate that follows.

Hon. Mr. Power: May I ask the honourable senator if he will permit a question?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Power: Could the committee of the Senate, under the language contained in section 3, recommend that a marriage be dissolved if the officer designated by the Speaker had recommended to the contrary?

Hon. Mr. Roebuck: No; we could not do it by resolution. We can only dissolve a marriage by resolution on the favourable report of this officer. On the other hand, if this officer reports against an application, the parties are perfectly at liberty to ask for a bill of divorce.

Hon. Mr. Power: Is this not a derogation of the authority of the committee of the Senate, or even of the Senate itself, if you have an officer who goes contrary to the wishes or what might be the wishes of an important body?

Hon. Mr. Roebuck: The Senate has never before been allowed to dissolve a marriage by resolution, and if in granting us this power Parliament restricts it to a certain extent, I do not think it leaves us any ground for complaint.

Hon. Mr. Power: Is this a reflection on the activities of the committee of the Senate by the people in the other place?

Hon. Mr. Roebuck: My answer to that, of course, is a most emphatic no. We have carried on this work with the greatest care and devotion. Our care and devotion were greater than in the courts. I think that no such criticism has been voiced by any of the parties in the Commons. I think it was realized there that the senators have been burdened by having to listen for hours to evidence of this kind. To a great extent for kindness' sake, they have let us off the hook, and I welcome it. The officer has no right to grant a divorce. All he does is to make a recommendation.

Hon. Mr. Power: That is a *sine qua non*. If he does not recommend—

Hon. Mr. Roebuck: If he does not recommend, we cannot pass a resolution. However, we can still pass a bill of divorce.

Hon. Mr. Hollett: That is all the committee has previously done, make a recommendation.

Hon. Mr. Roebuck: And the recommendation of a subcommittee came to the full committee. The officer to be appointed will also make a recommendation and it will come to the general committee; then we will discuss it, read what he has to say about it, and if it seems to be all right we may pass it, and if it does not seem to be all right we will read every relevant word of the evidence.

Hon. Mr. Lambert: If a petitioner wants to appeal from the finding of the officer, has he any recourse before this committee?

Hon. Mr. Roebuck: I do not think so. In the bill as it stands the situation will be the same as if the resolution came from the subcommittee. We intended in the previous bill to provide a waiting period so that the parties might appeal to the whole committee. I see no reason now why, when a recommendation comes to us from the officer, we cannot hear the disgruntled partner.

Hon. Mr. McCutcheon: No.

Hon. Mr. Macdonald (Brantford): That would by-pass the provision for appeal contained in the bill.

Hon. Mr. Roebuck: That, of course, is open to us. We can do it if we wish. We can make orders or rules concerning petitions for dissolution, as we see fit.

Hon. Mr. McCutcheon: That is, the Senate can, not the committee.

Hon. Mr. Farris: I think you said a short while ago that the evidence would be transcribed. Is it not a fact that the officer alone has the opportunity of seeing the witness and of passing on his or her veracity?

Hon. Mr. Roebuck: That is true.

Hon. Mr. Farris: You would deprive the Senate committee of what privilege, which has always been an important element in the judgments at all trials.

Hon. Mr. McCutcheon: A privilege of which I would think they would like to be deprived.

Hon. Mr. Farris: That may be.

Hon. Mr. Power: It is a matter of law, not convenience.

Hon. Mr. Roebuck: The appeals are heard by courts who have no opportunity of hearing or seeing the witness.

Hon. Mr. Farris: And the court of appeal will say that the trial judge had the advantage of seeing the witness and that they will accept his views in that matter.

Hon. Mr. Roebuck: We will do the same. If it looks all right to us we will accept it, and if it does not look all right we will not accept it.

Hon. Mr. Connolly (Ottawa West): May I ask a question? The language at the beginning of clause 3 says:

> A resolution of the Senate declaring that a marriage is dissolved or annulled shall be adopted by the Senate only if an officer of the Senate to be designated by the Speaker of the Senate so recommends . . .

I should like to ask about the meaning of the word "designated". Someone, I suppose, must appoint this man, and it is proposed by this bill that the Speaker of the Senate should appoint him. I wonder if the honourable gentleman would give us the benefit of his view on that word. Then, if I might ask a further question: Does he think that it would be desirable to spell out in a measure of this kind the qualifications that such an officer should have?

Hon. Mr. Roebuck: Well, surely we can trust the Speaker of the Senate, a very experienced man on all occasions, and one of great *bona fides*, to choose the proper and qualified person. I would leave it in his hands without the slightest tremor of doubt.

Hon. Mr. Power: He would consult the Civil Service Commission, no doubt.

Hon. Mr. Roebuck: I do not think he would. I doubt if he would want to.

Hon. Mr. Hnatyshyn: It will not be a senator?

Hon. Mr. Roebuck: No.

Hon. Mr. Hnatyshyn: It will be a fulltime job hearing 500 cases.

Hon. Mr. Roebuck: There is also the question of appointment. I am sure the Speaker will not designate a man unless he is pretty sure to be appointed at an appropriate salary.

Hon. Mr. Connolly (Ottawa West): Does the honourable gentleman anticipate supplementary legislation establishing the position and providing for a salary?

Hon. Mr. Farris: Clause 4 might cover that.

Hon. Mr. Connolly (Ottawa West): I think that covers rules and orders respecting procedural matters.

Hon. Mr. Roebuck: I am not an authority on procedure. Whether it has to be voted especially, or whether there is money in a general fund which could be used, I do not

know. I think you can leave it to the authorities to look after that. Some action can be taken when Parliament reassembles. I do not anticipate difficulties of that kind.

Hon. Mr. Grosart: Before leaving that clause, may I direct another question to my honourable friend? In view of the fact that the bill appears *prima facie* to confer equal rights on all Canadians and, secondly, since it makes no reference to domicile of the applicants, does the honourable senator consider that clause 4 will confer on the Senate the right to make a distinction between or to discriminate against those petitioning as of right in respect to the province in which they live?

Hon. Mr. Roebuck: I do not think I ought to answer that question because I am not going to bind in chains the people who will draw up these rules and regulations.

Hon. Mr. Grosart: With due respect, sir, I am asking for an explanation of a clause of a bill that we are being asked to pass. I am asking the sponsor if he will give his opinion as to the meaning of clause 4, and I think I am perfectly entitled to direct that question to him as he, of course, is also entitled to refuse to answer.

Hon. Mr. Roebuck: No; I said I did not think I should bind the people who drew it, or unduly influence this chamber when the regulations come before it. I can answer to this extent, that clause 4 gives us the power to do what you are asking. It may be that the Senate in its wisdom will do so; it may be that it will not. I do not think we need decide that question now.

Hon. Mr. Grosart: You have not answered my question, sir. Do you believe clause 4 gives a power to discriminate against applicants in respect of their provinces of domicile?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Grosart: That was my question.

Hon. Mr. Roebuck: We can deal with it as we wish when we come to it.

Clause 6, which is the last, reads:

> This Act shall apply in respect of any petition for the dissolution or annulment of marriage presented to the Senate of Canada, and not reported upon by the Senate Standing Committee on Divorce before the coming into force of this Act.

That means that those bills which we have passed in the last two sessions, some of which have been sent to the House of Commons and some of which have not yet been sent to the Commons, are not affected by this bill. There are a few less than 100 bills to be sent over to the Commons, in addition to the 251 bills we have sent over in the last few days, which bills I hope to be able to present to this house tomorrow. There will still be some left over for the fall.

Hon. Mr. Brooks: May I ask the honourable senator what the situation will be with regard to petitions that have come in during this session but which have not been dealt with by the Standing Committee on Divorce? Speaking for myself, I think it is very unfortunate that they have not been dealt with.

Hon. Mr. Roebuck: They will then fall under the provisions of this act, provided the petitioners ask for it. Up to this moment they have asked for bills of divorce.

Hon. Mr. Brooks: If they do not ask, will those petitions be dealt with by the Standing Committee on Divorce?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Brooks: That means they will not be dealt with until after the recess?

Hon. Mr. Roebuck: We cannot deal with the great backlog now. There are about 700 petitions. Those cases must stand over until October.

Hon. Mr. Brooks: I am not finding fault with the Standing Committee on Divorce, or with the honourable chairman of it, but I must say that I feel it is very unfortunate that the committee did not sit during this session to deal with these petitions. We would have been in a much better position if those cases were prepared and ready to go to the House of Commons at this time.

Hon. Mr. Farris: If we do not pass this bill will those cases which are now in the Commons become law?

Hon. Mr. Roebuck: Two hundred and fifty-one bills have been sent to the House of Commons, and I understand they have been passed.

Hon. Mr. Farris: Are they before us now?

Hon. Mr. Roebuck: No, they are not. We are *functus officio*. They are upstairs. About 100 more cases are ready to be reprocessed, and sent to the other place.

Hon. Mr. Farris: What about the ones that have already been sent to the Commons?

Hon. Mr. Roebuck: I understand they have passed the Commons. They are through. They are the first that have been passed in the past two years.

Hon. Mr. Farris: Are the petitions that have to be dealt with in the fall now being deprived of speedy relief?

Hon. Mr. Roebuck: A great deal of negotiation and talk has been going on over this affair, and the passage of the divorce bills is based upon the passage of this bill. For us to have those divorce bills passed and then renege on this—well, I do not like that.

Hon. Mr. Brooks: May I ask the honourable senator how many petitions have been received this session, and which will be pending in the fall or will come under this new act?

Hon. Mr. Roebuck: I have not the exact figure, but there are about 750. They were not all received during this session. That represents the total number of petitions that we have not tried. Those are not affected by this bill.

Hon. Mr. McCutcheon: May I put it to the honourable senator this way: There being no agreement and no understanding, it is hoped that if this bill is passed those bills will go through the House of Commons?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Brooks: But not this session.

Hon. Mr. McCutcheon: At this session.

Hon. Mr. Brooks: But the petitions of this session cannot go through.

Hon. Mr. McCutcheon: Not the ones we have not passed.

Hon. Mr. Grosart: May I ask the honourable senator if he can give us an estimate of how many additional petitions might come to us for conclusive action if this bill is speedily passed? I believe some have been already passed by the House of Commons and will be returned here. How many additional petitions are hanging on our decision to pass this bill?

Hon. Mr. McCutcheon: None. There is no agreement.

Hon. Mr. Roebuck: About 100. I think actually one less than that number are ready to be presented to this house, and I hope to present them tomorrow. The total number of bills is 494; 250 of them, I think, have been passed by the House of Commons, and I hope to present 100 more tomorrow. That leaves—well, my honourable friend is a good adder and subtracter.

Of those that remain, nobody knows how many will come before us because we require an affidavit to the effect that the parties have not lived together or condoned the offence since the committee made its report, and that they still want to go on with the divorce. I do not know how many are in that category.

Hon. Mr. Power: Do I understand that there are roughly 300 petitions now before the committee that have not been dealt with but which will be dealt with under this bill?

Hon. Mr. Brooks: There are some 700 which are now before the committee and which will be dealt with under this bill.

Hon. Mr. Roebuck: Yes, provided they so request.

Hon. Mr. Macdonald (Brantford): Not necessarily.

Hon. Mr. Power: What does the honourable senator mean by "not necessarily"?

Hon. Mr. Roebuck: Those 700 people have applied for a bill of divorce, not for a resolution, and unless they ask for a resolution we will not force them to take it.

Hon. Mr. Power: But clause 6 says:

> This Act shall apply in respect of any petition for the dissolution or annulment of marriage presented to the Senate of Canada, but not reported upon by the Senate Standing Committee on Divorce before the coming into force of this Act.

It is "any petition" up to date. Is there any option there?

Hon. Mr. Roebuck: Absolutely. The rights contained in this bill affect those parties, but they do not have to accept them unless they wish to.

Hon. Mr. Power: Then they do not go on with the divorce.

Hon. Mr. Roebuck: They have applied for a bill. They can stick to that application if they so desire, and take a chance on it ever being passed.

Hon. Mr. Power: Is there any option there? The only option for a bill is when one of the parties has a grievance. There is no option so far as I can read in this bill for a person to say, "I pay no attention to all this nice act that we have; I am just going ahead with a bill anyway". Can anybody say that now?

Hon. Mr. Roebuck: There is nothing in this bill which sets aside the ancient right of the citizen to apply for a bill—nothing. A citizen can choose not to come under the provisions of this bill.

Hon. Mr. Brooks: How will he know what to do? He has already made a petition which is before the Standing Committee on Divorce. Does he have to make another application to the committee in order to obtain a divorce by way of resolution?

Hon. Mr. Roebuck: He will be notified of the provisions of this bill.

Hon. Mr. Brooks: There are 700 who will have to be notified.

Hon. Mr. Roebuck: Yes, and they will be notified over the recess, if this bill passes.

Hon. Mr. Power: They will be notified that it will be cheaper. They will be told to just apply for a resolution, and it will cost them so much money. Is that the idea?

Hon. Mr. Roebuck: No. I have already said that so far as I am concerned I am not in favour of reducing the fee to be charged.

Hon. Mr. Power: A petitioner will not have to drag all his witnesses from his home town to Ottawa?

Hon. Mr. Roebuck: Oh, yes, he has to bring evidence that will prove to the officer in the first instance that he is entitled to a resolution dissolving his marriage, and that evidence will have to be sufficient so that no objection will be raised elsewhere. This house will be able to stop the matter right on the floor, and it can also be stopped in the committee.

Hon. Mr. Power: Does the officer sit while the house is not in session?

Hon. Mr. Roebuck: The rules and regulations which we will adopt, I suggest, will confer power on the officer to hear cases when we are not sitting as well as when we are sitting, so he will be able to sit all year round.

Hon. Mr. McCutcheon: Clause 6 reads:

> This Act shall apply in respect of any petition for the dissolution or annulment of marriage presented to the Senate of Canada, and not reported upon by the Senate Standing Committee on Divorce before the coming into force of this Act.

My understanding is that the Senate Standing Committee on Divorce has reported on over 1,000 cases to this chamber, some of which have gone to the other place, and none of those upon which the committee has reported to this chamber will be affected. Am I right?

Hon. Mr. Roebuck: Yes, you are perfectly right.

Honourable senators, I want to say just one word in closing. We have had a long period of frustration and difficulty. I speak for the whole committee and for the whole house. This has gone on now for no less than four years in all and it has been most intensive in the last two years, therefore, as I said only yesterday, many a time I have been sick at heart at what I considered a gross injustice being done by Parliament to individuals.

Honourable senators, this bill is a well thought out, or at least industriously thought out, measure and is most carefully devised to meet these various circumstances.

It has been approved by the law officers of both houses. It was approved on one occasion—except for section 3—by the Minister of Justice. It had the nod of the house leader at one time. It passed the scrutiny of the Justice Department.

Honourable senators, here is a chance now to arrive at a common-sense disposal of these most troublesome cases. I trust that honourable senators will not look at small details too closely. Let us work them out as we can, by resolutions, by orders and by regulations, as we go on.

If we pass this bill, which will give us the power to complete cases as well as do most of the work in connection with them, I can assure honourable senators that matters will run on in a judicial manner, as they have with us in the past, and very little will be heard of this problem in the future.

Hon. Mr. Fournier (De Lanaudière): Honourable senators, I should like to put a couple of questions to the honourable senator from Toronto-Trinity. Is it right to think that this bill must be considered as a private bill?

Hon. Mr. Roebuck: It was introduced in the House of Commons as a private bill; but there is a method—which does not seem to be very well known but which is thoroughly established and for which there are many precedents—whereby a private bill may be made a Government order, not a Government bill but a Government order. The Government may call the bill as it likes and pass it on Government time in the house; in other words, it can take it out of the rules which apply to private bills with regard to debate. As I understand it, that is the reason we have this bill before us now; the Government took it out of the regulations applicable to private bills, although it is still a private bill.

Hon. Mr. Fournier (De Lanaudière): Then, my second question is: Is it right to think that this bill involves the expenditure of public money?

Hon. Mr. Roebuck: When the action is taken with regard to hiring the person to hear these cases, public money will then no doubt be made available. I do not think we need worry about that now. It has to be done by the executive.

Hon. Mr. Fournier (De Lanaudière): Honourable senators, I think we should make sure, first of all, that this bill is legal and is in order. To me it appears to be a private bill involving public expenditure, and in my opinion this puts it completely out of order.

I do not question the principle of the bill. I am not prepared to do that. I have not had

time enough to study all its clauses. As a matter of principle I do not feel I have any objection to it; but what we pass here today will become the law of the land tomorrow, and I think we should proceed on the prescription of the Constitution of our country.

Hon. Mr. Roebuck: May I point out to the honourable senator that there is nothing in this bill providing for the salary of the man who will be designated. Anyone may be designated. Any arrangement may be made. There is nothing in this bill regarding money.

Hon. Mr. Fournier (De Lanaudière): There is no figure mentioned.

Hon. Mr. Roebuck: There is nothing mentioned in it about money.

Hon. Mr. Fournier (De Lanaudière): But it is implied that the officer whose services will be hired by the Government or by the honourable Speaker of the Senate will certainly receive a salary.

Hon. Mr. Roebuck: The bill does not say so.

Hon. Mr. Fournier (De Lanaudière): Because his salary is not mentioned here, simply means that we would be authorized to do indirectly what the law of the land does not permit us to do directly. In my opinion we are completely out of order. Whether the salary is mentioned or is implied, there is a sum of money involved.

It is beyond imagination that we would hire the services of a capable man to preside over and decide all these cases and receive no pay. I could not comprehend that position at all.

Hon. Mr. McCutcheon: Honourable senators, we have a very capable man now; we have the Clerk of the Senate.

Hon. Mr. Roebuck: He might be designated.

Hon. Mr. Macdonald (Brantford): The Law Clerk?

Hon. Mr. McCutcheon: Yes, the Law Clerk might be designated. We have a number of officers of the Senate. There is nothing in this bill which makes it a money bill. If it were a money bill, that question would have been raised in the other house. This bill comes to us from the other house and the question was never raised there. There is no reason why it should be raised now. I think we should proceed to deal with it on its merits.

Hon. Mr. Roebuck: Honourable senators, may I put this further point to you? In matters of this kind, an application is frequently made to the Treasury Board and an appropriation is made to cover it, if they wish to do so, under the circumstances.

There need be no trouble whatsoever about the salary. If a salary is to be granted, that would be the money bill. In reply to what honourable Senator Fournier (De Lanaudière) has said, there is nothing in the bill which makes it a money bill.

Hon. Mr. Power: Honourable senators, in this connection, much as I hate to refer to some of the frustrations of my past political career, I have a recollection that at one time, as a private member of the House of Commons, I was particularly keen on putting through a bill dealing with redistribution by a commission. I reached the point where I was able to state my case, and I think I made a case, when the honourable Speaker of the House of Commons of that day—who has now been elevated to the position of Leader of this house—ruled me out of order. At that time there was no mention whatsoever of anything except that there would be a commission of three; there was no mention of salary, or of the Treasury Board. But he ruled me, a private member of the House of Commons, out of order on that bill. I think the theory with respect to the Senate is that as a body it can do no more than a private member of the House of Commons may do with respect to money matters.

Hon. Mr. Macdonald (Brantford): Is the honourable senator referring to me?

Hon. Mr. Power: You were the Speaker of the house.

Hon. Mr. Macdonald (Brantford): I do not recall the incident, but I think it must have been obvious that there was a requirement in the bill to which the honourable senator refers for the payment of money.

Hon. Mr. Power: No, not a word about it.

Hon. Mr. Macdonald (Brantford): Well, the honourable senator's memory is better than mine.

Hon. Mr. Power: I was careful.

Hon. Mr. Macdonald (Brantford): I think that was the only time I ruled him out of order, and therefore I should remember the incident, but I do not.

In regard to this bill, I see nothing in it which requires the expenditure of money. It is true that an officer will be designated. He may be an officer who is now in the Senate; certainly, there would be no expenditure there. Or, if it is somebody else, and if he is going to be paid, provision will be made in the Appropriation Act. An appropriation bill will have to be introduced in the House of Commons by resolution. Therefore, in so

far as this bill is concerned, I see no problem whatsoever about the expenditure of money.

Hon. J. W. de B. Farris: Honourable senators, I would like to be heard shortly on this matter. I regard this bill as being, in many ways, one of the most important bills we have had before the house.

The other day I spoke about reforms in Parliament, including both the House of Commons and the Senate. It is about time we had reform in both houses, so that members would not be placed in the position in which we are tonight.

Apparently Senator Roebuck and our honourable leader on this side have known about this bill and its provisions before today.

Hon. Mr. Macdonald (Brantford): I may say that we are not the only persons. Honourable Senator Roebuck drew up this bill over a year ago.

Hon. Mr. Roebuck: Two years ago.

Hon. Mr. Farris: I cherish my reputation as a lawyer and I do not like being put in the position of sanctioning legislation on the problem that is confronting us here, on one hour's consideration; yet I do not see any alternative, except by upsetting the apple-cart. I say it is about time we had some rules and regulations in both houses which would stop this kind of nonsense.

An Hon. Senator: Hear, hear.

Hon. Mr. Farris: I rather agree with what the honourable Leader of the Government and honourable Senator Roebuck have said about the constitutional question. I would not like to stake my reputation on it, in giving my opinion to a client, without giving more consideration to the matter than I shall have the opportunity of giving to it this evening. The very questions which have been asked by experienced lawyers shows what serious problems we are trying to dispose of in this way. And what is the answer? The answer is, "If you don't do this, the apple-cart will be upset and all these implied understandings will go by the board." That brings us back to the basic reason this bill is here.

A couple of days ago, toward the conclusion of my speech in this house, I quoted from a poem by Thomas Babington Macaulay. I wanted to refresh my memory, so I looked up in the volume the page from which I quoted, and the poem alongside happened to be "Horatius at the Bridge":

> Now who will stand on either hand,
> And keep the bridge with me?

And one soldier said:

> I will stand on thy right hand,
> And keep the bridge with thee.

And another soldier said:

> I will stand on thy left hand,
> And keep the bridge with thee.

And the other soldiers left, and there were three that held the bridge. The Commons has done better than that. Two men have held up the Senate, the Commons, and the wishes of the people of Canada for two years.

Is this bill now before us the only remedy? Is it necessary that this evening we should be put in the position of accepting an alternative to deal with a mess that is confusion worse confounded? I ask my honourable friend: Has the Government ever considered the simple alternative of amending its rules in the House of Commons so that we could have these bills passed without obstruction by these two men? They have held a bridge, and not a very noble bridge either.

I may be wrong—not being familiar with the rules of the other house—but it seems to me it would have been a simple matter to change the rules during the period of two years of obstruction, so that these bills could have been treated as if they were public bills for consideration.

I was under the impression that they were blocking the bills in committee, but I heard yesterday that I was wrong, that they were blocking them on second reading. But that does not make any difference. If the bills had been treated as public bills, that obstruction could have been stopped and these two men would have been unable to pursue their obstruction against the will of the Commons, this house, and almost all the people of Canada.

I think it is time that reforms of the Senate and the Commons were given more consideration. About all they can suggest, it seems, is to kick the old fellows out of the Senate.

Honourable senators, I am not going to take the responsibility of blocking these people who, as I said in my speech two days ago are being treated cruelly—women and their children. I am going to vote for this bill, but I do so with the utmost resentment.

Hon. Allister Grosart: Honourable senators, I take exactly the same position with respect to voting on this bill as that taken by the honourable Senator Farris.

We have heard over and over again about the obstruction of these two men, whose names I do not even know. What is happening here in order to obviate this obstruction? This bill suggests a major change in the whole procedure in the most important matter of

divorce. The only explanation for this bill of which I am aware is that, in the judgment of those who should know, it is the only solution.

However, honourable senators, let there be no mistake about it, if we pass this bill we shall be pinning the laurel of victory on these two men, who have been criticized over and over again, here and elsewhere. We shall be saying to them, "You have won. You have forced the Parliament of Canada to change its established procedure."

Only the other day someone rose in this chamber and said what a wonderful thing it is that we sometimes have five, sometimes three, but always more than one man to preside at the hearing of divorce cases. He said it was a fine tribute to the committee, and I agree. But let us understand, honourable senators, that if we pass this bill, these two men in the Commons will have won, and we shall throw all the established procedure out the window to satisfy certain ideas of these two men. From now on one man, a commissioner, or whatever he will be called, will in effect be the official arbiter. My honourable friend will object and say no. A resolution will be passed, and the commissioner will report and, as he has said, in effect he will be a subcommittee. I do not think that is realistic. He will be a judge, a single judge, presiding over a divorce court.

I have the greatest respect for the manner in which the Senate committee has held the line in this difficult area of divorce, and I pay tribute to the chairman and the members of the committee. However, honourable senators, they are leaving the bridge. The honourable Senator Farris referred to Lord Macaulay's poem. Well, those three stood on the bridge; they did not leave it on account of two men. Yet, we are leaving the bridge. In effect, we are saying here, as this bill is hurriedly brought before us, that we are going to make a change, a change which to my mind varies the whole history of Canada.

Hon. Mr. McCutcheon: Are you voting against it?

Hon. Mr. Grosart: I will register my vote, if a vote is called. I am merely exercising my right as a senator by putting these views before this chamber. In answer to the honourable senator's question, I would say that I am in the same dilemma, so eloquently expressed by Senator Farris. It is a real dilemma.

Senator Roebuck has risen many times in this chamber to speak of the injustices that have been done to these hundreds and hundreds of petitioners. I agree that they are injustices. I also agree that we all have a responsibility to see that justice is done. Again and again, Senator Roebuck has spoken of the fact that petitioners come here to exercise their ancient right of petition to the Crown. The Senate has been the instrument of bringing these petitions to a conclusion. I think we are placing ourselves in a very dangerous position this evening. Must we assent to this legislation? I have been unable to find out exactly how many current petitions will go through the Commons within, let us say, the next two or three days, if we pass this bill, and how many will not. The answer to that question would seriously affect my decision as to how I would vote, if the matter comes to a vote. We have had some figures, and my understanding, subject to correction, is that 200 to 300 petitions have been passed by the Commons. Is that correct?

Hon. Mr. Roebuck: Two hundred and fifty.

Hon. Mr. Grosart: Tomorrow there may be an additional 100?

Hon. Mr. Roebuck: Nearly.

Hon. Mr. Grosart: Nearly 100 might be processed; and if this bill passes the Senate this evening there would be reasonable assurance that those would also pass in the other place. May I ask if there are any others beyond that?

Hon. Mr. Roebuck: Four hundred and ninety-four in all.

Hon. Mr. Grosart: If we pass this bill this evening, what would be the position with regard to the 400-odd?

Hon. Mr. Roebuck: What 400?

Hon. Mr. Grosart: Of the others. Let us say that 100 will pass through the Commons tomorrow, if we pass this bill this evening.

Hon. Mr. Roebuck: Well, there is a good deal to be said in reply. We shall only send to the Commons those cases for which an affidavit has been put in our hands that the parties have not condoned the offence, and a statement by them or their lawyer that they wish to proceed. That has been done in every one of these cases; I cannot tell you what the balance is. I gave you the figures, and it is merely a matter of addition and substraction as to how many remain after, say, 100 have been passed tomorrow. But I cannot tell you how many will authorize us to reprocess them so that they can be sent on in the fall. You can make as good a guess as I can.

Hon. Mr. McCutcheon: You cannot tell us when Parliament is going to rise?

Hon. Mr. Macdonald (Brantford): Can you?

Hon. Mr. Grosart: Does the number of those affected extend the urgency of passing this bill tonight?

Hon. Mr. McCutcheon: Question!

Hon. Mr. Roebuck: We have in the neighbourhood of 700 cases which we have not yet tried. How many more will come in, I cannot say.

Hon. Mr. Vien: Honourable senators, I think we can assume that they will not be dealt with under the provisions of this bill because we have not made the rules as yet, and the rules cannot be made and approved of before we resume next fall.

Hon. Mr. Roebuck: That is right.

Hon. Mr. Vien: Therefore, in answer to the question of the honourable senator, none of these cases will be affected by this bill.

Hon. Mr. McCutcheon: Question!

Hon. Mr. Grosart: Honourable Senator McCutcheon keeps saying, "Question". I appeal to Your Honour because I believe I have the right to continue to discuss this bill.

I have taken a general objection, and I will go no further at this time. We have in this house competent leaders who are responsible for the conduct of the business of this house. Having made those remarks I am perfectly content to leave it to their good judgment to decide what should be done in this matter.

I would like, however, to draw attention to one word which seems to me is going to cause considerable trouble. I refer to the word "adopted", which appears in section 2, subsection (2), at the end of line 4. May I read part of subsection (2):

> If, before the expiration of the thirty days referred to in subsection (1), a petition to the Parliament of Canada by either party to a marriage in respect of which a resolution for its dissolution or annulment has been adopted . . .

As I understand the position it is this, that if somebody proceeds by way of resolution, the resolution is accepted by the commissioner and is approved by the committee. There is now a period of thirty days. What worries me is what will happen if this petition of appeal, which is what it is, for a resolution has not been adopted by the Senate within thirty days.

Hon. Mr. Roebuck: It does not say that the petition is adopted, it says that the resolution is adopted. You do not adopt a petition.

Hon. Mr. Grosart: As I read it,

> If, before the expiration of the thirty days referred to in subsection (1), a petition . . . has been adopted . . .

Hon. Mr. Roebuck: It is the resolution that is adopted, not the petition.

Hon. Mr. Grosart: Honourable senators, I am not a lawyer and so I merely say that it occurs to me that the word "adopted" might be modified, but this bill has just come before us tonight and not being a lawyer, I am at a disadvantage in interpreting it. I sometimes wish that these bills could be written in plainer English, but I understand there is a reason for them being prepared as they are. However, in view of what I have heard, I will withdraw my objection. After we adjourn I will read it more carefully and may come back with some more remarks on this point.

I return again, honourable senators, to my original objection that this bill confers rights in section 2 on all the people of Canada. It says in effect that anybody may come by way of petition and request a divorce by way of a resolution. The honourable senator who introduced the bill, in reply to my question, said that under section 4 the Senate, or the Divorce Committee of the Senate, has the right to say no, we do not agree that this bill applies to you; we do not agree that it applies to all the people of Canada; we say it only applies to the people who live in certain provinces. Now, I am a layman and I just do not understand how any single chamber of Parliament can have the authority to say that a right conferred on anybody in Canada wherever he lives is to be restricted in the interpretation of this bill to people who live in two provinces.

Hon. Mr. McCutcheon: That is what this chamber has been saying for the last 25 years.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, may I say just a few words to confirm what Senator Farris and Senator Grosart have just said.

There are many who say that this is not a bill but a resolution. I read this bill this morning. However, not being a jurist, I am not familiar with all the legal technicalities. Be that as it may, some people are wondering whether this bill is in keeping with the British North America Act. The bill now before us is so important that we should not pass it immediately but examine it further. That problem has been in the air for quite some time and, as it concerns two provinces in particular, I feel we should be entitled to examine it more closely.

I say this because this afternoon I had the opportunity to consult an expert in this field who told me he wondered whether a certain paragraph of the bill was constitutional.

Among other things, I refer to what our colleague Senator Power said a while ago about clause 2, paragraph 4, of this bill: how is it that, through a mere regulation, individuals are given powers which no other organization can obtain and which even the Government cannot use? If Parliament is prorogued, a new petition must be made, and because certain persons do not agree with one another, we say: "All legislation is put aside for those people who want a divorce".

I feel that we should have more time to think things over. We are told to vote for or against the measure. That is not the point. Before we vote, we must think. Too many people think only after speaking. I say that we should have time to think about it a little more and to consider the contents of this bill. In this way, we might find something that others have overlooked or that other law officers will interpret otherwise.

I do not want to be unpleasant to my leader, or to any other honourable senator, but I wonder whether it would not be wise to postpone the discussion until tomorrow in order to sleep on it, as it were. What has just been said will be less present to our mind then, and we could always revert to the subject tomorrow.

Moreover, it seems to me that this bill should be referred to a committee, since it is a private bill. Do you not think that in referring this bill to the committee, tomorrow—

(Text):

Hon. Mr. Macdonald (Brantford): It is not a private bill, it is a private public bill.

(Translation):

Hon. Mr. Vaillancourt: It is the first time I have ever heard this definition, "private public bill". It was stated this morning that it is not a bill, but "it is a rule".

(Text):

Hon. Mr. Choquette: A resolution.

(Translation):

Hon. Mr. Vaillancourt: Yes, a resolution. Be that as it may, I ask that we be given time to give it some thought. After all, we had a divorce committee—in fact we still have it —where at least three senators hear a case in order to determine whether the granting of a divorce is justified or not. According to the bill under consideration, there will only be one official who will hear the evidence and who will report. I admit that this procedure will considerably relieve Senator Roebuck and his associates who, for many years, have devoted a great deal of time and effort to that task.

However, we should consider the matter seriously, because only one official will hear all the evidence and make recommendations. Some will say: "The committee will always be there to stop him". I agree, but you know just as well as I do that, for instance, our colleague Senator McCutcheon, who heads large concerns, cannot supervise his industries in every detail; he must rely on his officials. However, when one of his officials makes a mistake, he is the one who will suffer. I think that this matter is serious enough to give it further consideration.

I regret, Senator Roebuck, that I cannot immediately comply with your request, as I am not yet ready to tell you whether I am in favour of this bill or not. But I would like to reconsider certain features of this measure.

Hon. Mr. Vien: Ask for the adjournment of the debate.

(Text):

Hon. Mr. Vaillancourt: I would not want to appear to be the same type of person as those in the other house, where only two men control the whole organization of divorce. I am not a dictator; I am a co-operator. It is necessary to learn from someone around here what is the whole idea of this bill.

Hon. Mr. Macdonald (Brantford): I do not believe anyone has suggested that we rush this bill through the house tonight. There has been no suggestion of that.

Hon. Mr. Roebuck: I made no such suggestion.

Hon. Mr. Macdonald (Brantford): The honourable Senator Roebuck made no such suggestion. So far as I am concerned, and apparently so far as he is concerned, the house will have to decide whether to pass this bill tonight or to put it over until tomorrow—or whether to pass it at all. It is in the hands of the house.

Hon. Mr. Vaillancourt: A few moments ago some members said, "Question! Question!"

Hon. Mr. McCutcheon: I apologize, senator.

Hon. Mr. Vaillancourt: Do not apologize. That is your idea; that is all. When we discuss this matter it is necessary to discuss it freely and quietly. If you will agree, I move the adjournment of the debate until tomorrow.

Hon. Mr. Roebuck: May I add something, because my friend says that he wants time to think about it? He raised the question of constitutionality, and I believe it would be wise for me to say something on that before we adjourn, so that it may be thought about too when we assemble again to deal with this matter. Constitutionality—

Hon. Mr. Power: On a point of order, if my honourable friend speaks now he closes the debate.

Hon. Mr. Roebuck: Well, all right, if that is the position you are taking.

Hon. Mr. Stambaugh: I wish to ask a question of the sponsor of the bill. Will the passing of this act cancel the rights the citizens of Canada have had since Confederation, to apply for a divorce in the usual way?

Hon. Mr. Roebuck: The answer is no; it will not.

Hon. Mr. Stambaugh: Then why all this alarm? This only provides an additional way in which a petitioner may obtain a divorce. It might be easier, it might be faster, and it might be better.

Hon. Mr. Roebuck: It is another pathway, that is all.

Hon. Mr. Stambaugh: Then I do not see the cause for this alarm.

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

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, the question to be decided now is, until what time tomorrow do we adjourn? Under the rules, we would adjourn until 3 p.m.

Hon. Mr. McCutcheon: Is the question that we should adjourn until 8, in the light of experience?

Hon. Mr. Macdonald: My friend suggests that we should adjourn until 8 a.m. tomorrow!

Hon. Mr. McCutcheon: No; you misunderstand me completely.

Hon. Mr. Macdonald (Brantford): What about 11 a.m.? I move, with leave of the Senate, that we stand adjourned until 11 o'clock tomorrow morning.

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 11 a.m.

APPENDIX

(*See p. 465*)

JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT

Your committee met on July 31, 1963 and begs to submit the following recommendations for approval:—

1. Appointments

(a) Mrs. Voilet E. Baker as Library Assistant 1 ($2910-3360), effective April 16, 1963;

(b) Napoleon D'Amour as Library Helper 1 ($2820-3180), effective November 1, 1962;

(c) Jean Houle as Library Clerk 1 ($3390-3840), effective January 1, 1963;

(d) Miss Paule Andrée Lemire as Library Assistant 1 ($2910-3360), effective February 11, 1963;

(e) Miss Claire Pilon as Library Assistant 2 ($3510-3960), effective May 6, 1963;

(f) Rene Rozon as Reference Librarian 1 ($4560-5160), effective July 1, 1963;

(g) L. Raymond Sheehan as Library Clerk 1 ($3390-3840), effective April 1, 1963;

(h) Mrs. Zora Zink as Reference Librarian 1 ($4560-5160), effective May 27, 1963;

2. Promotions

(a) Miss Yvette Chevrier from Cataloguing Librarian 1 ($4560-5160) to Reference Librarian 2 ($5160-5940), effective April 1, 1963;

(b) Miss Irene Coughlan from Cataloguing Librarian 1 ($4560-5160) to Cataloguing Librarian 2 ($5160-5940), effective April 1, 1963;

(c) Omer Denis from Library Helper 2 ($3330-3780) to Library Helper 3 ($3750-4200), effective June 1, 1963;

(d) Miss Jean Durrell from Cataloguing Librarian 1 ($4560-5160) to Cataloguing Librarian 2 ($5160-5940), effective April 1, 1963;

(e) Mrs. Monique Gould from Cataloguing Librarian 2 ($5160-5940) to Cataloguing Librarian 3 ($5640-6540), effective April 16, 1963;

(f) Mrs. Doris Owens from Library Assistant 1 ($2910-3360) to Library Assistant 2 ($3510-3960), effective April 1, 1963;

3. Reclassifications

(a) Position LP-A-14x, Special Assistant ($6500) to be reclassified as Reference Librarian 3 ($5640-6540), effective January 1, 1963;

(b) Position LP-A-16, Library Bookbinder 2 ($4620-5160) to be reclassified as Technician 3 ($5100-5640), effective January 1, 1963;

(c) Position LP-A-38, Library Bookbinder 1 ($4050-4500) to be reclassified as Technician 1 ($4080-4800), effective January 1, 1963;

(d) Position LP-A-12x, Bindery Assistant ($2280-2640) to be reclassified as Assistant Technician 1 ($2340-2820), effective January 1, 1963;

(a) effective October 1, 1961—

Library Administrative Officer

4. Alterations in rates of pay

	Library Assistant 1				
From:	2850	3000	3150	3300	
To:	2910	3060	3210	3360	
	Library Assistant 2				
From:	3330	3480	3630	3780	
To:	3510	3660	3810	3960	
	Library Assistant 3				
From:	3750	3900	4050	4200	
To:	3930	4080	4230	4380	
	Library Clerk 1				
From:	3330	3480	3630	3780	
To:	3390	3540	3690	3840	
	Library Clerk 2				
From:	3870	4020	4170	4320	
To:	4050	4200	4350	4500	
	Library Clerk 3				
From:	4200	4380	4560	4740	
To:	4410	4590	4770	4950	
	Library Clerk 4				
From:	4620	4800	4980	5160	
To:	4860	5040	5220	5400	
	Library Secretary 1				
From:	4200	4380	4560	4740	
To:	4470	4650	4830	5010	
	Library Secretary 2				
From:	4860	5040	5220	5400	
To:	5100	5280	5460	5640	
	Library Accountant				
From:	4860	5040	5220	5400	
To:	5100	5280	5460	5640	

(b) effective April 1, 1962—

	Library Supervising Clerk				
From:	5100	5280	5460	5640	
To:	5340	5520	5700	5880	
	Library Administrative Officer				
From:	5460	5640	5820	6000	6180
To:	5730	5910	6090	6270	6450

28906-6—32

(c) effective October 1, 1962—

Library Helper 1

From:	2820	2940	3060	3180
To:	2940	3060	3180	3300

Library Helper 2

From:	3330	3480	3630	3780
To:	3520	3680	3830	3980

Library Helper 3

From:	3750	3900	4050	4200
To:	3990	4140	4290	4440

Assistant Technician 1

From:	2340	2460	2580	2700	2820
To:	2520	2640	2760	2880	3000

Technician 1

From:	4080	4260	4440	4620	4800
To:	4320	4500	4680	4860	5040

Technician 3

From:	5100	5280	5460	5640
To:	5340	5520	5700	5880

Bindery Assistant

From:	2280	2400	2520	2640
To:	2430	2550	2670	2790

Library Bookbinder 1

From:	4050	4200	4350	4500
To:	4290	4440	4590	4740

Library Bookbinder 2

From:	4620	4800	4980	5160
To:	4860	5040	5220	5400

All of which is respectfully submitted.

Maurice Bourget
Speaker of the Senate

Alan Macnaughton
Speaker of the House of Commons
Joint Chairmen

THE SENATE

Friday, August 2, 1963

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 253 to 357, and moved, with leave of the Senate, that they be adopted now.

Motion agreed to, on division.

DISSOLUTION AND ANNULMENT OF MARRIAGES BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Honourable Mr. Roebuck for the second reading of Bill C-93, authorizing the Senate of Canada to dissolve or annul marriages.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I should like to say only a few words, since our leader advised me that the bill would be referred to the committee.

Here are the few remarks I wish to make. This bill should not lead to a race between provincial divorce courts and the proposed Senate commission.

In the province of Ontario, three months, or ninety days, are required to obtain a divorce and marry again, whereas those who are granted a divorce by the Senate have only to wait thirty days before marrying again; it is that much simpler.

Some people will prefer to appear before the proposed Senate commission instead of before the Ontario divorce court, claiming that the procedure is quicker here.

I feel, therefore, that some minor points such as this one might be amended. In addition, I refer again to subsection 4 of section 2 which, in my opinion, is a departure from the normal and general legislation of both houses and gives a priority and a privilege to people asking for a divorce. This would happen if Parliament were dissolved before the bills are carried. Let us abide by the general legislation, as well as by all other acts. That is my opinion.

(Text):

Hon. L. M. Gouin: Honourable senators, I have a few remarks which I wish to address especially to the sponsor of this bill, my excellent friend Senator Roebuck. I am sure that he will take in good part the comments I am going to make. The first principle I learned from Laurier was that in a democracy we must respect our differences of opinion; in other words, we must agree to disagree in an orderly way.

First of all, on the question of principle, I am put more at ease than if this bill were of a different nature. We are not discussing the principle of the indissolubility of marriage. I believe in the principle which is consecrated in our Civil Code of the province of Quebec. But I have to be quite frank about it: in 1867 divorce was imposed on us, and I have to accept it as the law of the land.

The present bill, by its title and especially by its second clause, in my opinion concerns not only divorce, as I have always understood that word, but also concerns the annulment of marriages. Yesterday Senator Roebuck, with the great authority which belongs to him, told us that when there is a local remedy—"a remedy at home," to quote his words—the policy of the Senate committee is to tell the applicant, "Go to your court in Ontario"—or in any of the other provinces besides Quebec and Newfoundland—"and ask there for a divorce."

In the province of Quebec it must be well understood that in the matter of annulments we have certain articles in our Civil Code, Article 115 and following, and in particular concerning what Senator Roebuck defined yesterday as the physical impossibility or incapacity to consummate the marriage.

Article 117 reads as follows:

> Impotency, natural or accidental, existing at the time of the marriage, renders it null; but only if such impotency be apparent and manifest.
>
> This nullity cannot be invoked by anyone but the party who has contracted with the impotent person, nor at any time after three years from the marriage.

And then in Article 148 and following of our Civil Code, we have the rules concerning actions for the annulment of marriages and, in fact, our courts every year annul many marriages for impotency or for the other causes mentioned in the Code. One instance given is that of minors who have not obtained the consent of their parents.

But the distinction I want to make—and I remember in some previous sessions it was also made by Senator Roebuck himself—is the distinction between an action in annulment and a petition for divorce. An annulment results in a decision that there never

was a valid marriage. Speaking quite plainly, it could not have been a marriage if the two persons were not of different sexes, because there could not be a matrimonial union, and therefore there could not be a *dissolutio vinculi matrimonii*—a breaking of the matrimonial bond. It was in fact a nullity from the beginning.

On the other hand, a divorce, which is in fact a dissolution of a marriage or a dissolution of the matrimonial bond, under the terms of the present bill comes into effect 30 days after the date of the dissolution. I say, let us be logical. If the present bill is passed, when an applicant from the province of Quebec comes to Parliament and alleges that physical incapacity which I have just mentioned, the Divorce Committee should say to him "Why don't you apply to the courts of the province of Quebec?"

On this point I should like to quote from the last great treatise which we have in our civil law which, I might add, for us is almost as sacred as the Bible. I want to quote from the Traité de droit Civil du Quebec, volume I, which was written by my confrere Gerard Trudel. At pages 358 and following there are some comments concerning impotency, and there are references to various cases which I think it is not necessary for me to mention. I am sure honourable senators will take my word for it that there are dozens and dozens of cases every year where actions in annulment of marriages are maintained by our courts. Of course I do not know what the situation is in Newfoundland; our honourable colleagues from that province may be able to tell us whether or not there is a local remedy in the matter of annulment. In the same book at pages 148 and following we have the description of the procedure for the annulment of marriages.

Coming back to the text of the bill, and speaking for the province of Quebec, I see no reason whatever why it should refer to the annulment of marriages. I should add that we will consider the references in the bill on that point as an infringement of our civil rights.

I say, moreover, that the Civil Code I have mentioned, and which is called the Civil Code of Lower Canada, was adopted by the Parliament of United Canada at the time it was a legislative union and, of course, there can be no doubt as to the validity in 1866 of those sections which concern marriages. As honourable senators know, the British North America Act transfers the power to Ottawa in matters of marriage and divorce, but in virtue of section 129 those provisions in our Civil Code remain as long as the same law has been specifically adopted by the Parliament of Canada.

I repeat, when it is the law of the land I accept it, and I have very few comments to make on the question of principle. However, when it comes to a question of procedure, then I am fair enough to want all Canadians who have had a privilege conferred upon them to exercise it in the normal way. I do not want them to face the kind of obstruction that has been a source of frustration not only to the members of the Standing Committee on Divorce but to others. Though most divorces dealt with by the Senate come from the province of Quebec, the Quebec Roman Catholic senators are not members of the Standing Committee on Divorce. We have a precedent to the effect that we Roman Catholics refrain from sitting on the Divorce Committee, which means that our other colleagues have to perform that very unpleasant task.

Hon. Mr. Vaillancourt: If the honourable senator will permit me I will mention that the Civil Code states that a marriage can be declared null and void within three years.

Hon. Mr. Gouin: I will give an explanation to my honourable colleague. I will take the case of two old people who get married, for instance, when the man has become impotent. If they live together for three years or more they cannot apply for an annulment of their marriage on the ground of impotency. I quoted the second paragraph of the Article 117 merely because I wanted to mention the whole truth; I did not think it would have been fair for me to give only the first paragraph and stop there, thus leaving my honourable colleagues under the impression that it is what we call an absolute nullity.

Our procedure with respect to the annulment of marriage is very complicated. There are some annulments which, in a certain sense, should be absolute nullities, but the party may, so to speak, waive his right as in the case, for instance, of old people where the marriage is more in the sense of a companionship than a marriage in the usual sense of the word.

What I wish to suggest is that, first of all, the title should be amended to refer only to the dissolution of marriages, unless there is some reason for keeping the word "annulment" in the title because of certain circumstances peculiar to Newfoundland. I have no authority whatever to speak on behalf of Newfoundland, but with respect to Quebec I repeat quite clearly that there is no necessity for giving authority to the Divorce Committee with respect to the annulment of marriages.

The Standing Committee on Divorce is already busy enough with divorce in the proper sense, which implies that from a certain date

a marriage, which was truly and legally a marriage, will cease to have any effect.

In the private bills that we have passed during all these last years there is, if I am not mistaken, the word "désormais" or "henceforth", which seems to make it quite clear that the dissolution applies to the future and not to the past. It is quite a problem to divorce people who have children, and if we have a text which gives the impression that the parties have never been married, I am sure that it is not the will of the members of the Divorce Committee of the Senate to put these children in that unhappy situation.

Honourable senators, as matters stand at present, when private bills are adopted in this Parliament the marriage is dissolved henceforth, if I remember the phraseology correctly, and there is no mention, because it is not necessary, of the right of the parties to remarry.

Hon. Mr. Roebuck: We state that.

Hon. Mr. Gouin: I read some bills in which there was no mention of it.

Hon. Mr. Roebuck: That has not been the case for some years.

Hon. Mr. Gouin: At all events, I merely make that remark. In the short time we have had to prepare comments, I could not find the notes which I had taken in previous years concerning the precise text of these private bills, and I had no time to obtain them from the library this morning. I regret very much if I have been mistaken, but I made the remark in good faith.

I note that, according to section 2(4), a bill of divorce is to become revived when there is an adjournment, a prorogation or a dissolution of Parliament. I submit that this is contrary to all precedents. I know that there is a desire to find a remedy, so as to avoid putting people to the expense and trouble of starting all over again in such cases. I am not in a position to suggest any other remedy but, like Senator Power, I am under the impression that this is a very serious derogation from our parliamentary rules and from those rules which I understand have always been followed in the British Parliament.

Honourable senators, I come now to section 3 and I will discuss it together with section 4. An officer of the Senate will be charged with the hearing of evidence. I have to be quite frank about this, as it makes a great difference. Of course, I prefer that any judge should see the witnesses, as it is often by their behaviour that one is in a position to come to a conclusion as to whether they speak the truth or not. Even so, under the present circumstances, I believe that that officer would be in the same position as we have in the case of a rogatory commission—when a lawyer or a former judge is appointed for the purpose of obtaining the evidence of certain witnesses in the United States, in Greece or somewhere else. On that point, I might say that this would be an improvement, as the members of the committee, just by reading the evidence in some cases, may very well come to a conclusion that they are not satisfied with the evidence as it stands.

I have the utmost respect and confidence for the members of the divorce committee, and if they are satisfied that justice can be done, that is their own responsibility. What I do not like is that some rules are not spelled out in the bill.

In the Senate Committee on Banking and Commerce we have objected again and again to some acts precisely because such acts were only a shell, giving authority to adopt some rules.

Legally speaking, I have some doubts as to whether or not by rules we can give perfectly legal authority to this officer of the Senate to summon witnesses, or to compel them to attend if they refuse.

I make those remarks because I should like all honourable senators to realize the situation as it is. I understand that those rules would have to be submitted to the Senate after they have been adopted by the Committee on Divorce. At that time, if we come to the conclusion that there is some doubt as to the legality of the proceedings they would not be adopted and a special act may become necessary.

Honourable senators, I must say that I do not consider the present bill as being in its final form, and I trust that it will be referred to one of our committees for further discussion.

Another point which I take the liberty of insisting upon is that if the act should take away from the province of Quebec the right to decide actions in annulment, there would be extreme doubt as to the legality of a decree of annulment, or resolution or judgment which may be rendered. People may doubt also if the resolution or judgment was valid if the bill implicitly took away from the courts of the province of Quebec the rights which they enjoy under the Civil Code.

Hon. Mr. Choquette: May I ask the honourable senator a question? Do you think your objection would be met if we added that cases of dissolution would apply to both provinces, Newfoundland and Quebec, and annulment would apply to Newfoundland, or words to that effect? Then annulments would be taken care of by your provincial courts, as you say.

Hon. Mr. Gouin: Oh yes. My objection and my remarks are intended to be constructive

in order to try to find a solution to the difficulty. The suggestion of the acting Leader of the Opposition seems to meet the situation. He is fairly familiar with our system. We have a problem and we cannot be blind to such circumstances, because the consequences might be quite serious.

Hon. Mr. Choquette: May I ask the honourable Senator Roebuck a question? In the past, when a divorce has been refused were any reasons for that decision given in writing to anyone, as, for instance, to the solicitor who pleaded the case?

Hon. Mr. Roebuck: Are you asking if we ever give reasons?

Hon. Mr. Choquette: Yes.

Hon. Mr. Roebuck: We do not always do so. We give reasons in a case that is complicated. I have written a judgment in some cases.

Hon. Mr. Choquette: I hope that if an officer of the Senate is appointed he will give quite lengthy reasons when he decides to turn a petition down, so that we shall know if he has, for instance, admitted evidence which was inadmissible, or if he has refused to admit evidence that should have been admitted. This can be discussed at a later date when the rules are made. In the meantime I would suggest there should be some sort of appeal, instead of a trial *de novo*, an appeal to the committee from the written reasons given by that officer. That is just by way of suggestion.

Hon. Mr. Roebuck: I have in mind that the officer would give a short statement, a summary of his reasons, whether he dismisses the case or passes it, so that the committee will be able to understand the reasons for his judgment in each instance. To some extent that would make it unnecessary to read all the evidence to find out whether the committee is satisfied with the officer's judgment.

Hon. Mr. Power: May I ask the honourable Senator Roebuck what he can do about it? Full power is given to the officer to recommend or refuse, and the committee has nothing whatever to do with it. They will have to do what he says.

Hon. Mr. Roebuck: The Senate has not abrogated its right to decide the question of an appeal. The officer is given the right to recommend, and the Senate will decide whether or not it becomes law. All the officer does is to recommend. The Senate committee derives its authority from this house.

Hon. Mr. Power: It does not.

Hon. Mr. Roebuck: If the Senate Divorce Committee is not given power to receive these recommendations, why, then that is all right with us—we are through. However, it is not likely that the Senate is going to do anything of that kind. The reports made by the officer will no doubt come to the Senate committee and be reviewed by it. If we recommend against a bill, I do not think the house will consider turning us down, but the house has the right to do so.

Hon. Mr. Choquette: Then the wording of section 3 should be changed. It now reads:

> A resolution of the Senate declaring that a marriage is dissolved or annulled shall be adopted by the Senate only if an officer of the Senate...

So that if he does not do it—

Hon. Mr. Power: They will be stooges of their own officers.

Hon. Mr. Leonard: May I ask a question? Am I to understand that if the bill receives second reading now, Senator Roebuck proposes to refer it immediately to a committee?

Hon. Mr. Roebuck: As soon as this bill receives second reading, I propose to move at once that it be referred to the Standing Committee on Banking and Commerce; and I understand that we shall be able to meet almost immediately.

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

Hon. Mr. Grosart: I should like to direct a question—

Hon. Mr. Macdonald (Brantford): Honourable senators, I do not want to cut off the debate, but the honourable gentleman spoke at considerable length last evening. It occurs to me that it might be more expeditious if the bill were referred to committee, and then he could ask his question there, either of Senator Roebuck or of Mr. Driedger, the Deputy Minister of Justice, who will be present there. Of course, if any honourable senators wish to speak on the debate, I think we should hear them now, but perhaps we could withhold our questions until we meet in committee.

Some Hon. Senators: Agreed.

Hon. Mr. Vien: Honourable senators, I agree not to speak in order to allow the bill to go to committee. However, I would suggest that we should not be deprived of speaking on the merits of the bill when it comes back from committee for third reading. That has been the practice in many instances. I am quite agreeable to the suggestion of the honourable Leader of the Government that

we should meet in committee now and later have the opportunity of making our remarks.

Hon. Mr. Power: I am not willing that the bill go to committee until I can at least publicly state some of the objections I have to certain clauses in it. I shall move at some stage, and probably again on third reading, that subsection 4 of section 2 be stricken from the bill for the reasons which I gave yesterday.

Hon. Mr. Macdonald (Brantford): May I interrupt the honourable gentleman to say that I think every honourable senator who wishes should be allowed to speak on the principle of the bill on second reading. However, might not any motion to amend be done better in committee? Notice could be given now by those who desire to do so, and we could discuss it in committee.

Hon. Mr. Power: I am giving notice now that I propose to move an amendment in committee, and possibly on third reading. Also, I think section 3 should be discussed because, if I may be permitted to say so, with the greatest of respect to Senator Roebuck, I think in his zeal to get rid of the objectionable—as he thinks objectionable—methods of procedure in another house, he has allowed himself to go to the extent of debasing this chamber—

Hon. Mr. Roebuck: Oh!

Hon. Mr. Power: —by allowing the other house to put a section in a public bill which takes away instead of giving to the Senate the powers of dealing with divorce.

I cannot interpret section 3 in any other way than that out of awe or fear we have allowed the two men whom everybody here has characterized as blackmailers—and for whom I have great admiration, for I believe in people who persist in their opposition sufficiently to bring two governments to their feet—to deliberately by this bill take away the powers which the bill says it gives us.

I have the highest respect for His Honour the Speaker. I have known him for many, many years; in fact, he has often characterized me as his godfather in politics. But I do not know what right, what authority, he has to designate an officer who shall have the right to vote over the decisions of this body. Yet that is what we would be doing. We would be saying that a resolution of the Senate, which is a procedure of the Senate, declaring a marriage dissolved or annulled, shall be adopted by the Senate only if an officer of the Senate, to be designated by the Speaker, so recommends. That is to say, the powers that this bill purports to give to the Senate are taken away by an officer whose qualifications are not designated. I am reminded of an old friend of mine, a former member of Parliament, who was always complaining about patronage and the way the Government exercised it. In one instance when a judge was to be appointed, he said, "I'll bet you they will put a damned lawyer in his place."

I don't know whether the Speaker will designate a "damned lawyer" to handle this thing or not. He might even name a messenger of this house to say to the committee of divorce, "You can do what you please, but you must submit to my veto". Is that not debasing this house? Should we allow any civil servant, any person who is in our employ to say, "You must not carry out the duties which Parliament has devolved upon you"? Frankly, with all the respect I have for my honourable friend Senator Roebuck, I would inquire from him whether he conceived or drafted this particular section.

Hon. Mr. Roebuck: No, I did not.

Hon. Mr. Power: You did not?

Hon. Mr. Roebuck: No.

Hon. Mr. Power: Therefore my conscience is free. I can attack the person who did. I have such respect for my honourable friend that I hesitated to say that this was an abortion—it is a bill which gives powers in one direction and takes them away in another. It is neither fish, fowl nor good fresh herring—it just stinks.

I would think, at least, we should allow this house, its members and the members of the committee, who are now making themselves subservient to the people who two or three days ago they denounced, to give some consideration to this legislation and let the bill be put over. There is no hurry. Yesterday my honourable friend Senator Grosart, with great repugnance, stated that we were being blackmailed into passing it; at least, he intimated that we were being blackmailed into passing this bill yesterday, otherwise a a hundred divorce bills would not pass the House of Commons, or words to that effect. Are we going to allow ourselves to be put in that position? Surely, if we have any respect for ourselves we should have—

Hon. Mr. Macdonald (Brantford): May I ask the honourable gentleman a question? I do not know, and I do not know whether he knows, on what authority Senator Grosart made that statement. From what I heard, the statement is not correct that the bills that go forward from this house today will go through the House of Commons only on the condition that this bill passes here. I am sure the honourable Senator Grosart was under the wrong impression.

Hon. Mr. Choquette: Honourable senators, if I recall rightly, the question was asked clearly of Senator Roebuck: "Is it my understanding that if this bill goes through now, the other divorces that are being held up will go through?" And the answer was, "Yes." I may be corrected if I am wrong.

Hon. Mr. Macdonald (Brantford): I think that probably is correct. My information is that the bills that go to the House of Commons today will go through there whether we pass the bill or not.

Hon. Mr. McCutcheon: Right.

Hon. Mr. Grosart: Honourable senators, as my name has been brought into the debate, may I say a word? I at no time said that we were being blackmailed. I asked a question, and I believe there was nothing in the question or in the statements I made in the chamber last night which suggests what has just been inferred. I asked what would be the position of the bills sent forward from the Senate to the other place in the event this bill passes, and in the event it does not. I did not even by implication suggest there was blackmail. I do not make that suggestion at all.

Hon. Mr. Macdonald (Brantford): I did not make it.

Hon. Mr. Power: I did, and I accept the honourable senator's statement without reservation. I simply misunderstood him, but I did gather there was some thought that if this bill did not pass last night a hundred divorce cases that were going forward this morning would not pass the Commons.

Hon. Mr. Grosart: You may have gathered that impression from the answer, perhaps, but you could not have taken it from the question. I think the honourable Leader of the Government suggested that very definitely in the remarks he made. I wanted to assure him that I had not made such a statement.

Hon. Mr. Macdonald (Brantford): I certainly accept the statement of the honourable gentleman.

The Hon. the Speaker: Is the honourable Senator Power through with his remarks?

Hon. Mr. Power: Honourable senators, I was about to say I was very sorry if I misinterpreted the honourable senator. I stated that he had made this observation with some repugnance, that he seemed to object, but if he did not wish to give that impression I apologize most profoundly.

I would like to know from the Leader of the Government what assurance he has that these bills will go through the Commons whether or not the bill that is before us passes here. He has apparently given assurance to this house that these bills will pass the Commons even if we were to hesitate in passing this bill today. I suppose he has information which the rest of us have not. I do not know just what his relationship is with the people who have been holding up these bills in the other house. I have no doubt that his relationship is close and friendly, but I wonder if they have told him that if this bill is put off until after the recess they will nevertheless allow these divorce bills to pass.

Hon. Mr. Macdonald (Brantford): Let me say to the honourable senator that I have had at no time conversation either directly or indirectly with either of the two gentlemen in the other house. In fact, one of them I know well enough to say, "How do you do?" and the other one I do not even know by sight. The statement I made was the inference which I drew from what took place in the house yesterday, because there was no suggestion made that the passage of bills which went over subsequent to yesterday would depend upon what we did here. I know nothing about it. I am just giving my opinion.

Hon Mr. Power: I am very glad my honourable friend has not been associated with those evil characters, as some people have described them in this house, but it does not change or alter in any way the burden of my argument, that this question of the powers and authority of the Senate should be debated in this house rather than in committee. After many, many years those in the other house have come to some compromise on this, but in that compromise they have debased and lowered the character of this honourable body. This bill, instead of having the title, "An Act authorizing the Senate of Canada to Dissolve or Annul Marriages", should be called "An Act authorizing the Speaker of the Senate to delegate to someone powers which he himself does not have".

That is what this bill amounts to with this particular provision. We are going to appoint a man, someone, anyone, no qualifications required, who is going to say to the Senate committee—a committee which in the past years has done its work honestly and conscientiously—"Whatever you say, whatever you do, you cannot annul this marriage", or "You cannot present to the house from this committee a resolution recommending annulment of this marriage unless I"—one man, not even a judge, not even a lawyer, but anybody that can be picked off the street—"give my consent and recommendation".

That, I think is, an important enough section of this bill to be argued here publicly and in the light of day, rather than in committee.

Hon. Mr. Leonard: May I ask the honourable senator a question?

Section 3, dealing with the duties of this officer, is related to the resolution of the Senate. Would we not still have exactly the same powers that we have now, even if that officer were to recommend against a divorce, to receive a bill and to pass that bill in the same way we do now?

Hon. Mr. Power: Then if we do that we are back where we were before. In other words, the poor unfortunate members of the other place will be burdened with doing the duties that Parliament has given to it by the British North America Act.

Hon. Mr. Leonard: Only in the case where the officer does not recommend and where some person brings a bill before either house of Parliament.

Hon. Mr. Power: In other words, all the work and cogitation of these learned men over the last couple of years, to endeavour to get the matter of divorce into the Senate, and the Senate only, will be annulled if the officer that is appointed simply says, "You cannot carry on with this procedure that you want to carry on with; and, if you like, you can present a bill." Then we are back where we are today —another bill, a private bill, coming before this house and, presumably, before the committee of the Senate, despite the fact it has already been instructed by their officer not to recommend it. The bill would be reported to this house and, having received its three readings here it would go to the House of Commons to receive its three readings there, and be blocked again by these fellows. Is that the kind of bill we want?

Hon. Mr. Lambert: May I ask the honourable Senator Power if he would care to suggest a procedure in the other house that would make this bill unnecessary?

Hon. Mr. Power: I do not know. I am no longer a member of the other house, and if I were there I would object to this bill, unless I really wanted to abolish the Senate. I have not been thinking or cogitating over it for two or three years, then to come up with this mess.

Hon. Mr. Monette: Honourable senators, it is exactly on this point I wanted to have a word. I have great esteem for the chairman of the Divorce Committee, the honourable Senator Roebuck, but to my mind section 3 is subject to serious difficulties, and I would go so far as to say, with Senator Power, that it denies the Senate the power to pass on divorces.

The bill says in section 2(1) that the Senate may, on the petition of either party to a marriage, grant by resolution a divorce.

Then we come to section 3 which says:

> A resolution of the Senate declaring that a marriage is dissolved or annulled shall be adopted by the Senate only if an officer of the Senate to be designated by the Speaker of the Senate so recommends...

Therefore, am I not correct in saying that if the officer does not so recommend, the Senate is deprived of passing a resolution, and that the Senate cannot pass a bill unless a resolution has first been passed?

Hon. Mr. Roebuck: Oh no.

Hon. Mr. Monette: That is the question. The honourable senator is right in interrupting me in that, because it presents a difficulty.

Section 2 says that the Senate of Canada may, on the petition of either party to a marriage, by resolution declare the marriage dissolved. That resolution would stand for a number of days, and if during that time a bill were not presented by one of the parties the resolution would become valid. But the resolution itself, which would open the way to the Senate to pass a bill, would come first and would not be passed if an officer of the Senate had not so recommended. It is in the negative form.

Hon. Mr. Roebuck: Will the honourable senator permit me to say a few words?

Hon. Mr. Monette: I will.

Hon. Mr. Roebuck: While it gives us these added powers we have never had before, it does not take away the rights and procedures that have been in effect for years. Anyone can apply for a bill of divorce at any time, just as well as he can apply for a divorce by resolution. So we have lost nothing. Perhaps we do not gain as much as we should, but we have certainly lost none of our original powers.

Hon. Mr. Monette: I understand that point well, but there is still a difficulty. It means that, according to the honourable senator, this bill is only an additional way of dealing with divorce, and it is not abandoning the old right. But it could be criticized the other way, by saying that the whole scheme now is to start by seeking a divorce by way of a petition to obtain a resolution; and, if we hear a resolution, the parties may not be satisfied, in which case the dissatisfied party might ask for a bill of divorce. That is very difficult. He cannot be satisfied or dissatisfied with a resolution if the resolution is not passed. The honourable senator tells me that he could have started, right at the beginning, by demanding a bill of divorce. Could he

secure that without first having a resolution passed? I do not know that, and I have no power of determining it.

Hon. Mr. Vien: Would the honourable gentleman consider the point that he has raised together with section 4? I want to draw to the honourable senator's attention the fact that by section 4

> The Senate may make such rules and orders respecting petitions for dissolution or annulment of marriages, the procedure at hearings thereon and all other matters as it considers necessary or desirable for the carrying out of the provisions of this Act.

Hon. Mr. Monette: Yes. Notwithstanding what I say, the rule may be made, but until it is we are faced with a bill that is supposed to disregard the old procedure and give us a new remedy. The new remedy will start by a resolution. I do not say that to put an end to the discussion, but I say it is a vital point.

In our debate so far on this matter many topics have been discussed. Some, though important, are of less importance. But this one topic goes to the essence, I would say, of the question that is before us. That is why I want to join with Senator Power in saying that it is essential this question be debated here, because it is essential we express our views in open chamber. After that I think the other questions could be discussed in committee. In view of the doubt I have myself we had better clarify the situation. If it could be clarified by a subsequent regulation under section 4, it could equally be clarified here by adding a few words to say that, notwithstanding a refusal of that officer to recommend, the Senate could go ahead. Otherwise, I am afraid it could be construed later by Parliament as being a power given to an officer. Would he simply be an officer of Parliament or another party who is appointed by the Speaker of the Senate? Would not the Senate be in the hands of that officer who says, "I have listened to the evidence, and I do not recommend the case"? The Senate would have no control over that.

In view of that, if we have an amendment to make, let us not wait for a rule or order. Let us suggest an addition to the effect that, notwithstanding a refusal by the officer to inform the Senate, the Senate has the right to proceed.

Hon. Mr. Power: No matter what rule we have, we cannot change the statute. We cannot make a rule contrary to what is contained in a statute which confers that power on an employee to block the wishes of the Senate.

Hon. Mr. Monette: That is another grave question, whether the rule would be sufficient.

Hon. Mr. Choquette: Honourable senators, I would suggest that we can remedy this by changing two words in section 3. The section would read, according to my suggestion:

> A resolution of the Senate declaring that a marriage is dissolved or annulled may be adopted by the Senate if an officer of the Senate—

That gives us plenty of leeway to accept or reject his recommendation, and then to review his decision. That is the suggestion I make.

Hon. Mr. Farris: Mr. Speaker, I am rather perplexed by the procedure being adopted here. We are really converting ourselves into a committee of the whole house.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: That may be all right, but we do not want a committee of the whole house to be followed by—

Hon. Mr. Choquette: A meeting of the Standing Committee on Banking and Commerce.

Hon. Mr. Farris: —a meeting of the Banking and Commerce Committee to deal with it as well.

I should like to say a few words, but since I have already spoken I do not propose to speak further. At the same time I do not wish to sit here while others speak.

The Hon. the Speaker: Honourable senators, I quite agree with what has been said by honourable Senator Farris. You will recall that last evening many questions were asked. Should they be considered only as questions or should they be considered as speeches? Some of them were very lengthy questions indeed. On the other hand, I am not thoroughly familiar with the rules, and in view of the importance of this bill, I do not wish to deprive any member of the opportunity of expressing his views on what is considered a very important question. However, I appreciate, as Senator Farris has already pointed out, we are now proceeding as if we were in committee.

I should like to be guided by your opinion, honourable senators, regarding the possibility of referring this bill to a standing committee now. This is a matter for the Senate to decide. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Power: What is the motion?

Hon. Mr. Macdonald (Brantford): The motion is for second reading now.

Hon. Mr. Power: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

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

Hon. Mr. Roebuck: I move, seconded by Senator Burchill, that this bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Macdonald (Brantford): Honourable senators, may I say that Mr. Driedger, who is the Deputy Minister of Justice, is, I believe, waiting to consider this bill with us now. I do not know how far we can get in the matter, but from the discussion that has taken place here last evening and today I think we are all agreed that there will be some changes made in the bill. I think, therefore, it would be helpful if we had a meeting of the committee forthwith, where honourable senators can express their views, and if the committee should recommend changes then Mr. Driedger could proceed to draft them. Would it meet with your approval if we were to hear it in committee now?

Hon. Mr. Power: Does the committee not eat?

Hon. Mr. Macdonald (Brantford): At one o'clock. We can adjourn until the call of the bell at approximately two o'clock. I do not know if the other house has made any progress.

Hon. Mr. Gouin: Well, then, why not make it three o'clock if you do not know the exact time? I suggest that we rise now until three o'clock.

Motion agreed to.

The Senate adjourned during pleasure.

At 3.20 p.m. the sitting was resumed.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-252, for the relief of George Mantadakis.

Bill SD-253, for the relief of Patricia Beverly Dimeo.

Bill SD-254, for the relief of Marie Emilia Rolande Gittens.

Bill SD-255, for the relief of Barbara Gladys Gregory.

Bill SD-256, for the relief of Julianna Gulyas.

Bill SD-257, for the relief of Edith Herman.

Bill SD-258, for the relief of Olga Rapoport.

Bill SD-259, for the relief of Nellie Rothman.

Bill SD-260, for the relief of Virginia Ruth Parmiter.

Bill SD-261, for the relief of Paul Aime Bedard.

Bill SD-262, for the relief of James Robert Breslin.

Bill SD-263, for the relief of Soshy Judith Marcovitz.

Bill SD-264, for the relief of Robert Charles Chapman.

Bill SD-265, for the relief of Werner Burke Michelsen.

Bill SD-266, for the relief of Dorothy Estelle Lord.

Bill SD-267, for the relief of Jean Alexandria Etheridge.

Bill SD-268, for the relief of Elizabeth Cowan Frawley.

Bill SD-269, for the relief of Anita Klaiman.

Bill SD-270, for the relief of Haia (Clara) Fuchsman.

Bill SD-271, for the relief of Georgina Brasseur.

Bill SD-272, for the relief of Dorothy Doreen Howell.

Bill SD-273, for the relief of Molly Sacks.

Bill SD-274, for the relief of Frances Sheila Madden.

Bill SD-275, for the relief of Marie Raymonde Violetta Dalpe.

Bill SD-276, for the relief of Ginette Ingrid Leopold.

Bill SD-277, for the relief of Kathleen Ryan.

Bill SD-278, for the relief of Anna Annette Brahmi.

Bill SD-279, for the relief of Rochelle Caplan.

Bill SD-280, for the relief of Edna Belchem.

Bill SD-281, for the relief of Therese Genest.

Bill SD-282, for the relief of Robert Harrison.

Bill SD-283, for the relief of William Joseph Rowe.

Bill SD-284, for the relief of Cecile Caille.

Bill SD-285, for the relief of Robert Inglis, junior.

Bill SD-286, for the relief of Beverly Anne Runions.

Bill SD-287, for the relief of Anton Welte.

Bill SD-288, for the relief of Leo Paul Turcotte.

Bill SD-289, for the relief of Marie-Louise Guay.

Bill SD-290, for the relief of Marsha Liberman.

Bill SD-291, for the relief of Sylvia Socaransky.

Bill SD-292, for the relief of Sheila Liebling.

Bill SD-293, for the relief of Joan Marjorie Gregor-Pearse.

Bill SD-294, for the relief of Gisella Mignault.

Bill SD-295, for the relief of Hugh O'Connor.

Bill SD-296, for the relief of Ruth Moss.

Bill SD-297, for the relief of Dora Elfriede Elizabeth Christian Kovacs, otherwise known as Dora Elfriede Elizabeth Christian Kovac.

Bill SD-298, for the relief of Maurice LeBel.

Bill SD-299, for the relief of Sonja Bagry.

Bill SD-300, for the relief of Therese Beaudoin.

Bill SD-301, for the relief of Ella Jane Lyon.

Bill SD-302, for the relief of Maria Lenkei, otherwise known as Maria Leichtag.

Bill SD-303, for the relief of Doris Elinor Roberts.

Bill SD-304, for the relief of June Blickstead.

Bill SD-305, for the relief of Angelika Tasler.

Bill SD-306, for the relief of Hale Calvin Reid.

Bill SD-307, for the relief of Jeannine Elizabeth Sharpe.

Bill SD-308, for the relief of Antonina Burkousky.

Bill SD-309, for the relief of Evelyn Frances Rae.

Bill SD-310, for the relief of Kenneth James Graham Tait.

Bill SD-311, for the relief of Margaret Elaine Gallagher.

Bill SD-312, for the relief of Joyce Ethel Empey.

Bill SD-313, for the relief of Roger Bernard Angel.

Bill SD-314, for the relief of Marie Claire Rolande Dubois.

Bill SD-315, for the relief of Jean Guy Prud'homme.

Bill SD-316, for the relief of Gilles Graveline.

Bill SD-317, for the relief of Ingeborg Schmidt.

Bill SD-318, for the relief of Margaret Clewes.

Bill SD-319, for the relief of Patricia Hilton.

Bill SD-320, for the relief of Vida Irene Louise McCallum.

Bill SD-321, for the relief of Karl Heinz Schulte.

Bill SD-322, for the relief of Beverley Tratchenberg, otherwise known as Beverley Tratt.

Bill SD-323, for the relief of Monique Mercure.

Bill SD-324, for the relief of Eli Kraus.

Bill SD-325, for the relief of Edouard Pellerin.

Bill SD-326, for the relief of John Andrew Milne.

Bill SD-327, for the relief of Alethea Sarah Ivy Fowler.

Bill SD-328, for the relief of Marcheta Lino Edwards.

Bill SD-329, for the relief of Gwynneth Margaret Forget.

Bill SD-330, for the relief of Joan Reid Koken.

Bill SD-331, for the relief of Eloise Sonne.

Bill SD-332, for the relief of Jean Ilene Buckley.

Bill SD-333, for the relief of Anna May Sergent.

Bill SD-334, for the relief of Karl Heinz Wunderlich.

Bill SD-335, for the relief of Margaret Anne Harvey.

Bill SD-336, for the relief of Josephine Isabella Geiger.

Bill SD-337, for the relief of Barbara Ann Wallace.

Bill SD-338, for the relief of Thelma Freeman.

Bill SD-339, for the relief of Karl Heinz Kerlikowsky.

Bill SD-340, for the relief of Aranka Ilona Berendy.

Bill SD-341, for the relief of Muriel Howarth Hulbig.

Bill SD-342, for the relief of Amy Sandra Glendinning.

Bill SD-343, for the relief of Dorothy Alice Usher.

Bill SD-344, for the relief of Suzanne Moreau.

Bill SD-345, for the relief of Phyllis Carol Johnston.

Bill SD-346, for the relief of Lillian Florence Catherine Hurst.

Bill SD-347, for the relief of Armand Gauthier.

Bill SD-348, for the relief of Maria Papadakis.

Bill SD-349, for the relief of Anna Luella Matthews.

Bill SD-350, for the relief of Dawn Dorothea Marsden.

Bill SD-351, for the relief of Donna Maureen Vincent.

Bill SD-352, for the relief of Therese Geraldeau.

Bill SD-353, for the relief of Gizella Ethel Bogoly.

Bill SD-354, for the relief of Simonne Michele Mona Bouchard.

Bill SD-355, for the relief of Therese Rivet.

Bill SD-356, for the relief of Irene Elizabeth Malloch.

He said: These are the bills that were referred to in the reports which were tabled this morning.

Bills read first time.

SECOND READING

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

Hon. Mr. Roebuck moved, with leave of the Senate, that the bills be read the second time now.

Motion agreed to and bills read second time, on division.

THIRD READING

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

Hon. Mr. Roebuck: With leave of the Senate, I move the third reading of these bills now.

Motion agreed to and bills read third time and passed, on division.

DOCUMENTS TABLED

Leave having been given to revert to the Order for Motions:

Hon. Mr. Macdonald (Brantford) tabled:

Report of the Department of Agriculture for the year ended March 31, 1963, pursuant to section 6 of the Department of Agriculture Act, chapter 66, R.S.C., 1952. (English text).

Report of the Unemployment Insurance Advisory Committee for the year ended March 31, 1963, pursuant to section 90(2) of the Unemployment Insurance Act, chapter 50, Statutes of Canada, 1955. (English text).

Report on the administration of the Agricultural Rehabilitation and Development Act for the year ended March 31, 1963, pursuant to section 9 of the said act, chapter 30 of the Statutes of Canada 1960-61. (English and French texts).

Report of the Agricultural Stabilization Board for the year ended March 31, 1963, pursuant to section 14 of the Agricultural Stabilization Act, chapter 22, Statutes of Canada, 1957-58. (English text).

Report of the National Film Board of Canada for the year ended March 31, 1963, pursuant to section 20(2) of the National Film Act, chapter 185, R.S.C., 1952, including the report of the Auditor General on the accounts of the board. (English and French texts).

ECONOMIC COUNCIL OF CANADA ACT

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-72, to provide for the establishment of an Economic Council of Canada.

Bill read first time.

SECOND READING

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

Hon. T. D'Arcy Leonard moved the second reading of the bill.

He said: Honourable senators, this is a bill to provide for the establishment of an Economic Council of Canada. The council is to consist of three directors, one of whom is to be chairman, and a maximum of 25 other members appointed by the Governor in Council after consultation with appropriate representative organizations.

The three directors are to be full-time salaried officials and will hold office for seven years, while the other members will hold office for three years and will hold entitlement to payment of their expenses.

The basic purpose of the council will be found in the first few lines of section 9 of the bill which reads as follows:

> It shall be the duty of the Council to advise and recommend to the Minister how Canada can achieve the highest possible levels of employment and efficient production in order that the country may enjoy a high and consistent rate of economic growth and that all Canadians may share in rising living standards...

Then the 11 succeeding paragraphs of section 9 state how the council will go about carrying out its basic objectives. The objectives of the council are stated in broad, general terms. That is not only a good thing,

but in the circumstances it is essential because, in fact, the council will be concerned with the whole wide field of the economic life and development of the country.

Section 10 indicates that the council shall initiate such studies and inquiries with respect to the various matters referred to in section 9, and requires the council to report, advise or make recommendations to the minister with respect thereto, as the circumstances require.

Hon. Mr. Farris: Who is the minister?

Hon. Mr. Leonard: He has yet to be named.

Hon. Mr. Farris: I mean, what is his department?

Hon. Mr. Leonard: Section 2(b) of the bill reads:

> "Minister" means such member of the Queen's Privy Council for Canada as may be designated by the Governor in Council to act as the Minister for the purposes of this Act.

Basically, the council will provide a planning organization for the future growth of the Canadian economy, but it will not be a compulsory planning organization; it will be an advisory planning organization. Its operative centre will be the three full-time directors, with such staff as they may gather around them, while the other members of the council, chosen to represent a wide diversity of important interests from every part of the country, will occupy a position analogous to the board of directors of a private corporation, and will meet from time to time to hear and discuss the reports of the officers.

The head office of the council will be in Ottawa. Once it has been established, the main functions of the council will, I suggest, be three in number.

First, to collect, synthesize and keep constantly up to date all possible information with respect to the present state and future prospects of the Canadian economy. Obviously, this information will have to be derived not only from within Canada itself but from other parts of the world—such as developing patterns of international trade, tariff negotiations, trade policies of other governments, and world conditions.

Second, to co-operate with other organizations and government agencies, both federal and provincial. In this connection section 9(j) of the bill requires the council:

> to seek full and regular consultation with appropriate agencies of the governments of the several provinces.

In this connection also it will be remembered that the recent amendment of the Atlantic Development Board Act, approved by this house last week, requires that board to co-operate with the council in any projects which may be initiated under that act in the Atlantic provinces.

Third, on the basis of this information and this co-operation, to submit reports and recommendations to the Government of the day. These reports, it is suggested, will be both of a general nature in relation to the general development of the economy, and of a special nature concerned with particular industries or particular areas of the country, as the case may be.

To summarize, the functions of the council will be threefold: research and information; co-operation; and planning.

The general idea behind this bill is not new. On the contrary, it is a logical development of legislation already enacted by, or proposed to, this Parliament.

Under the preceding Government, Parliament enacted the National Productivity Council Act in the session of 1960-61. As will be seen from section 22 of this bill, that act is repealed and the functions of the National Productivity Council will be carried on by the proposed Economic Council, and section 11 of this bill continues the powers which were set out in the act creating the National Productivity Council.

Honourable senators will recall that Mr. George DeYoung has been chairman of the National Productivity Council. I want to express my own admiration and respect for him. He is one of our outstanding Canadian businessmen, is head of Atlas Steel, and has done an excellent job of public service to the country as chairman of the National Productivity Council. My understanding is that he will become a member of this new Economic Council, and that the executive director and staff of the National Productivity Council will merge into the administration of the Economic Council. I think we will all welcome that.

It will be recalled that at the last session of Parliament the previous Government introduced Bill C-87 to set up an Economic Development Board with functions substantially similar to those now proposed for the National Economic Council in this bill, but that previous bill could not be proceeded with owing to the dissolution of Parliament. Therefore it can be said that the general idea behind this bill has been accepted by all parties, and the present bill has no partisan connotations.

There are two general observations with respect to the background of this bill which merit consideration. The first is this: from time to time in past years this country has conducted general inquiries into various aspects of the economic position and prospects

of Canada. Some of these inquiries have been carried out by royal commissions and some by Parliament itself. These inquiries have become more frequent as years have gone by, and I should like to refer specifically to two of them. First there was the Gordon Commission of 1956-57; then there was the Senate inquiry into manpower and employment in 1960-61.

There were three features common to both of those inquiries. First, they employed temporarily a number of very able and experienced personnel; secondly, they assembled from a large number of diverse sources a great mass of important and relevant information, and having collected and digested that information they produced most valuable reports on the problems that had been submitted to them for study. But when these bodies had finished their studies and submitted their reports the work stopped, and as the years go by the reports become outdated.

As I see this bill it is designed to provide, as part of the machinery of Government, a permanent body the function of which will be continuously to study and evaluate the problems and processes of our economy and to advise the Government of the day as to the means by which the economy may be strengthened and its progress assured. In other words, this council should do the work on a continuing basis which various royal commissions and parliamentary bodies have done in the past by fits and starts.

Now the second general observation concerning the background of this bill is as to the experience of other countries which have established similar organizations. It is a truism that Canada now is a great industrial nation, and it is also true to say that almost every other great industrial country in the western word has established some form of permanent planning organization on the lines of the proposed Economic Council. These organizations have varied from country to country, bearing in mind the different forms of political organizations in the countries themselves. In the United States there has existed for some years a Council of Economic Advisers which reports direct to the President. That council has no executive functions, but from time to time it submits to the President reports on the economic condition of the United States and recommendations as to the direction to be taken by economic policy.

In Great Britain the Macmillan government established a few years ago a planning agency known as the National Economic Development Council, with the announced objective of increasing the gross national product of the United Kingdom at a rate of 4 per cent per annum.

In France there is a very extensive and powerful planning office; the same is true to greater or lesser degree in Italy, Belgium and Sweden.

The examples of the European governments are not entirely applicable to our Canadian conditions. In those countries there are unitary governments, and in the cases of some of them a vast sector of the economy is already owned or controlled by the government. That is particularly the case in France, where the planning organization has extensive powers, and can itself determine in large degree the direction of the economy and can, for instance, dictate where new industrial plants are to be located. In those countries the planning may be said to be directional planning.

This is not the case in Canada. Under our fiscal system there is a division of responsibility between the federal and provincial governments, and in addition a very large sector of the economy is in private hands. In Canada, therefore, any planning will have to be done by co-operation between the council, the federal and provincial governments, and private industry. As distinct from the French system of directional planning, this may be referred to as advisory planning.

I have referred in general terms to the provisions of this bill and to the basic ideas that lie behind it. It would be idle to pretend that this new Economic Council will solve all our difficulties. I do contend, however, that with competent men at its head this council will be capable of becoming a valuable instrument in suggesting solutions for the various problems that beset us, such as those of unemployment, balance of payments, ownership in Canada of our own industries, and so forth. On this basis alone the establishment of this council will be well worth while.

I have mentioned this council "with competent men at its head", and that, I think we will all agree, is extremely important. A report has appeared in the press during the last few days to the effect that Dr. John Deutsch is likely to be appointed Chairman of this Economic Council. I have no reason to doubt the accuracy of that report. If Dr. Deutsch is appointed, I am sure that many will agree with me that no more suitable and able man could be found for this position.

Hon. Mr. Farris: Is that the gentleman who was at the University of British Columbia?

Hon. Mr. Leonard: Yes. I was about to say that most of us in the Senate know John Deutsch very well. Indeed, at times he seemed almost one of our family. He was the economic consultant to the Finance Committee

in its study of inflation and, again, when we had the Special Committee of the Senate on Manpower and Employment under the chairmanship of Senator Méthot, he was our economic adviser.

Before that many of us knew him during his years of public service in Ottawa in the Department of External Affairs, the Department of Finance, the Bank of Canada and with the Treasury Board. He went on to a distinguished academic career at the University of British Columbia, and is now Vice-Principal of Queen's University.

If he is willing to leave the relative peace of the halls of learning to do another job of public service for his country, all Canadians will owe him a heavy debt of gratitude. To me one of the strongest arguments in favour of this bill is that the council will be under the direction and guidance of John Deutsch.

I suggest that the proper way to approach the proposals embodied in this bill is in a spirit of modified optimism. That spirit is well exemplified in a paragraph taken from the July-August *News Letter* of the Canadian Chamber of Commerce which, as honourable senators know, is representative of the organized business of this country. The paragraph is as follows:

> As we said before, however, there are hopeful signs. Bill C-72—an act to provide for the establishment of an Economic Council of Canada—calls for a council to advise and to recommend to the minister how Canada can achieve the highest possible levels of employment and efficient production in order that the country may enjoy a high and consistent rate of economic growth and that all Canadians may share in rising living standards. The bill provides for twenty-five members of the council to be appointed after consultation with appropriate representative organizations. Perhaps consultation of this kind at the proposed levels will show the way towards a sound and co-operative approach to our many problems.

I think most of us will echo those sentiments. I hope that the bill will receive the unanimous support of the Senate on second reading, in which case it would not be necessary at this stage of the session to send the bill to a committee. Therefore, I commend it to you, honourable senators, in the confident hope that it will meet with your approval.

Hon. M. Wallace McCutcheon: Honourable senators, it is always difficult to follow the honourable Senator Leonard; it is particularly difficult to do so this afternoon, as he has said already almost everything I was about to say.

As he pointed out, the bill before us this afternoon contains no new principle. In the previous session we had before us Bill C-87, an act to provide for the establishment of a National Economic Development Board. At that time and even yet, until this bill receives royal assent, we have the National Productivity Council.

At this point I wish to join with honourable Senator Leonard in expressing the appreciation which all Canadians owe to Mr. DeYoung and his colleagues for the work they have done in the past two years.

If there are differences between what the previous Government proposed and what is being proposed now, those differences are very slight. Substantially, we proposed to drive two teams in tandem: the present Government, in its wisdom, has decided that the one body can perform both functions. This afternoon I do not propose to suggest whether that is right or not. Time alone will tell.

This question of planning is like a fad for women's hats; it is something which comes and goes. There was a day when "planning" was a nasty word, but now it has suddenly become popular. I simply say that in some of the other jurisdictions where planning is highly regarded, they do have two bodies, one an economic planning body and the other what I might call a productivity body. That is the case, for example, in the United Kingdom.

However, that is a question of mere organization and I am not suggesting whether it is right or wrong. I say that we will watch it with interest.

I was delighted to hear honourable Senator Leonard say that he expected Mr. DeYoung to be a member of the new board. I hope those of his colleagues who have given such outstanding service during the past few years will also become members.

We all have listened with interest to honourable Senator Leonard's views regarding the function this body is to perform. It is to be an advisory body and not a compulsory body. I take it that it is to deal with indicative planning, rather than mandatory planning—if I may use terms which have become popular.

I have been reading some press reports of speeches made by some friends of honourable Senator Leonard in another place. Those reports leave a different impression. Therefore, it is refreshing to hear Senator Leonard say that that is the kind of body we are to have. As he has pointed out, it is wrong to say

that what is good for France or West Germany or the Netherlands or Spain is necessarily good for Canada. The political situation is completely different. Those countries are unitary states: here we have a federation.

I do not propose to hold the house this afternoon for any length of time, but I do suggest that all members who are interested in this subject might with advantage read the latest report of the Canadian Trade Committee, entitled "Economic Planning—The Relevance of West European Experience for Canada". At the risk of attempting to sum up in one sentence what the learned authors take 79 pages to say, I would say that what they point out is that it would be a serious mistake to try to equate what is done in these various jurisdictions of western Europe with what can be done here.

Having said that, I personally—and the Leader of the Government (Hon. Mr. Macdonald) has already warned me that I can only speak personally, and not for anyone else—am in favour of this legislation. We are fortunate in having a highly qualified group of senior civil servants in this country. I wish to take this opportunity of paying tribute to them. The setting up of this body is no reflection on the qualifications or abilities of the economists and other professional people in the various departments of government. The problem is that all these individuals are burdened with departmental and administrative day-to-day responsibilities which prevent them from doing what, as I see it, this body will do, and which prevents them from putting their feet up on their desks and thinking. That is exactly what I suggest we are going to expect from this economic council.

Senator Leonard admitted that the bill as it now stands was stolen from the previous administration.

Hon. Mr. Leonard: With some improvements.

Hon. Mr. McCutcheon: With some improvements—and I shall mention one in a moment. I was delighted to hear him remark that they have already stolen the chairman. I think the people of Canada will owe a great debt of gratitude to Dr. Deutsch if he accepts the chairmanship, as was indicated in the press. Personally, I know of no person who could grace the office better or make a finer contribution to Canada. I am sure that all senators who know him will welcome him back into public service.

I was happy to note some amendments to the bill made in the other place, particularly the amendment to section 21, being subsection (3), which reads as follows:

> The Council may cause to be published such other studies and reports prepared by or for the use of the Council as it sees fit.

Bill C-87 contained a similar provision. The bill as first introduced in the other place did not contain such a provision. I am happy to see it in this bill because I think it is most important.

I do not believe that the mere establishment of a National Economic Council is going to produce a rate of growth which we all might consider to be appropriate. I suggest that if honourable senators would read the report of the Labour-Management-Government Mission to Europe, to the National Productivity Council, published last fall, they will note that the National Productivity Council came to the conclusion there were many other factors which had resulted in the more rapid growth of western European economics, and the economics of the United States and Canada, than mere government-labour-management co-operation.

This is going to an indicative planning body. That means that it must rely on co-operation. I think the first stage to attaining co-operation is to obtain a sophisticated public appreciation of the problems that face us, to have the problems put out where they will be the subject of discussion, the subject of editorial comment, and so on.

The council is to be an agency of the Crown. While I have some reservations about the council being an agency of the Crown, that matter was in fact discussed elsewhere when I was associated with these matters and at that time it was decided it should not be. Well, honourable senators, it is an agency of the Crown but I am delighted to see that it has the right to publish, not its recommendations, because I agree that one does not publish one's recommendations to Government, but it may cause to be published such studies and reports prepared for it as it sees fit. I think that is exceedingly important. I believe the council can serve as much as an educational institution as it can in any other way.

Honourable senators, I do not want to delay passage of this bill. I approve it.

Hon. L. M. Gouin: Honourable senators, I would like to add one word to what has been so ably said by Senator Leonard and Senator McCutcheon.

My first remark is that in the province of Quebec, since 1934, there has been a constant and ever-growing demand for an economic council, and as we have the division of powers between the federal authority and the provincial authority, it is necessary to

have a council set up by the Canadian Parliament just as a provincial council has been established in the province of Quebec.

The next point is that I wish to emphasize, like the two senators who have spoken before, the purely advisory character of the council. There are advisory councils and there are councils which have mandatory powers. From what I see of the industrial nations of the world, the conditions here are different. It was my privilege to have as one of my friends the president of the council which exists in France, Mr. Pierre Roche. He pointed out something that we must never forget, that the economic factor has become paramount, say, for the last 30 years. It is only through what I would call some kind of a master plan, which is purely indicative but which, just the same, gives a general direction which must be followed in our national interest, that success may be achieved.

We have many problems now, and we do not expect a council to solve them all, as with a magic wand of a magician, but we do believe that this council will perform a most useful task, first of all by ensuring co-operation. Up to the present time everybody has been working on what I would call a free-for-all basis, and very often I would be trying to gather together some data on a certain subject while at some other place, Toronto for instance, another man would be doing exactly the same task.

Now we are going to have, so to speak, a system of centralization and there will be the possibility of having what I would call national co-operation in the fullest sense of the word.

I do not think that it is necessary to make what I would call a heroic effort to sell the idea to the public because the press, at least in Quebec, has been insisting so much, and various organizations—the Chamber of Commerce, trade unions, and even some political parties—have been insisting so much on planning, that the moment has come for this legislation to be accepted. It is like ripe fruit which is about to fall from the tree and everybody will, I think, try to catch it.

The last words I want to say are that I consider John Deutsch as one of my great friends, and it is indeed a satisfaction for me to know that Senator Leonard and Senator McCutcheon have also for him the most friendly feeling. He is a good servant of the Canadian people and I believe under his direction the council is sure to be a success.

Hon. Mr. McCutcheon: No matter what Government it is.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Leonard moved that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the report dated July 31, 1963 of the Joint Committee on the Library of Parliament.

Hon. Mr. Macdonald (Brantford) moved that the report be adopted.

Report adopted.

DISSOLUTION AND ANNULMENT OF MARRIAGES BILL

Hon. Mr. Macdonald (Brantford): Honourable senators, we had a committee meeting today to consider the Dissolution and Annulment of Marriages Bill. I wonder if the chairman is ready to give his report?

Hon. Mr. Leonard: The committee has two reports, one of which is ready. It is just a formal report and perhaps I might deal with it now.

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Leonard, Acting Chairman of the Committee on Banking and Commerce, presented the following report of the committee on Bill C-93, authorizing the Senate of Canada to Dissolve or Annul Marriages.

> Your committee recommend that authority be granted for the printing of 600 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Leonard: With leave, I move that the report be adopted now.

Report adopted.

Hon. Mr. Leonard: Honourable senators, the second report is not quite ready. May we submit it later this day?

Hon. Senators: Agreed.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, I have been advised that the Excise Tax Bill has been passed in the other place, and I am expecting it here any minute.

I suggest we should rise for a few minutes, to resume at the call of the bell.

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 4.15 p.m. the sitting was resumed.

DISSOLUTION AND ANNULMENT OF MARRIAGES BILL

REPORT OF COMMITTEE ADOPTED

Hon. T. D'Arcy Leonard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-93, authorizing the Senate of Canada to Dissolve or Annul Marriages, and had directed that the bill be reported with the following amendments:

1. Page 1, line 9. Strike out line 9 and substitute the following:—

"subject to the provisions of subsections (2) and (3),"

2. Page 1, lines 28 to 32 inclusive. Strike out subclause (3) and substitute the following:—

"(3) If the bill referred to in subsection (2) is disposed of otherwise than by becoming law or by reason of prorogation or dissolution of Parliament, the resolution dissolving or annulling the marriage shall have full force and effect on the date on which the bill has been so disposed of."

3. Page 2, lines 1 to 10 inclusive. Strike out subclause (4).

4. Page 2 lines 11 to 21 inclusive. Strike out clause 3 and substitute the following:—

"3. The Senate shall, before adopting a resolution for the dissolution or annulment of a marriage, refer the petition therefor to an officer of the Senate to be designated by the Speaker of the Senate, to hear evidence and make his report thereon to the Senate Standing Committee on Divorce, but such officer shall not recommend that a marriage be dissolved or annulled except on a ground on which a marriage could be dissolved or annulled, as the case may be, under the laws of England as they existed on the 15th day of July, 1870, or under the Marriage and Divorce Act, Chap. 176 of the Revised Statutes of Canada, 1952."

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

Hon. Mr. Leonard: With leave of the Senate, I move that it be adopted now.

Honourable senators may wish me to explain the amendments that have been made by the committee. We had a very spirited debate on second reading and we had a most active and rather exhaustive discussion in committee. We had the benefit of the presence and advice of Mr. Driedger, the Deputy Minister of Justice, and of Mr. Hopkins, our own Parliamentary Counsel, in considering what is not an easy bill and not an easy matter.

As all of us know, over the years this has been one of the most difficult subjects Parliament has had to deal with, and I hope that if this report is adopted and the bill, as amended, is passed, we will perhaps have taken a long step forward towards a better dealing with the matter of divorce than we have in the past.

The first amendment recommended by the committee is purely a clerical one. When we come to subsection 4 the committee's report strikes it out and, therefore, there is a consequential amendment of subsection 1 of section 2, striking out the words, "and (4)" in line 9, to read, "subsections (2) and (3)."

Before coming to the second amendment in subsection 3 of section 2, I should explain that the resolution of the Senate dissolves the marriage, but there is then a stay of that dissolution imposed by subsection 2 if a petition is filed, and that stays the divorce and keeps the marriage alive. But should Parliament dissolve, there is a question as to what would happen then. The amendment to subsection 3 is for the purpose of staying the divorce and keeping the marriage alive notwithstanding prorogation or dissolution of Parliament. That is the effect of the amendment made to subsection 3, which adds these words in line 29: "or by reason of prorogation or dissolution of Parliament".

The third amendment is to strike out subsection 4 of section 2. That is the subsection to which Senator Power took exception, I think supported by others, which subsection purported to carry forward to a new session or a new Parliament the petition or bill at the same stage at which it had left off at the prorogation or dissolution of Parliament, which was an exception to the general rule of Parliament. Your committee recommends striking out subsection 4 in its entirety.

The fourth and last amendment is to section 3 of the bill, and it deals with the point which was also very forcibly made by Senator Power, as to the fact that the Senate itself could not act unless an officer of the Senate had made a certain recommendation. The change in that section has the effect of stating that the officer acts on the petition, but then reports to the Standing Committee on Divorce, which committee then deals with his report. In effect, the committee is not

bound by the report of the officer who hears the evidence and makes his report to that committee.

I believe I have stated the purport of the various amendments. I should add that since the committee rose, the law officers have called Senator Roebuck's and my attention to the fact that a consequential amendment may now be necessary, by reason of the amendments we have made, in order ultimately to end the stay of proceedings which is imposed by the amendments to the bill, so that at some stage after Parliament meets again, after dissolution or prorogation, there is a time limit in which the petitioner must re-file his petition. However, I suggest we might deal with that on third reading.

The report of the committee is before you, with the proposed amendments.

Hon. Mr. Méthot: May I ask a question? You say the petitioner must re-file his petition. What about the appeal within 30 days?

Hon. Mr. Leonard: If one of the parties to the divorce has appealed from the resolution, notwithstanding prorogation or dissolution, the stay of proceedings created by that appeal continues on until Parliament meets again.

That is the effect of the report of the committee. There may be a subsequent amendment moved on third reading which will ultimately put an end to that stay of proceedings.

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

Motion agreed to.

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

FURTHER AMENDMENT ADOPTED

Hon. Mr. Roebuck: I move that the bill be not now read a third time but that it be further amended. I need not explain the necessity for doing so because that has already been done most ably by the Acting Chairman of the Standing Committee on Banking and Commerce.

Honourable senators will realize that, by the amendments that have now been adopted in the report of the committee, when prorogation or dissolution takes place the effect of the killing of the bill by that act is stayed. The resolution remains in effect and is suspended. Now, we must be careful that we do not give a permanent suspension to the resolution because the applicant is obliged to do something with regard to it when Parliament reassembles. Otherwise, we have given a permanent stay and that, of course, is not our intention at all. Therefore I move, seconded by Senator Woodrow, that Bill C-93 be amended by adding to clause 2 a new subclause (4) as follows:

> (4) Where a petition or a bill seeking the annulment or modification of a resolution of the Senate dissolving or annulling a marriage has been disposed of by reason of prorogation or dissolution of Parliament, and a new petition and a draft bill to the same effect is not filed with the Clerk of the Parliaments within thirty days of the commencement of the next ensuing session of Parliament, such resolution shall come into force on the expiration of such thirty days. If such petition and draft bills are so filed within such thirty days, the operation of such resolution shall be suspended in accordance with the provisions in subsection (2).

That is to say, if a bill is filed the suspension continues. If a bill is not filed the resolution becomes effective. That seems most necessary under the circumstances. We could not possibly allow a permanent suspension of the proceedings.

The Hon. the Speaker: It is moved by Honourable Senator Roebuck, seconded by Honourable Senator Woodrow that Bill C-93 be amended by adding—

Some Hon. Senators: Dispense.

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

Some Hon. Senators: Agreed.

Amendment adopted.

THIRD READING

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

Some Hon. Senators: Now.

On motion of honourable Mr. Leonard, bill as amended read a third time and passed.

EXCISE TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-90, to amend the Excise Tax Act.

Bill read first time.

SECOND READING

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

Hon. W. Ross Macdonald: I move second reading now.

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

Hon. Mr. McCutcheon: On division.

Hon. Mr. Macdonald (Brantford): Honourable senators, this bill intituled An Act to amend the Excise Tax Act, is not as complicated as it would appear to be. The main feature of the bill, as you will recall, is the removal of exemptions on certain machinery and building material. You will also recall that when the budget was presented and the exemptions were withdrawn, those articles were then subject to tax at the rate of 11 per cent. Subsequently this was modified so that in the first year it would be 4 per cent, and in the second year 8 per cent, and thereafter 11 per cent.

Honourable senators, we have heard so much about building materials that one would think building materials were the only articles subject to sales tax. The facts are quite to the contrary in that most commodities already have a sales tax.

Probably I should enumerate some of the articles that are now subject to the 11 per cent sales tax. These include: clothing, including boots and shoes, furniture both for home and for office, home appliances, cooking stoves, refrigerators, washing machines, television sets, radios, home furnishings including curtains, drapes, bedding, towels, rugs, and of course automobiles and automobile parts and accessories. I should also remind honourable senators that certain electrical wiring, fixtures for plumbing and drainage pipes which have always been components of houses, have always had a sales tax. But for some reason or other the sales tax was not levied on building materials.

Honourable senators may also be interested in the history of the sales tax. I am not going to go into this in detail, but I probably should mention that it was first introduced in 1920 at the rate of 1 per cent, and it remained at that level until January 1, 1924. In that year it was raised to 6 per cent, and then progressively reduced between 1927 and 1930 until it again came down to 1 per cent. During the 1930's it rose again to 6 per cent in 1932 and went to 8 per cent in 1936. It was reduced to 6 per cent and remained at that rate from May of that year, except for a brief period between April 10, 1951 and December 31, 1951, when it was 10 per cent.

Then, commencing in January 1952, the rate of tax under the Excise Tax Act reverted to 8 per cent, but an additional 2 per cent was imposed under the old age security tax. In April 1959 the tax imposed under the Old Age Security Act was increased to 3 per cent to produce the present combined rate of 11 per cent, which still prevails.

A lot has also been said as to the great increase this would bring about in the price of homes, but I remind honourable senators that the tax is on the manufacturer's price and not on the retail price. Building materials account for approximately one-half the cost of a building and, as I have already pointed out, not all materials are exempt at the present time. At a rate of 11 per cent the total increase in the cost of a building would be between 4 per cent and 5 per cent, according to the Canadian Construction Association, and levied at 4 per cent the increase in cost will come to about 1½ per cent.

Hon. Mr. Kinley: That includes labour.

Hon. Mr. Macdonald (Brantford): No. The increase on account of building materials not now being exempt results in an overall increase of about 1½ per cent.

In regard to building materials perhaps I should say that the 4 per cent tax will increase the price of a house by a very small amount, and there will be some compensation provided by the grant of $500 for winter building, and also by the effect of reduced interest rates and longer terms on N.H.A. mortgages.

Hon. Mr. McCutcheon: Will there be a difference when it gets to 11 per cent?

Hon. Mr. Macdonald (Brantford): Yes, it will go up by some amount. I think I mentioned that. At 11 per cent the cost will increase by about 5 per cent.

Honourable senators, I can go over the bill clause by clause, if honourable senators wish me to do that.

Some Hon. Senators: Dispense.

Hon. Mr. Macdonald (Brantford): If I am asked questions about any particular clause perhaps I can answer them. At any rate I shall mention a few of the more important clauses. Clause 8 repeals the export duty on electricity. That subject has been under discussion for many years. There was a school of thought which said that electricity should be taxed when it is exported, but there was another school of thought to the contrary.

I remember that when I first came to Parliament around 1935 there was talk of repealing this duty, but all governments ever since have maintained it, and now it is being removed. Clause 3 amends section 29 of the Excise Tax Act.

The proposed subsection 2b of section 29 of the act provides an exemption from tax for manufacturers who produce off site such commodities as prefabricated homes, structural building sections for incorporation in buildings, prefabricated structural steel or concrete forms, concrete or cinder building blocks and fabricated structural steel, in competition with persons who construct or

erect buildings, or who construct building sections or pour concrete walls or beams on the construction site.

Clause 5 of the bill provides for a refund of tax paid on goods used in sewerage or drainage systems which are transferred by an individual to a municipality within two years from the time the system was installed.

If someone developed a subdivision and put in a sewerage system and then within two years, pursuant to a by-law or agreement, transferred the whole subdivision to a municipality, the cost of the sewerage materials would not be subject to tax.

With respect to clause 6, honourable senators will probably be interested to know that public libraries, schools and universities will get the benefit of a refund of tax paid in connection with materials used in construction of their facilities.

Clause 7 is the most important clause in the bill. Subclause 4 is interesting. Honourable senators know that chocolate bars are subject to sales tax and that confectionery is subject to sales tax. Accordingly, this subclause excludes from exemption confectionery which simulates chocolate bars. This has the effect of protecting the manufacturers of chocolate bars.

Hon. Mr. McCutcheon: What do the manufacturers of confectioneries say about that?

Hon. Mr. Macdonald (Brantford): I do not suppose they like it much. I am going through the bill and picking out the clauses which I think are particularly interesting.

I referred to sewerage systems when installed by private companies in subdivisions and then later turned over to municipalities. Subclause 9 of clause 7 provides an exemption for goods used as part of sewerage or drainage systems, and for the purpose of this exemption any agency operating a sewerage or drainage system for or on behalf of a municipality gets the benefits of the exemption. As honourable senators know, some municipalities have a separate agency operating their sewerage systems.

I am sure honourable senators will be interested in subclause 10 of clause 7, because they will recall that when the budget was brought down, newspaper and periodical publishers found that much of the material which they used was subject to the tax. To remedy this, subclause 10 provides an exemption for materials used in the production of printed matter.

Subclause 1 of clause 9 identifies the goods which will be subject to the sales tax under the new provisions. That is to say, building materials generally will now bear a sales tax but that tax will not immediately bear the 11 per cent rate. Honourable senators who have taken note of the history of the rate of tax which I gave, will realize that it was levied in stages over the years since 1920.

So far as I am concerned I think it is a good thing that the tax is not going to go into effect immediately at the rate of 11 per cent. It will be levied at 4 per cent until March 31, 1964; 8 per cent thereafter until December 31, 1964; and 11 per cent from the beginning of 1965, and that last increase is the 3 per cent Old Age Security tax.

Hon. Mr. Choquette: Has the honourable senator anything to say about hoarding during all those months?

Hon. Mr. Macdonald (Brantford): There will be, no doubt, some storing at the end of this year and probably some at the end of the following year, but I feel that the way the tax is now being put into effect is a fair way, and I trust that this bill will meet with the approval of the Senate.

Hon. John M. Macdonald: Honourable senators, Bill C-90, which has been so well explained by Senator Macdonald (Brantford) contains some very important amendments to the Excise Tax Act, amendments which I believe will have far-reaching and very unfortunate effects.

Although the bill contains ten sections, the substance of the amendments is to be found in subsections 1 and 6 of section 7. These subsections remove exemptions from sales tax granted to a wide variety of articles over many years. By abolishing those exemptions, the bill imposes a sales tax which I believe is at the manufacturers' level. The honourable senator mentioned the retail level.

Hon. Mr. Macdonald (Brantford): No, I said the manufacturers' level.

Hon. Mr. Macdonald (Cape Breton): The bill imposes a sales tax at the manufacturers' level of 11 per cent on articles listed in schedule 3 of the act under the heading "Building Materials", and under the heading "Machinery and Apparatus to be used in manufacture or production".

The exemptions set out in the schedule under the heading "Building Materials" cover a large portion of all materials used in the construction of homes and other buildings.

The exemptions granted under the heading "Machinery and Apparatus to be used in manufacture or production" are very wide. Indeed, apart from some specific items, it exempts machinery and apparatus which, in the opinion of the minister, are to be used directly in the process of manufacture or production.

This bill, by removing these exemptions, imposes this tax of 11 per cent on many

things—even though, in response to widespread public protest, the Government decided to impose the tax in three stages or instalments so that the full force and impact of this new tax will not be felt until after December 31, 1964. By the way, I feel that is a novel and indeed fantastic method of imposing new taxation.

Since the new taxation covers such a wide range and it affects so many people, it is easy to understand the shock, the indignation and the resentment of the Canadian people at its imposition. After all, the exemptions which the Government decided to abolish had been in effect for a good many years—I believe since 1938, with the exception of the war years—all governments having felt there were good and sufficient reasons for these exemptions. Indeed, they had recognized that, for economic and for social reasons, these exemptions were not only necessary but beneficial.

Former governments, by retaining and in some cases enlarging these exemptions, had shown that they realized, understood and appreciated the fact that other considerations apart from the need of revenue had to be taken into account when new taxation was to be imposed.

It is not difficult to understand why former governments retained the exemptions which this bill will abolish.

After all, this new tax of 11 per cent is a huge levy which will fall almost entirely on two areas of our economy. It is a tax which is estimated to bring in $360 million in a full year, at 11 per cent. It is to be collected from the construction and secondary manufacturing industries. These are the industries on which we rely to give increased employment; these are the industries which now give employment, both directly and indirectly, to a great many skilled and unskilled workers. The importance of these industries from the point of view of providing employment has long been recognized and cannot be over-estimated.

Over the years we have all heard time and time again of the necessity to give encouragement, to provide incentives to the construction industry, to secondary manufacturing, in order to provide new jobs.

Indeed, it has been stressed that, apart from the service industry, these were the industries which could be expected to increase employment. I well remember that in the hearings before the Senate Committee on Manpower and Employment it was stressed, in the submissions, that lower taxes were needed if manufacturers were to renew, to modernize and expand their plant and equipment so as to be more competitive and to obtain new markets.

Now we find the present Government increasing, by a new tax, the costs of those industries which it was hoped would provide new employment and more jobs. We see the present Government, in a cold and deliberate manner, running a grave risk of not only making it more difficult to increase future employment but also endangering present employment.

By this bill the present Government is, in effect, taking the position that previous governments were wrong in granting and continuing the exemptions now to be abolished.

The present government is abandoning a policy which previous governments, from their knowledge and experience, were convinced was a good policy both from an economic and a social point of view. That it was an effective policy is shown, I think, by the fact that the exemptions were removed during the war years, when it was desired to discourage private building so that all effort could be directed to the prosecution of the war.

Now we see a new policy. By this new tax the present Government is deliberately, as a matter of policy, making it more difficult, especially for people of low and of moderate income, to build their own homes. The Government is adding to the cost of these homes now and will add further to those costs each year during the next two years. A more effective way to discourage the building of such homes is hard to imagine. By discouraging building by people of moderate and low income who must make every dollar count, this governmental policy will cause, as its inevitable result, a decrease in employment in the building trades.

It must be remembered also that this proposed new tax is at the manufacturers' level. That means that the retailer will make his mark-up on the price he pays, so the actual increase to the consumer will be more than the tax imposed.

We have heard and read the arguments advanced by the honourable senator this afternoon, that the increased cost to home builders will be offset to some degree by a lower interest rate on loans to borrowers under the National Housing Act, that the increased cost will be made up to them in this indirect way.

If this be so, then I believe it is discrimination against those who, for one reason or another, borrow from sources of finance other than through the National Housing Act to finance the building of their homes. This discrimination will affect low-income people, as usually those are the people who are not building according to the requirements of the National Housing Act.

If the Government feels under an obligation, as apparently it does, to offset the adverse effect of the new tax on those home builders who are building under the National Housing Act, then it should feel a similar obligation to those financing the building of their homes with money borrowed from other sources. We have also heard that this $500 grant for winter building will offset to some degree the increased cost. My understanding was that its purpose was to encourage people to build homes during the winter months, when the cost of building such homes is higher, and thus offset the higher cost of building in the winter compared with summer months.

Honourable senators, it is only fair to say that the Government has tried to offset the impact of this new tax in some degree, and in particular, as was mentioned, with regard to some works carried on by municipalities. Some further farm equipment and the materials used to repair commercial fishing boats are exempt from the tax.

Provision is also made whereby rebates can be obtained on the tax paid by schools, universities, other educational institutions and libraries. This is commendable. I do not know just what the principle is behind the exemption to schools, universities, educational institutions and libraries, but I expect the reason is that they are non-profit institutions rendering a necessary service. If this be the motivating force behind the policy of rebates, then I cannot understand why the same policy is not applied further to the building of new churches. Surely a new church should be considered just as important as a new school or a new building on a university campus.

Honourable senators, as you may have noted from my remarks, I am opposed to this bill. I am opposed to it because it is imposing new taxation in areas where I believe the effect will be more harmful than any benefits obtained from the new revenue it will bring. I believe this bill, if passed, will have a harmful effect on employment; I believe it will discourage people in the low and moderate income brackets from attempting to build homes; and I believe it will have a harmful effect on the economy.

I well realize that as a government measure the bill will be passed in due course, but since it is a government measure, then the present Government will be responsible for any harmful consequences which will, in my opinion, result from it. I regret the Government has seen fit to impose this tax, and I only hope the consequences will not be as serious and as harmful as I now feel they will be.

Hon. Mr. Taylor (Westmorland): I wish to ask the Leader of the Government, the sponsor of the bill, a question. Subsection 3 of section 7 reads:

> All that portion of Schedule III to the said act under the heading "Farm and Forest" is repealed and the following substituted therefor—

And there is a long list of items enumerated. My question is, have any items been taken out of this clause or have any been added?

Hon. Mr. Macdonald (Brantford): Subsection 3 of clause 7 continues the exemption for such products as are used for agricultural purposes, such as drain tile, farm wagons, feeds for poultry, cattle and other stock, and also traction engines.

Hon. Mr. Taylor (Westmorland): In other words, no items have been taken out of this list but a few have been added?

Hon. Mr. Macdonald (Brantford): That is right.

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

Hon. Mr. Macdonald (Brantford): I do not like to block any adjournments. However, this will be our last day here before the recess, and we have known for some time that this bill would be coming to us. To move the adjournment of the debate is almost tantamount to postponing the debate until late in September.

Hon. Mr. McCutcheon: That is right.

Hon. Mr. Macdonald (Brantford): So I cannot accept the motion.

Hon. Mr. Gouin: Question.

The Hon. the Speaker: Honourable senators, it has been moved by the honourable Senator McCutcheon, seconded by honourable Senator Choquette that this debate be now adjourned until the next sitting of the Senate. Is it your pleasure to adopt the motion?

Some Hon. Senators: No.

Hon. Mr. McCutcheon: Then, honourable senators, I should like to say a few words on the bill at this stage, although I would have preferred a final decision on it to be delayed until September or October so that this house could, through its appropriate committee, give to the bill that sober second thought which I understand is one of the purposes of the Senate.

The Leader of the Government may talk about the interesting sections of the bill, such as tax on simulated chocolate bars, a bribe for building a house during the winter at unnecessary expense, or a lower interest rate from the Central Mortgage and Housing Corporation. However, I suggest to the honourable leader that a lower interest rate is not permanent, and that the trends of the last

few weeks have indicated that a lower interest rate may not continue. This bill, however, contains some things that in my opinion are of vital importance to the economy of this country.

We have read in the press, and statements have been made in the other place and elsewhere by ministers that the major problem facing this country is unemployment. We had a bill before us recently in which it was stated that its purpose was to help solve unemployment. Whether or not it will do that is a matter of speculation.

Hon. Mr. Macdonald (Brantford): You did not think so?

Hon. Mr. McCutcheon: I certainly did not think so. In any event, that has been the theme. I am not going to traverse the ground Senator Macdonald (Cape Breton) so ably covered this afternoon as to the effect this tax may have on people who are building houses, and so on. I am concerned with something which I think is of the utmost importance and which seems to have been overlooked.

On June 13 last when the Minister of Finance brought down his budget in the other place, he announced in his speech the removal of exemption from sales tax three broad categories of goods, namely, building materials, machinery and apparatus to be used in manufacture or production. While he did not announce it, it happened that he found out a little later that he had also removed materials consumed or expended directly in the process of manufacture or the production of goods. In the press release that the minister issued in connection with his budget statement he said:

> The manufacturers sales tax is not imposed on exports and is levied on imported goods as well as on those made here. It therefore does not have the same adverse effect on our international trade position that some other taxes do.

I do not need to tell honourable senators that if unemployment is one of our problems, certainly our imbalance of payments is still another. So what the minister was really saying was, "Now, I am not going to affect our export trade. This is a domestic matter. We are going to tighten our belts internally to get this extra money", and so on. Of course, he retreated from that quite a bit, and we are now going to take the pills every six or eight months.

In any event, he was not going to affect our export position. On July 8 last, the minister made a second or a third budget speech; in any event, he made another one. To use his words, he reinstated the exemptions on materials consumed or expended directly in the process of manufacture or the production of goods. He made other changes but I am just referring to that one.

The problem is this, and it is the type of problem which we should not be discussing here except in the most general terms. This is why the Senate has a Banking and Commerce Committee. This is the type of problem that should be studied before that committee, where we can bring forward evidence and interview people who are familiar with the effects of this legislation.

As a matter of fact, I intended to say at the outset that probably the best thing that could happen to the Excise Tax Bill would be to repeal the act *in toto* and ask the Senate to draft a new act, because if honourable senators have tried to read through it in the last few days, then I think most of you will feel as frustrated as I do. Be that as it may, this is the situation. We had the situation where production goods of all kinds have in effect been free of sales tax. Now we have a situation where certain production goods are going to be subject to sales tax and certain are not.

I suppose, broadly speaking, we can say that those goods which the Department of National Revenue, Taxation Division, would treat as capital goods are going to be subject to sales tax, and that the goods which they would treat as expendables are not. At least I hoped that would be the situation; unfortunately, I am advised that it is not, but that the criteria of the Department of National Revenue, Taxation Division, and the criteria of the Department of National Revenue, Customs and Excise Division, are different.

I merely mention one example. Suppose I am manufacturing paper and in the process I use a steel roll, a roll that wears out in four or five months and has to be replaced. As I understand the situation I will have to pay sales tax on the purchase of that roll. Then I export the product that is produced off that roll to a world market to sell it at a world price. What then do I find? I find memorandum D.17.4, dated January 2, 1958, covering goods manufactured and produced in Canada, which says that when goods on which custom duties and excise tax have been paid are used or directly consumed, then I get a 99 per cent drawback. Now, according to press releases, the minister in his speech used the word "expended"—so the roll was expended, the roll was not consumed.

But without any fear of contradiction I make the statement here that, far from this tax merely affecting us as individuals, Canadian corporations and Canadian individuals, I say that this tax is going to adversely affect our competitive position in the export market in a great many businesses.

I am not suggesting that that is a matter of deliberate policy. In fact I am perfectly sure that it is not a matter of deliberate policy, but I say it is one more of those situations of which unfortunately we have seen quite a few since June 13, situations where there should have been a second look taken, where people who know what the effects were should have been called in and consulted.

Hon. Mr. Macdonald (Brantford): Not like the three young men who were called in?

Hon. Mr. McCutcheon: No; I would call in somebody else.

If the Leader of the Government will refer this bill to the Banking and Commerce Committee I will arrange to have witnesses here who can discuss the matter much more effectively than I can. I have here a list of 50 items on which one industry is in doubt as to where it stands, and it is one of our leading industries.

I moved the adjournment of the debate today because I think it highly improper we should be put in a position of passing a bill of this nature in the last moments of this part of the session. If there were any reason for it—I am a very reasonable person—I would go along with the leader but, after all, are we not being asked to pass a bill based on the resolutions affecting the Income Tax Act? Those resolutions affect everybody in Canada. The Government has not produced a bill based on that.

Under our system, when the Minister of Finance makes a pronouncement in the House of Commons that is the law, and his officials are collecting these taxes right now, and will continue to collect them, whether or not this bill passes this chamber or receives royal assent today or next October.

I am urging the minister and the Government and honourable senators opposite to let us take a second look at what I think are very serious implications which I believe have been overlooked. If I felt that what I am suggesting is the effect of this bill were a matter of deliberate policy, then I would stand up and criticize the policy and acquiesce in the bill going through.

Hon. Mr. Farris: Were these matters pointed out in the Commons as being oversights?

Hon. Mr. McCutcheon: Yes, they were. I realize I cannot refer to the debates in the other place, but from what I read in the press the answer that was given was not a very good one. The point was made there but not—and I say this with modesty—with the vigour I am now making it. As I say, if I thought this was a matter of Government policy, I would make my statement and sit down. I think it is another one of those unfortunate situations into which we should not plunge business. I see nothing to be gained. The Government is losing no revenue; it will collect its taxes on the bricks and the lumber and so on, just as it has been doing since June 13. So I urge the Leader of the Government to send this bill to committee and let us consider it early in October.

Hon. Mr. Macdonald (Brantford): Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform you that if honourable Senator Macdonald (Brantford) speaks now, it will have the effect of closing the debate.

Hon. Mr. Macdonald (Brantford): I wish to thank both honourable gentlemen on the opposite side of the house for the information they gave us in their addresses on this bill. My namesake, Senator Macdonald (Cape Breton), gave us a gloomy outlook of what was going to happen to housing on account of this 4 per cent tax, but from figures on construction which I have seen lately there is no reason for gloom.

Hon. Mr. McCutcheon: The figures probably relate to construction started before the budget was brought down.

Hon. Mr. Macdonald (Brantford): Building permits are up, and building generally is going along as well and probably better than it went last year. I do not like this tax any more than anyone else, but I cannot get over the fact that these goods are practically the only goods in Canada that were not taxed. I ask you, does that seem fair? It does not seem fair to me, when I read the list of articles that are taxed and these building materials are left out.

The honourable Senator McCutcheon has an excellent knowledge of manufacturing and business generally. I am very happy that he is here, rather than in the other house, but I do wish there were someone in the other house who could present this matter as persuasively and as logically as he has done today. He has pointed out some inequities which, I think, should be brought to the attention of the Government; and I give him this undertaking, that I will send a marked copy of his speech today to the Minister of Finance, and will see the Minister when he returns from Washington within the next few days, and personally bring these matters to his attention.

I would go along with the honourable Senator McCutcheon's suggestion if I thought anything could be gained by referring this bill to the Standing Committee on Banking and Commerce at this time. As honourable senators know, this is a taxation measure, and

we can neither increase nor decrease the tax. Under the British North America Act, we have no power to increase it, and we cannot disturb the balance of ways and means by decreasing it. Therefore, at this time I believe no purpose would be served by sending the bill to that committee. However, Senator McCutcheon has made an excellent suggestion, that the Senate should consider this whole act. If the Excise Tax Act were referred to one of our committees, we could then inquire into it and make recommendations to the Government.

Hon. Mr. McCutcheon: We could make the bill readable.

Hon. Mr. Macdonald (Brantford): Yes; make the bill readable.

I believe we are all determined that when we return to Ottawa after the summer recess the Senate should do more effective work than it has been doing recently. I am very hopeful that will be so because today we have passed a new bill for the handling of divorce. Over the years there have been from 25 to 30 senators whose time has been taken up almost wholly with hearing divorce cases. They have been sitting regularly on Mondays, Tuesdays and Fridays, dealing with the divorces, and from time to time on other days as well. Consequently, they have not had time to devote to other work. With the passing of this bill we will be able to give our attention to other worthwhile efforts. I believe one of these efforts should be the consideration by one of our committees of the Excise Tax Act, in order at least to make it readable.

I hope that honourable senators will now give this bill second reading.

The Hon. the Speaker: It is moved by the honourable Senator Macdonald, (Brantford), seconded by the honourable Senator Vaillancourt, that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. McCutcheon: On division.

Motion agreed to and bill read second time, on division.

THIRD READING

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

Hon. Mr. Macdonald (Brantford): Honourable senators, I move that the bill be read the third time now.

The Hon. the Speaker: It is moved by the honourable Senator Macdonald, (Brantford), seconded by the honourable Senator Vaillancourt, that this bill be now read a third time. Is it your pleasure, honourable senators, to adopt the motion?

28906-6—33½

Hon. Mr. McCutcheon: On division.

Motion agreed to and bill read third time, on division.

The Hon. the Speaker: A bill, honourable senators, originating in the House of Commons, intituled: "An Act to amend the Excise Tax Act" has been read a third time and is now ready to pass. Is it your pleasure, honourable senators, to pass this bill?

Hon. Mr. McCutcheon: On division.

Bill passed, on division.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, we have no further work from the House of Commons, and we have completed all the business on our Order Paper. I understand this is private members' hour in the other house. I do not know whether they are considering the amended bill for the handling of divorces, but I would expect to receive further legislation from that house tonight. Therefore, I suggest that we rise to the call of the bell at approximately 8 o'clock this evening.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

DOCUMENT TABLED

Leave having been given to revert to the order for Motions:

Hon. W. Ross Macdonald tabled:

Report of the Department of National Revenue for the year ended March 31, 1963, pursuant to section 5 of the Department of National Revenue Act, chapter 75, R.S.C., 1952. (English and French texts).

MUNICIPAL DEVELOPMENT AND LOAN BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-76, to promote increased employment in Canada by financial assistance by way of loans to municipalities to enable municipalities to augment or accelerate municipal capital works programs.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly moved the second reading of the bill.

He said: Honourable senators, this bill will be known as the Municipal Development and

Loan Act, if it becomes law, and is primarily directed at the unemployment problem in the nation.

I think all honourable senators are aware that this problem is one of national concern, and has been one of national concern for a number of years. For example, in the Report of the Senate Committee on Manpower and Employment there is a table which indicates that the rates of unemployment between 1947 and 1960—and I am now talking of the annual averages—ran from a low of 3 per cent in 1947 to a high of 7 per cent in 1960. In the last five years the annual average rate was about 6 per cent. This means that there were some 425,000 people, on the average, out of work in this country every year. Now I am talking about the annual averages because the peak during some of the years has reached as high as 11 per cent. Indeed in some localities a much larger percentage, sometimes even twice the percentage of the local labour force, was without employment.

When I make these statements I am not attributing this to the failure of any government or any party to deal with them. These are facts all of us must face.

A great contribution to the understanding of the unemployment problem was made by a special committee of this house in 1961 when it investigated the problems of manpower and employment. We found out many things as a result of the work of that fine committee. We learned many things about the characteristics of the labour force. We learned, for example, of the flight from the farm, and the development of urban sections of the country; of the widespread need for technical education, and of the importance of training for new jobs and new types of jobs. We learned too of the emigration of many of our skilled and professional workers to other countries. We learned of the increase in the percentage of women coming into the labour force. We heard a great deal about the effect of automation on the problem of employment in this country, and of the development of the service industries as against the industries which produce goods. We learned much about the competition in our own markets from goods brought here from abroad. We learned also that over the next five years the labour force in this country is likely to increase at a rate of about one-quarter of a million persons per year.

We were told by many of the witnesses at that committee of the changes abroad which were affecting the sale of our goods in foreign countries. Europe after the war had not only experienced physical destruction, but also economic destruction. As a result of many things, including the great Marshall Plan, Europe revived and then began developing trade blocs, free trade areas, and there were other international operations and instruments available to assist in the revival of these western economies. GATT was one, and the Treaty of Rome was another. Trade began to expand, and our goods were not always flowing into those markets.

At home we were finding that conditions were changing also. I should like to quote just a few sentences from the conclusions and recommendations of the Senate Committee's report on Manpower and Employment. I read from page 2 of the report, paragraph (d):

> After 1957 there was a significant decline in rate of capital investment, especially private investment, and inflationary pressures subsided. As a result of these changes a considerable proportion of the labour and other productive resources which had been drawn into the construction and capital goods industries became superfluous. This displaced labour has not been re-absorbed into other activities in the economy and is continuing to constitute a chronic element in the volume of unemployment.

Now, the decline in the amount of capital investment in Canada has been met by various means. In the private sector, Government has given encouragement for home-building, and through legislation for urban renewal. It has given incentives to industry through the tax laws. In addition to encouraging the private sector to increased capital investment, help has been provided in the public sector of the economy. There have been great public works. Projects have been embarked upon at all levels of government, federal, provincial and municipal. There have been joint projects, like the winter works program which was a joint effort between the federal, provincial and municipal levels of government. There have been special laws passed to enable certain urban developments and public works projects to be undertaken, like assistance by way of loans for the treatment of sewage plants in municipalities, for the construction of vocational and training schools, which were undertaken by the late Government and which were so highly commended, if I may say so, by the report of the manpower committee. Honourable senators, this is by way of background.

This bill is designed to stimulate capital investment in the domestic field. It is hoped that it will reach out to the unemployment problem quickly. It is proposed that the methods used will be in the field of public investment. This might have been done by

federal public works or by provincial public works, but the choice has been rather to encourage the development of public works on the municipal level for a variety of reasons with which honourable senators are familiar.

The brief of the Royal Commission on Banking and Finance from the Canadian Federation of Mayors and Municipalities spoke of "the unresolved backlog of unmet capital needs in municipalities." It said that municipal investment falls short of handling this backlog. It referred to the growing obsolescence of existing municipal plants, the need for the replacement and the renewal of obsolete parts of cities and towns, and the expansion of urban areas. Of course, it also complained on behalf of the municipalities of the shortage and the high cost of money with which to embark on such projects.

The method proposed to be adopted under this bill involves co-operation primarily, I would say, between the federal and the provincial levels of government. The federal Government is to provide a fund of $400 million. This money is to be made available for approved projects to be completed, it is hoped, by March 31, 1966. The $400 million capital fund is to be available to the provinces in proportion to the provincial population. That is section 13 of the act.

The rate to be charged for this money will be the Government long-term rate plus a quarter of one per cent for overhead. That is section 12 of the bill.

The loans will be available to finance up to two-thirds of the cost of an approved project. That is section 9. The life of the loan will be the life of the project, or a maximum of 50 years.

Section 11 of the bill provides for a bonus by way of a forgiveness of 25 per cent of the amount of the loan in the event of the completion of the project within a time specified in the act. This is one of the features which will make the money somewhat cheaper.

The federal authority, of course, must be satisfied that the works to be approved meet the main test envisioned by the legislation, namely, that they should be productive of increased employment.

Section 7(3) of the bill indicates in a general way the kind of municipal project which might qualify for a loan under the act. Generally, it is what the provincial authorities would approve for a municipal development, such as water treatment plants, water mains, sewers, streets and buildings. It is intended that the kind of work to be undertaken primarily should be new work, extensions and improvements, but not work of a repair nature.

A closer scrutiny of the bill will indicate in a general way that loans can be made by the board to be set up under this legislation directly to the municipality which can satisfy the board that the project comes within the type envisioned by the legislation. In every case the provincial authority must be satisfied that the project is a worthy one from their standpoint.

As honourable senators know, most, if not all, of the provinces have such agencies as the Municipal Board of the province of Ontario, which supervise projects to be undertaken by municipalities, and which supervise the financial undertakings of municipalities. But, if a province so desires, under section 7(2) it can make an agreement with the board whereby the loan money is turned over by the board to the province to be administered by the province, and the loan is to be granted by the province. In that case, the security the board gets is a provincial bond issued by the province, or issued by an agency of the province and guaranteed by the province. If the board deals directly with the municipality it takes by way of security for the loan the debenture of the municipality.

Honourable senators, sections 3 to 6 deal with the board. The board will be a small body. In cases where it makes agreements with the provinces there will be little need for any extensive administrative set-up because such provinces will be subject always, of course, to federal check and approval. In other cases where there are no agreements with the provinces, the facilities of Central Mortgage and Housing Corporation will be made available to the board and these facilities, as honourable senators know, are broad and very good. Section 15 deals with certain of these details.

Before concluding I should say that just before last weekend there was a meeting between the federal and provincial authorities from all parts of the country in connection with this legislation, and the legislation carries the approval of the provincial authorities.

Honourable senators, I realize that at this late date in the session, and even at this late hour of the day, it will be impossible for this bill to be sent to a committee. I have extensive detail on the individual sections of the bill, and if there are sections upon which honourable senators require further detailed information I shall try to give it. I leave it at that for the moment.

Hon. Gustave Monette: Honourable senators, I apologize because I am not in a good position to answer the brilliant speech made by Senator Connolly, because this bill comes to us at the very end of our sittings before

vacation. How could we, with full dignity and realization of the importance of the subject, prepare to speak on this bill coming to us, as it does, at this late stage after just having passed the House of Commons?

Since I have been a member of the Senate this is a practice that has become common. It is not a good practice, and I take this opportunity of protesting against this procedure of having bills of such importance presented to us only at the end of a session so as not to give time to all Senators to do their duty, to study the bill fully and realize what its real purpose is, and what are the objections to it.

However, I have been asked to speak on this bill, and I will speak a few words, although I protest vehemently against this procedure.

Hon. Mr. Farris: It has been going on for 27 years to my knowledge.

Hon. Mr. Monette: I am not attributing blame to the honourable senator. I say it is a bad method. I have noticed that this always occurs at the end of sessions. Some important bills come to us only at the end, when we have not time to ask for a postponement of two days to study them fully. That is not in accord with the democratic system.

I beg the pardon of honourable senators for the unprepared way in which I will have to deliver my views, but from a sense of duty I shall try to put them forward now as well as I can.

Mr. Speaker, before coming to the bill my first duty and my greatest honour and joy is to offer you my deep feeling of respect and attachment for the fair and dignified, clear, sober and yet substantial way in which you accomplish your high functions as President of our Senate. You throw undisputed credit on our house as well as on our whole Canadian parliamentary system, and at the same time on all our *belles provinces* of Canada. May God continue to grant you, Mr. Speaker, the benefit of His generous wisdom.

Hon. Senators: Hear, hear.

Hon. Mr. Monette: Honourable senators, may I be permitted to join all our colleagues who have expressed such nice words of congratulation to the honourable Leader of the Government, Senator William Ross Macdonald, Q.C., P.C., and to the honourable Leader of the Opposition in the Senate, Senator Alfred Johnson Brooks, Q.C., P.C. Neither of these honourable gentlemen is present at the moment, and perhaps it helps the situation, as I do not feel that they would take my words as simple *politesse en passant.*

Honourable senators, may I be permitted to join all our colleagues who have expressed such nice words in recognition of these two gentlemen who have been elevated to the important posts they now occupy in the direction of our parliamentary work.

May I be permitted also to join in the well-deserved words of welcome and appreciation offered by so many honourable senators—excluding myself, as I was not here—to our new senators.

Honourable senators, may I also, at the outset of my remarks, congratulate sincerely the sponsor of the bill, honourable Senator Connolly (Ottawa West), for the brilliant and precise explanation he has given of this important measure. His exposé was so clear and convincing that at one stage I was almost prepared to endorse wholeheartedly everything he said.

Hon. Mr. McCutcheon: It was well you caught your breath.

Hon. Mr. Monette: It may be that I am prejudiced in his favour. However, while I share his views, I would like to make some reservations.

This bill is what I might call, in our modern times, a three-dimensional bill. In this particular instance, the first dimension is the bill in its original form; the second is the bill transformed as a result of the federal-provincial conference; and the third dimension I would describe as the merits of the bill. On all three dimensions I do not propose to speak too widely.

Honourable senators, we all recall the strong protest which came from certain provinces against the bill when it was first introduced in the other place. It was severely criticized by some provinces because it was considered as an encroachment on provincial autonomy.

The provinces were concerned not only about money but about their rights. The municipalities are the creatures of the provinces; and the federal Government, under the legislation first presented to Parliament, was asking for authority to deal directly with them, in order to give them financial assistance by way of loans to enable them to increase all kinds of work and in this manner provide employment.

I was surprised, as no doubt were most honourable senators, to read a bill drafted and approved by the leaders of a party—and, respectfully, I am looking at the other side of the house—which throughout the political history of this country has described itself, especially in my province, as the champion of provincial autonomy and of our Constitution.

The criticism of the legislation was so strong that the hopes of passing the bill in that form

were dim. Then the Prime Minister of Canada decided to call a federal-provincial conference in order to clarify the situation. That was the beginning of a withdrawal which was to follow those withdrawals made during the budget and on other occasions. I shall say no more on the original form of the bill, except that the municipal loans as first proposed infringed on provincial authority and that many points were overlooked when the legislation was drafted.

Honourable senators, the federal-provincial conference called by the Prime Minister of Canada has been held, and we are told now that the federal Government is to make the loans available to the provinces, which in turn will deal directly with the municipalities regarding capital works programs.

To my mind this is an excellent improvement, and until I am convinced to the contrary I am satisfied with that.

The communiqué issued after the conference indicated that . . .

> the meeting of federal and provincial governments has concluded with full agreement on the proposals of the federal Government to promote employment by financial assistance, with provincial approval and co-operation, to municipal capital works.

Honourable senators, as a Canadian citizen and as a member of this distinguished body, I am pleased that this conference has obtained a sufficient degree of success to enable the municipalities to assist and promote employment, although I do not fully accept the methods involved.

I shall not, as some persons did when the former administration proposed legislation to alleviate unemployment, play the role of a prophet of doom and gloom. In view of the enthusiastic support the provincial premiers have given to the amendments to this bill, I would say that on this side of the house, I am ready to support it, but with some reservation. Let me explain.

This measure has been described by the Prime Minister in a statement to the press as an emergency and temporary measure. Those who have followed the political history of this country know very well that there is nothing more permanent than the temporary.

The Income Tax Act, when first introduced, was supposed to be temporary and there were strong commitments in that regard. The renting of provincial taxation powers to the federal Government was also to be temporary. All this happened long ago. During the Second World War commitments were given that these things would be temporary. You all know what has happened in that connection.

Our government in Quebec, after so many years of waiting, is not yet through with those yearly peregrinations to Ottawa designed to receive from the federal Government full recognition of our provincial rights, and full recuperation of what may still be owing to the local governments on account of that *entente* that was to be temporary. Temporary buildings were erected in Ottawa in wartime, some of which still exist. I could quote many other cases, but these are striking examples of temporary measures which have now become permanent.

The second reservation I would make is that this measure is not a cure-all, as it has been described, and it will be most interesting to follow closely the effects of its application. We would certainly welcome any degree of success in that regard.

It has been said that the federal-provincial conference had brought about a new era in our federal system. I do not feel that is entirely true. That conference had been called as the result of a flow of protests from many provinces regarding the proposed method of making loans to municipalities to create employment. It gave an opportunity for consultation in that regard, which consultation should have taken place prior to the introduction of this bill in Parliament. In other words, that conference gave an opportunity to the Government to do what it should have done in the first place. Consultation with the provinces should have preceded the federal legislation concerned. Furthermore, the money to be distributed to the municipalities comes from the federal treasury; the provinces still have not sufficient revenue to look after their own problems. There is too great a tendency on the part of the federal Government to centralize everything in Ottawa. There is a danger that the present legislation puts the provinces and the municipalities to a higher degree at the mercy of Ottawa. They are more or less placed in the antechamber of centralization. Had the provinces a greater share of the tax dollar this legislation would not be necessary. The provinces would have faced their responsibilities regarding unemployment and other problems.

If we look at the record, we find that some municipalities are already deeply in debt. What will happen if some of the loans that the federal Government is making cannot be repaid? Would the Government apply the principle of debt-free money for which many of its members had voted when they were in the opposition?

The Prime Minister in his statement at the opening of the federal-provincial conference said the following:

> I would like to make plain now our intention to amend the bill so that the

fund of $400 million, which is made available up to March 31, 1966, will be divided among the provinces in ratio to provincial populations.

I am asking myself if such funds should be allocated in proportion to provincial population. Should it not be rather distributed according to unemployment needs?

Hon. Mr. McCutcheon: Hear, hear.

Hon. Mr. Monette: Otherwise, it could just be a handout in certain cases. I do not say the principle is bad, but the provisions in the bill are perhaps not co-related to the need that the bill purports to meet.

No, honourable senators, there is no new federalism arising out of the recent federal-provincial conference. It is not my intention to review the whole constitutional aspect of the question that is before us. I feel that the structure of Confederation and federal-provincial relations still needs repair. Little by little, the provinces are asked to sacrifice some of their rights and prerogatives under the British North America Act; little by little the powers are centralized in Ottawa, and eventually a big central government will tell every province and municipality what to do and place them in the tentacles of the federal octopus.

Again, I am not directing my attacks to any party in particular, but this bill, coming as it does from the Government, gives me the opportunity to make my comments.

It is to be regretted that such an important piece of legislation is placed before us only a few hours before the summer recess. We could have had a most interesting debate on this controversial measure, and we could have scrutinized this bill carefully. I repeat, we are ready to support this bill and hope that it will bring good results; but let us hope that a day will come when it will be possible to get the economy rolling without having to resort to measures that often endanger our federal system and that go against the spirit of the British North America Act.

In conclusion, I wish to quote a few words about the fiscal arrangement between the federal Government and the provinces, as expressed by the premier of Quebec, Mr. Lesage. I have the French text before me, which I will translate as I go along. These remarks were made by him on April 5 1963, three days before the federal election:

> At the moment when a great number of our people are asking themselves about the advantages that Confederation is offering to Quebec, the attitude of the federal Government, the present fédéral Government is far from dissipating the accomulated and continued worries.
>
> The true solution at the interior of the Confederation is that we have to replace *les plans conjoints* by returning to the provinces their fiscal powers.

I quote that because you will have to understand that the speeches made at the conference must have induced him to accept my view that *les plans conjoints* on matters of exclusive provincial jurisdiction, that is, in the matter of education, should be rejected. The provinces, if they participate in that, are only breaking their autonomy. In effect, they imply the channelling of public funds by the federal treasury which belong to specific provincial needs. Moreover, it is the federal Government which has established certain objectives and certain priorities, determined at the time, by which it advised the provinces to participate in the realization of those objectives. So they impose a precise frame to the exercise of provincial authority. Such a situation is, and I am quoting the words of Mr. Lesage, "absolutely unacceptable to Quebec". Mr. Lesage added:

> The renewal of the fiscal arrangement between the federal authority and the provinces must normally be settled and arranged before 1967. But Quebec cannot wait for that date. If some persons could have believed in the past, in the proper functioning of the *plans conjoints*, evidence to the contrary is now made.

Honourable senators, I am still quoting Mr. Lesage.

> The regime of the *plans conjoints* is not only lame but it is inequitable. It must be abandoned, most particularly in the domain of education, and without delay. It must give place to the recuperation of the fiscal rights by the province so that the province can utilize fully its resources in supplying the needs of its provincial population.

Honourable senators, I thank you for having had the courage to follow me in the position I found myself, but I wanted to review generally the situation. I say I am not satisfied. I will accept the bill as reformed but I beg of you to keep in your memory what Mr. Lesage said in Quebec when the first bill was proposed.

Perhaps he was right. We must congratulate him though for having obtained considerable amendment to the bill, yet we are still in the yard of *plans conjoints*, which line should be abandoned as soon as possible.

When shall we receive from the Government of one colour or the other, one party or the other, a full and clear recognition of our provincial rights, full surrender to us of what was collected and should have been

collected by the provinces, and a full and clear statement that the conditions that brought us to accept Confederation have not changed?

We were the first to try and obtain Confederation. Baldwin and Lafontaine had met together before Confederation to form the first Confederation—they are really the Fathers of Confederation. After that it was made possible by some men you know—Cartier, Macdonald and others—to prepare a federal *entente* by which we were supposed to live in harmony and peace. We have not betrayed the harmony; we have not arranged to violate the rights of the other provinces or the other races on our provincial soil; we are not combining to deprive the English people, the American people or the Europeans who come to Canada to become new Canadian citizens. We have not tried to deprive them of their right to learn and speak English; we are only asking *en passant,* in view of the character of this bill, of those who are the descendants of the English stock, with whom we decided about Confederation, to help us to maintain the tradition of Confederation which is a pact between the two races.

Hon. Mr. Macdonald (Cape Breton): I wonder if I could ask one question of the sponsor of this bill. I would take it that section 8(1) means that the application for the loan must be made to the provincial Government, and this is covered by section 7. If that is so, I do not understand why section 8, subsection 2, is there.

(Translation):

Hon. Cyrille Vaillancourt: My dear colleagues, I will not undertake to give the history of Confederation or the British North America Act to find out if at times the rights of the provinces were violated. I only want to point out the spirit of co-operation that prevailed in the preparation, remaking and final drafting of this bill.

To discuss something, it is necessary, in the first place, to have something to discuss.

Some people said: Why not consult with the provinces before submitting such a bill to them? That is one way of looking at things.

On the other hand, the Prime Minister said: I will do something first and then we will discuss that problem. Criticism followed. Then, instead of sticking with his first idea, his first bill, he opened his mind, as any man will who wants to co-operate with his own people. He listened to what others had to tell him. He did not keep stubbornly to his first idea. On the contrary. He invited the provinces to come and express their views.

When things are discussed calmly, with reasonable people, it is always possible to reach an understanding, and, in this case, we understand each other.

Some people maintained that Mr. Lesage had forced the Prime Minister of Canada to give way, that Mr. Robarts of Ontario had forced Mr. Pearson to compromise. Others said the same thing. No. It seems to me that is not the way to organize our economy; we must not work one against the other, but rather with each other. We manage to do so by getting together and discussing our problems. Of course, in a democracy there has to be an exchange of views, because nobody has a monopoly on wisdom. It is through goodwill that we can achieve concrete and worthwhile results. Following a two-day meeting, some amendments were proposed and they are being submitted to us today.

As was stated by the honourable senator for Mille Isles (Hon. Mr. Monette), this bill is coming to us a bit late in the session. Unfortunately, it is so. I have been sitting in this house for over twenty years and the same thing always happens at the end of every session. Invariably, bills are submitted to us at the end and we have to rush them through.

However, this famous bill has been so much talked about in the newspapers that we had a general idea of its content, with the result that we could discuss it. Proof of this is that the provincial authorities came here to outline their problems.

In my opinion, that federal-provincial conference is an example of co-operation and also a guarantee of provincial autonomy. But that beneficial autonomy is the result of the co-operation of all in order to get at something more concrete, more animated and more efficient for the nation.

Let it not be said that one party has yielded to another. Good heavens, if we could only get rid of that pride which is in everyone's mind in order to prevent each one of us from saying: "Someone yielded to me," or try to humiliate someone by telling him: "I prevailed over you." No. It is by exchanging ideas that we can understand one another. The party in power, whichever it may be, aims at the well-being of the nation. Everyone takes different means. This is only human nature. But every-

one wants the well-being of the nation, so we must co-operate and stop saying: "Someone surrendered to me; I won." That is wrong.

So we must work together and be co-operative. I think that the action taken by the Prime Minister who convened the provincial authorities who had first criticized the bill, rather bitterly in some areas, is one of co-operation which enabled him to say: "Listen, what I want is the well-being of this country. What I want is neither a dictatorship nor the subservience of the provinces to the federal Government. I am asking for the same thing as you: the welfare of municipalities and of the citizens of your provinces. What I want is to use this bill as a means of solving the problem of unemployment as much as possible."

I repeat for the fifth or tenth time, we will get somewhere only if we co-operate in a spirit of charity and goodwill which will enable our provinces to safeguard their rights and their autonomy. The federal Government is there for the whole country, not for one province only. Such co-operation will make it possible for our country to grow and to become more prosperous with the years.

(Text):

Hon. M. Wallace McCutcheon: Honourable senators, I will delay the house only for a few minutes.

I think I am probably allergic to the description of the bill which, I realize, will not be included when the bill is finally printed. It will be described by its short title as the Municipal Development and Loan Act. I believe I referred this afternoon to the fact that we have had a number of measures placed before us, all of which were described as measures to promote increased employment in Canada. Of course, that is exactly what this bill says.

With a great deal of what Senator Vaillancourt says I am in complete agreement, but I am not in agreement with the abdication of the Government of Canada of its announced intention to set up a municipal loan fund to reduce unemployment—because what has come out of this great conference? Well, it is very simple. I am not going to burden honourable senators by reading through the bill, but it comes down to this, that $400 million is to be disbursed over a period of three years.

At this point I should refer to one section, which says that where any province makes an agreement with the Government of Canada, that province determines what project shall be undertaken. Then, if any such project is completed by 1966, the federal Government waives 25 per cent of the principal. In other words, what this bill is really doing is distributing $400 million among the ten provinces of Canada, pro rata.

Now, is any honourable senator going to stand up here and tell me that the unemployment situation in Saskatchewan is as serious as it is in the Atlantic provinces? I am getting tired of this sort of nonsense. Is this a bill to promote increased employment? My own impression is that there is almost over-employment in Saskatchewan, and all the government of Saskatchewan has to do is sign the agreement and it gets its fair share and decides what project or projects to undertake.

Fortune magazine for July 1962 contained an interesting article. Of course it went to press before the budget, and it said that what Mr. Gordon was going to do was borrow money at 4½ per cent—I thought even the editors of *Fortune* had more intelligence than that—and lend it to the municipalities at 3½ per cent. In other words, he was going to lose 1 per cent, and that would be the incentive. The province of Ontario can borrow money as cheaply as the Government of Canada; metropolitan Toronto can borrow money almost as cheaply as this. As the Premier of Ontario said, the problem is that our municipalities where unemployment is the greatest cannot afford to borrow any more money. And then we have this Government saying: we will spread it right across the board.

I wonder what they are going to put in Newfoundland out of this $400 million—it would be very small—or in Nova Scotia, or New Brunswick. Where is it going to end up? It is going to end up in the place where it is least needed; it is just a sham.

Hon. John J. Connolly: Honourable senators,—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Connolly (Ottawa West) speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I will take only a few moments to conclude the debate. I thank honourable senators for the contributions they have made, both from the other side and this side of the house.

In my earlier remarks I did not make any claim for this measure as a cure-all for unemployment, nor do I think the Government makes any such claim.

Hon. Mr. Choquette: Is that the big and only remedy they promised?

Hon. Mr. Connolly (Ottawa West): I would not think so, but if the honourable senator

would just contain himself in patience for a few moments perhaps he would see what I mean.

There have been many projects undertaken over the last few years, all of which have added up to an attempt to keep employment at a higher level than otherwise would have been the case, both in the public and private sectors of the economy. There have been joint projects like some of the ones I mentioned earlier, such as the winter works program, the program for sewage treatment, for urban renewal and like projects. Extensive additions have been made to the lending powers under the National Housing Act.

I do not say this measure is going to eliminate unemployment, but I think it will help to alleviate it in every province—and I believe every province has unemployment. To the extent that it does help, even in Saskatchewan, it will be a beneficial measure.

There has been a good deal said too about the federal-provincial conference which took place here last week. Much criticism has been directed at the federal Government for having introduced the bill first and then, after consultation with the provinces, modified it. I do not think this is a valid criticism of a government, especially of a government in a federal state. I believe any federal government should put itself into a position to co-operate with the provinces, especially to achieve the purposes that this bill is intended to achieve, namely, to get this money into areas where otherwise there might be unemployment, and which money can contribute to the alleviation of that unemployment.

I do not think any honourable senator really believes the addition of subsection 2 of section 7 compromises the federal Government in any way. But it does indicate, I think, a measure of co-operation with the provincial jurisdictions. I think these may have been some treasure in co-operation laid up for future federal-provincial fiscal conferences. At least I hope so.

Honourable senators, let us all remember that the problems presented by federal-provincial fiscal arrangements in this country are not going to be easy of solution. And if we have come out of one such fiscal meeting with the co-operation of the provinces, this is only the first such meeting. There are troublesome problems to be handled and solved. I hope they can be solved in a spirit of co-operative federalism, rather than in a spirit which involves the provincial authority on the one side, as antagonistic as it can be to federal authority, and vice versa. That is not the way a federal organization can be made to run, and the sooner both federal and provincial authorities understand that co-operation is essential the better it will be for the welfare of the country.

The honourable senator from Cape Breton (Hon. Mr. Macdonald) asked a question as to why there are two subsections in section 8. I do not want to go into detail on this, but may I refer him to the beginning of subsection 7? There are two subparagraphs there. The first one deals with additional new projects.

Perhaps I am being a little too loose with my language, but I think I can say it this way: subsection 1 of section 7 has two subparagraphs, (a) and (b). The first one deals with what I might describe as new projects, and the second deals with what I might describe as substituted projects. The second subsection in section 8 is to make sure that both new and substituted projects are approved.

Hon. Mr. McCutcheon: That is to make sure that the $400 million is distributed.

Hon. Mr. Connolly (Ottawa West): No, that is not the reason. It is to ensure that the projects are approved by the municipal or provincial authority concerned.

As honourable senators know, there are some provinces in which municipal projects and the financing involved in them are tightly controlled. Now, it is to take advantage of this kind of supervision available at the provincial level that these two sections are required.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): I move third reading of the bill now.

Hon. Mr. McCutcheon: On division.

Motion agreed to and bill read third time and passed, on division.

APPROPRIATION BILL NO. 2, 1963

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-94, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Bill read first time.

SECOND READING

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

Hon. W. Ross Macdonald: I move second reading now.

Honourable senators, as you are aware, Parliament will adjourn tonight until the end of September. The estimates have been tabled, together with the supplementary estimates, in both houses, but those estimates have not been passed by either house. The result is that it is necessary to put the Government in funds so that it can carry on the business of the country for the next two months.

This is a bill which comes to us regularly on occasions of this kind. Honourable senators will recall that when we assembled here in May we had a similar bill, and at that time Parliament gave the Government authority for expenditures during the months of April, May, June and July. During part of that time the former administration had been in office, and also during the part of that time the present Government had to make expenditures which were not authorized. I mention this so that you will recall just what has been done.

This is the second interim supply bill that has come to us this year. I know honourable senators are interested in the amount of money which the Government expects will be spent during the present fiscal year. According to the estimates tabled in the house—and these estimates, I may say, were those prepared by the former administration—provision was to be made for the expenditure of $6,433,212,345, but of that amount $2,586,910,689 was statutory. We had no control over the expenditure of that sum, as we had previously passed legislation in which payments to that amount were provided for.

There have been also three supplementary estimates tabled, numbered (A), (B) and (C). The amount of supplementary estimates (A) is $330,489,833, the amount of supplementary estimates (B) is $7 million, and the amount of supplementary estimates (C) is $20 million, making the total estimates—that is including the main estimates and the supplementary estimates that are now before us—of $6,790,702,178. There is to be added to that amount the payments from the Old Age Security Fund amounting to $755 million, making a grand total of $7,545,702,178 which I admit is a very, very large sum.

Hon. Mr. Grosart: Would the honourable Leader of the Government repeat the last figure?

Hon. Mr. Macdonald (Brantford): $7,545,702,178. We have before us this interim supply bill which makes provision generally for two-twelfths of the estimates. That is sufficient to pay our bills for August and September, but there are certain additional amounts required by various departments which have large expenditures at the present time. Those are all set out in the bill, and I do not think it is necessary for me to repeat them. The total required by this bill is $724,687,939.03, and it is for this amount I am asking the approval of the Senate this evening.

Hon. Mr. Choquette: I would like to ask a question of the Leader of the Government. When he says that this bill provides for two-twelfths of the total amount of the estimates, and then again with respect to some items five-twelfths, are those five-twelfths over and above the two-twelfths?

Hon. Mr. Macdonald (Brantford): Yes, in every case.

Hon. Mr. Grosart: May I ask the honourable Leader of the Government if he is able to give us an estimate of the deficit for this fiscal year?

Hon. Mr. Macdonald (Brantford): Well, my honourable friend may ask me. If there were any minister of the former administration present I would refer the question to him because he would be much more familiar with deficits than I am. All I can say is that it is hoped the deficit this year will not be as large as it was last year. Whatever figure I give would be just a wild guess.

Hon. Mr. Monette: That is not being co-operative with respect to the question asked.

Hon. Mr. Grosart: Do I understand then that this interim supply bill is brought before us with no estimate as to its possible effect on the deficit?

Hon. Mr. Macdonald (Brantford): Yes, there is, but I have not the figures with me. I am sorry that we are not sitting tomorrow because then I would be pleased to get the figures for the honourable senator.

I would refer the honourable gentleman to the budget address delivered on June 13 in the other house. There was an estimate of the deficit given at that time, but that would have to be increased because the sales tax was reduced from 11 per cent to 4 per cent. If my honourable friend can obtain the difference between what a sales tax at 11 per cent would provide and what a sales tax of 4 per cent would provide, and add it to the deficit which Mr. Gordon mentioned in his speech he would then have the estimated deficit for this year.

Hon. Mr. Grosart: I know that a figure was given in the budget speech, but I ask if that was not a highly unrealistic figure in view of the fact that since then, with respect to many of the most important items in the budget,

there have been—and I will use the most parliamentary word I can think of—modifications. Is it not so that we are asked by this interim supply bill to ensure that the deficit will be much higher than the figure predicted in the budget speech? I am asking if that is so, and I have no ulterior motive in doing so. I am asking: Is that so?

Hon. Mr. Macdonald (Brantford): I would say that that is not necessarily so—it may be so. It will be interesting to see, when the budget is brought down next year, whether the honourable gentleman is correct. I am still hopeful that the deficit will not be any larger than was intimated by Mr. Gordon when he brought down his budget. We have eight months yet remaining in the year and, as I said a moment ago, it would be a wild guess on my part if I attempted to say eight months in advance just what the deficit will be.

Motion agreed to and bill read second time.

THIRD READING

Hon. Mr. Macdonald (Brantford) moved the third reading of the bill.

Motion agreed to and bill read third time and passed.

DISSOLUTION AND ANNULMENT OF MARRIAGES BILL

CONCURRENCE BY COMMONS IN CERTAIN SENATE AMENDMENTS AND CONCURRENCE BY SENATE IN COMMONS AMENDMENT

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons, which reads as follows:

> Ordered, that a message be sent to the Senate to acquaint Their Honours that this House concurs in the amendments made by the Senate to Bill C-93, An Act authorizing the Senate of Canada to Dissolve or Annul Marriages, with the exception of the fourth amendment, which this house proposes be amended as follows:—

Hon. Mr. Macdonald (Brantford): Mr. Speaker, I am sorry to interrupt you, but I think that honourable Senator Roebuck would be interested in this matter. Would you give us an opportunity to find out if he is in the building and ask him to come in?

The Hon. the Speaker: Yes. We will pause for a few moments.

[*Later:*]

Honourable senators, I am now informed the honourable Senator Roebuck's office is closed. Shall I continue with the reading of the message?

Some Hon. Senators: Agreed.

The Hon. the Speaker: The message from the House of Commons continues as follows:

> Strike out the fourth amendment and substitute therefor:
>
> 4. page 2, lines 11 to 21 inclusive, Strike out clause 3 and substitute the following:
>
> 3. The Senate shall adopt a resolution for the dissolution or annulment of a marriage only upon referring the petition therefor to an officer of the Senate, designated by the Speaker of the Senate, who shall hear evidence, and report thereon, but such officer shall not recommend that a marriage be dissolved or annulled except on a ground on which a marriage could be dissolved or annulled, as the case may be, under the laws of England as they existed on the 15th day of July, 1870, or under the Marriage and Divorce Act, Chapter 176 of the Revised Statutes of Canada, 1952.

Honourable senators, when shall this message be taken into consideration?

Hon. Mr. Macdonald (Brantford): I move, with leave, that the message be taken into consideration now.

Hon. Mr. Fournier (De Lanaudière): Honourable senators, it is rather difficult to understand exactly the meaning of this amendment, so I should like some honourable senator to explain its meaning.

Hon. T. D'Arcy Leonard moved that the amendment be concurred in.

He said: While this amendment makes a change from the bill as we amended it here earlier today, I do not think it differs so greatly from the sense of the Senate's amendments as to cause us to refrain from concurring in it.

The effect still is that an officer of the Senate must first hear the evidence in connection with the divorce petitions, and the Senate shall not adopt a resolution for dissolution until a petition has been referred to the designated officer and he has heard the evidence and reported thereon.

The bill is different from what it was when it reached us. As it stood then, the officer had to recommend the dissolution or annulment to us. We changed that by our amendment, and that change still holds good in the amendment now before us inasmuch as the officer reports on the evidence, rather than recommends.

Previously, the Senate could not act unless the officer recommended the dissolution or annulment. Now the officer reports, which is the way we desired it this afternoon. Presumably, under this amendment, the report of the officer will go to the Senate.

No mention is made specifically in the amendment made by the House of Commons

to the Senate Standing Committee on Divorce. I think such reference to the committee was in our amendment passed this afternoon.

Hon. Mr. Power: Quite right.

Hon. Mr. Leonard: It has been dropped by the House of Commons.

Honourable senators, in my view it is quite in order for the Senate to concur in this amendment. The officer of the Senate will merely report to the Senate on the evidence he has heard; and it is not a condition precedent to the action of the Senate, that he should recommend dissolution or annulment. That is my understanding of the amendment which has just now come to us.

Hon. Mr. Fournier (De Lanaudière): Honourable senators, I take pleasure in thanking and congratulating honourable Senator Leonard on his explanation. I am gratified by what he has told us.

Hon. Mr. Hollett: I take it that the amendment practically abolishes the idea of the Senate Committee on Divorce. Is that right?

Hon. Mr. Macdonald (Brantford): No.

Hon. Mr. Hollett: The officer does not report to the Senate committee, but to the Senate.

Hon. Mr. Leonard: I would not agree with that. I think the matter still is in the hands of the Senate itself to determine what the rules and regulations will be. In our amendment we specifically referred to the Standing Committee on Divorce. Now that reference has been taken out as a specific statutory reference.

I did say that the report presumably would be to the Senate, as the reference to the committee has been struck out. The wording of the amendment is:

> The Senate shall adopt a resolution for the dissolution or annulment of a marriage only upon referring the petition therefor to an officer of the Senate, designated by the Speaker of the Senate, who shall hear evidence and report thereon...

I think it is still in the hands of the Senate to decide how that report will be received and considered.

Hon. Mr. Grosart: Honourable senators, I am very disappointed in the suggestion that we accept this amendment. From what honourable Senator Leonard says, the essence of this is that the Senate is now told that it shall not adopt a petition for the dissolution of marriage until it is referred to this judicial officer. Surely we are now having imposed on us a limitation—

Hon. Mr. Macdonald (Brantford): There is no change in that. The officer was mentioned in the original bill that we passed.

Hon. Mr. Grosart: I am fully aware of that.

Hon. Mr. Macdonald (Brantford): I think it is out of order to go into that now.

Hon. Mr. Grosart: May I make my statement?

Hon. Mr. Macdonald (Brantford): I do not think that we can debate this whole bill over again. There must be some order in this house.

Hon. Mr. Grosart: I beg His Honour the Speaker to say whether I have the right to speak on this or not.

Hon. Mr. Macdonald (Brantford): I am suggesting that the honourable senator should speak to the amendment.

Hon. Mr. Monette: Is he not speaking to the amendment?

Hon. Mr. Macdonald (Brantford): I did not think so.

Hon. Mr. Grosart: I am speaking to the amendment because I understand that it now says the Senate shall not exercise its ancient and noble right, which we have heard about so many times, to hear an appeal by a citizen who says, "I cannot get redress elsewhere". If I am wrong, I want to be corrected, but my understanding is that this is a restriction of the basic right of the Senate to hear a petition from a citizen who says, "I want an act of Parliament to dissolve my marriage." I wish to be corrected if I am wrong, for I have only heard this amendment read and listened to the explanation, but my belief from hearing it is that this is a definite restriction on that basic right of the Senate. As to the petition of right, which Senator Roebuck over and over again said is the ancient right of the citizen, to come here to Parliament for relief, we are now being told that we cannot adopt such a petition until it has been referred to a judicial officer.

In order to support my objection, may I say that in all the debate on this bill I have heard no indication that this matter had been referred to the provinces or that they even knew about it.

In coming to this honourable chamber I first tried to find out what my duties were. The more I read the more I was convinced that the major function of the Senate is the protection of the rights of the provinces. Here we are proceeding to make a fundamental change in the procedure respecting two provinces in the matter of the dissolution of marriage. My understanding is that there is intense feeling in those two

provinces on that matter. We have been told how important it is. Senator Vaillancourt made an eloquent speech—with every word of which I agree—on how important it is that we work together. It seems to me that on this occasion we are faced with a change that is fundamental. In effect, this matter of dissolution of marriage up until now has been one of legislative action. That is one the reasons it has been accepted reluctantly by those provinces. It is now going to be a judicial matter. We are going to be told that this right is to be exercised by referring it to a judge. That is exactly what the officer will be.

I object to this measure because it has not been referred to the provinces. I do not know what their feelings are on the matter. I feel that if we are not sure that these two provinces agree to such a fundamental change, then we have not been as assiduous as we should have been in performing that essential duty of the Senate, reference to which I find in the Debates of Confederation and in everything I read as to what our main function should be. I ask you, honourable senators, have we discharged that function in that case? Do these provinces know what is going on here? I do not believe the province of Newfoundland does, nor does the province of Quebec. I object, because the very thing we attempted to do in the amendment passed in committee and passed on third reading was to maintain this legislative right.

The bill when it was returned to the other place by the Senate was vastly improved, and I voted on it with considerable reluctance. I voted for it only because it was improved and the essential fact was that dissolution of marriage was to be legislative rather than judicial. Now if we accept this amendment, I do not believe that essential fact will remain. I am opposed.

Hon. Mr. Stambaugh: Honourable senators, may I point out to the honourable senator who has just spoken that none of the traditional rights of the citizens of Canada, or of the provinces of Quebec and Newfoundland, have been taken away by this bill. They will have the same rights as they always had to appeal here and ask for dissolution of marriage. This is merely an additional way by which they can come before the Senate.

Hon. Mr. Grosart: With all due respect to the honourable senator—

Some Hon. Senators: Order!

The Hon. the Speaker: Honourable senators, I am not a lawyer, but as I understand the amendment it does not affect the right of the provinces. Therefore, I think the honourable senator is out of order.

Hon. Mr. Monette: Honourable senators, I am puzzled. If the amendment by the other house means the same thing as our amendment does, why change it? The new amendment says:

> The Senate shall adopt a resolution for the dissolution or annulment of marriage only upon referring the petition therefor—

I think the word "may" would be better than the word "shall", as has already been suggested. The word "shall" seems to imply an obligation to adopt it, when the matter had been referred to the officer. That is the first point.

Our amendment reads:

> 3. The Senate shall, before adopting a resolution for the dissolution or annulment of a marriage, refer the petition therefor to an officer of the Senate to be designated by the Speaker of the Senate, to hear evidence and make his report thereon—

So it is only on the report of such officer that the Senate will have the right to adopt the resolution.

> —to the Senate Standing Committee on Divorce, but such officer shall not recommend that a marriage be dissolved—

Let us consider that. The prohibition is made that the officer who will be in charge of the task of getting the evidence and making his report

> —shall not recommend that the marriage be dissolved or annulled except on a ground on which a marriage could be dissolved or annulled—

So that involves the principle that he will have the right to recommend. Would his recommendation be binding on the Senate?

Hon. Mr. Power: No.

Hon. Mr. Monette: We only need the report about the evidence he has heard. That makes me fear that there would be a restriction somewhere in a recommendation that might be important in a court or before the law. The recommendation of that officer means nothing to us. His function should be only to hear the evidence, if there is any, and after that the case should be open to appeal. Perhaps it might be said that "the Senate shall not" do this or that, but it should not be left in the hands and the control of the officer. That seems to me to be a change from our amendment, and I object to that.

Hon. Mr. Leonard: Honourable senators, may I just deal with the remarks of Senator Grosart and of Senator Monette.

I think Senator Grosart is wrong in the interpretation he has given about the change which has been made by the House of Commons. In our amendment made today we still made it necessary for the officer to hear the evidence and to make his report before we adopted a resolution. That was a decision we made ourselves, and the wording in this amendment now is still of the same effect. We ourselves are agreeing, as we did this afternoon, that we will not adopt a resolution until we have first sent it to this officer, and he may hear the evidence and may make a report thereon.

The big change that has been made in our amendment of this afternoon, and in the amendment from the original bill, is that under the original bill the Senate could not have passed a resolution unless that officer so recommended. If he recommended against it we still could not pass the resolution; and unless he made a recommendation in favour of it we still could not pass the resolution. The change we made was that the officer would report to us and we would decide whether or not we could pass the resolution.

This amendment reads:

> The Senate shall adopt a resolution . . . only upon referring the petition therefor to an officer . . . who shall hear the evidence and report thereon,—

He reports to us. The word "recommend" comes in in the second part, and it was in the second part of our amendment, but this is a control on that officer to prevent him from recommending a divorce in these specific cases. If it were not for that part of the section he could presumably recommend that a marriage be dissolved for grounds that were not allowable under the laws of England; so we restrict him.

Therefore, as I say, the real sense of this amendment as received now from the House of Commons seems to me to be in reasonable accord with the way in which we desired it this afternoon.

Hon. Mr. Grosart: May I ask the honourable senator a brief question?

Is it not so that the essential difference between the bill as we sent it down to the Commons and the form in which it is returned to us is this: in the form in which we sent it down, the Senate could hear a petition for dissolution of marriage by way of Act of Parliament; in the present form the Senate is denied that. I am asking if this is so, and if it is, is it not an essential difference?

Hon. Mr. Leonard: No, that is not the difference. I think we have the assurance of our law officers that the remedy is still in Parliament to act upon a petition for a bill of divorce. This is an additional ancillary method of action by the Senate only on resolution.

Hon. Mr. Grosart: I still think it is an alternative, not an additional procedure.

Amendment concurred in.

PRIVATE BILL

THE MONARCH LIFE ASSURANCE COMPANY—COMMONS AMENDMENT CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-30, respecting The Monarch Life Assurance Company with the following amendment:

> 1. Page 1, lines 10 and 11. Delete the words "La Monarch, Compagnie d'Assurance-Vie" and insert therefor the words "La Compagnie d'Assurance-Vie Monarch".

Hon. Mr. Macdonald (Cape Breton), on behalf of Honourable Mr. Haig, moved that the amendment be concurred in now.

Amendment concurred in.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

August 2, 1963

Sir,

I have the honour to inform you that the Honourable Wilfred Judson, Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, 2nd August, at 10 p.m. for the purpose of giving royal assent to certain bills.

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

The Honourable
The Speaker of the Senate.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wilfred Judson, Judge of the Supreme Court of Canada, Deputy of His

Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act for the relief of Margaret Catherine Smith.

An Act for the relief of Gladys Noreen Monette.

An Act for the relief of Joseph Leo Gerard Bougie.

An Act for the relief of Nicholas Cimbru Chambers.

An Act for the relief of Suzanne Chasse.

An Act for the relief of Esther Wertheimer.

An Act for the relief of Lygery Varverikos.

An Act for the relief of Frank Hamilton Mingie, junior.

An Act for the relief of Rosemary Beatrice Clare.

An Act for the relief of Marie-Paule Jacqueline Lorette Champagne.

An Act for the relief of Klara Brody.

An Act for the relief of Bernice Bordensky.

An Act for the relief of Jacqueline Belanger.

An Act for the relief of Christina Aube.

An Act for the relief of Brigitte Dophide.

An Act for the relief of Anita Margaret d'Esterre.

An Act for the relief of Gladys Jean Desjardins.

An Act for the relief of Sylvia Dankner.

An Act for the relief of Florence Patricia Da Silva.

An Act for the relief of Judith MacBeth Cuggy.

An Act for the relief of Giuseppe de Cristoforo.

An Act for the relief of Beverley Hayden Crerar.

An Act for the relief of Paulyne Leblanc.

An Act for the relief of Gabriela Kiwitt.

An Act for the relief of Dorothea Margaret Kay.

An Act for the relief of Wilma Karls.

An Act for the relief of Felix Hollinger.

An Act for the relief of Abie Herscovitch, otherwise known as Allan Herscovitch.

An Act for the relief of Doris Sibyl Jane Hassall.

An Act for the relief of Ezreh Harry Herscovitch.

An Act for the relief of Robert Fleischer.

An Act for the relief of William Rankin Edmondson.

An Act for the relief of Leonard Edmond.

An Act for the relief of Dorothy Irene Marjorie Adams.

An Act for the relief of Zbigniew Stanislaw Janicki.

An Act for the relief of Harry Hyman.

An Act for the relief of Nadia-Anne Hruszij.

An Act for the relief of Christine Johnson.

An Act for the relief of Arlene June Kaczur.

An Act for the relief of Mary Teresa Hough.

An Act for the relief of Bernard Hebert.

An Act for the relief of Catherine Harper.

An Act for the relief of Wilhelmina Grundy.

An Act for the relief of Edith Diane Greenberg.

An Act for the relief of Catherine Mildred Gray.

An Act for the relief of Nancy Ruth Grabina.

An Act for the relief of Lucille Goresky.

An Act for the relief of Constance Valerie Laurie.

An Act for the relief of Ellen Chase McKellar.

An Act for the relief of Angus McIntosh.

An Act for the relief of Claude Gerard Montpetit.

An Act for the relief of Maureen Carol McAlinden.

An Act for the relief of Vera Irene MacKenzie.

An Act for the relief of Ann Marguerite Macdonald.

An Act for the relief of Sybil Lillian Lupovich.

An Act for the relief of Minnie Lichtenstein.

An Act for the relief of Jean Bernard L'Heureux.

An Act for the relief of Margaret Ada Lewis.

An Act for the relief of Violet Pearl St. James Lemoine.

An Act for the relief of Mildred Kligman.

An Act for the relief of Zelda Barbara Kimberg.

An Act for the relief of Margaret Anna Kenwood.

An Act for the relief of Madeleine Kallweit.

An Act for the relief of Philippe LeBeau.

An Act for the relief of Joyce Irene Larocque.

An Act for the relief of Elizabeth Anne Kotania.

An Act for the relief of Marie Celine Pierette Lapointe.

An Act for the relief of Shirley Sarah James.

An Act for the relief of Lena Quelle.

An Act for the relief of Charles Harold Page.

An Act for the relief of Rosa Jacobson.

An Act for the relief of Patricia Ann Marguerite Allaway.

An Act for the relief of Marilyn Jean Alie.

An Act for the relief of Juliana Magdelene Ashley.

An Act for the relief of Alphonse Audet.

An Act for the relief of Denise Bachelder.

An Act for the relief of Alma Ivy Bankley.

An Act for the relief of Edouard Joseph Armand Baril.

An Act for the relief of Therese Beaulieu.

An Act for the relief of Jennie Belchik.

An Act for the relief of John Faucher.

An Act for the relief of Ruth Ilona Elkin.

An Act for the relief of Hazel Durocher.

An Act for the relief of Jean Helen Donnan.

An Act for the relief of Margaret Joan Digby.

An Act for the relief of Joseph Paul Alderic Belisle.

An Act for the relief of Guy Bertrand.

An Act for the relief of Pamela Blair.

An Act for the relief of Kenneth Allen Blight.

An Act for the relief of Marie Yvonne Lucie Godard.

An Act for the relief of Marie Augustine Jeannette Gibbs.

An Act for the relief of Nicole Marie Geoffroy.

An Act for the relief of Susan Gabor.

An Act for the relief of Alexandra Deliyannakis.

An Act for the relief of Joseph Fortin Decelles.

An Act for the relief of Josephine Mary Croll.

An Act for the relief of Anita Cleri.

An Act for the relief of Alice Elizabeth Clarke.

An Act for the relief of Judith Elizabeth Caron.

An Act for the relief of Collin Mills Campbell.

An Act for the relief of Lorraine Burt.

An Act for the relief of Linda Alice Burrows.

An Act for the relief of Gerhard Hermann Buchholz.

An Act for the relief of Wilma Gloria Bryson.

An Act for the relief of Joseph Luc Roger Pelletier.

An Act for the relief of Clara Edith Papp.

An Act for the relief of Frances Cynthia Nevitt.

An Act for the relief of Betty Naimovitch, otherwise known as Betty Naimo.

An Act for the relief of Elsa Munch.

An Act for the relief of Mildred Dawson Meakins.

An Act for the relief of Margaret Rose McDuff.

An Act for the relief of Vickie Marks.

An Act for the relief of John Elijah Marshalluk.

An Act for the relief of Jean Letovsky.

An Act for the relief of Lee Leopold.

An Act for the relief of Guy Lefebvre.

An Act for the relief of Kate Gillman.

An Act for the relief of Margarete Gerda Ruhnau.

An Act for the relief of Catherine Gerasimos Andrulakis.

An Act for the relief of John Joseph Huitson.

An Act for the relief of Suzi Elizabeth Perry.

An Act for the relief of Vivian Geoffrey Power.

An Act for the relief of Gordon Richard Alexander Ramsden.

An Act for the relief of Gertrude Lindener.

An Act for the relief of Marie Aline Martine France.

An Act for the relief of Shirley Margaret Woolley.

An Act for the relief of James Richard Williamson.

An Act for the relief of Isadore Titleman.

An Act for the relief of Lloyd James Simpson.

An Act for the relief of Lily (Lillian) Shapiro.

An Act for the relief of Blima (Wendy) Shapiro.

An Act for the relief of Marie Theresa Sckyra.

An Act for the relief of Anne Marion Prentice.

An Act for the relief of Patricia Marjorie Maisonet.

An Act for the relief of Jennie Zajko.

An Act for the relief of Pawel Olejnik.

An Act for the relief of Millicent Vera Seagrove.

An Act for the relief of Patricia Sabetta.

An Act for the relief of Isadore Rosenblatt.

An Act for the relief of Calvin Harold Robinson.

An Act for the relief of Real Richard.

An Act for the relief of Louisa Emily Elizabeth Porter.

An Act for the relief of Eva Florence Plaskett.

An Act for the relief of Madge Estelle Pinkerton.

An Act for the relief of Allan Barry Phillips.

An Act for the relief of Paul Parizeau.

An Act for the relief of Jean Elizabeth O'Reilly.

An Act for the relief of Josephine Rose Nawrocki.

An Act for the relief of Valerie Jean Morton.

An Act of the relief of Franklin Dale Hufford.

An Act for the relief of Carroll Lynne Milette.

An Act for the relief of Evelyne Millette.

An Act for the relief of Leo Rene Maranda.

An Act for the relief of Edward Sidney Mansfield.

An Act for the relief of Elizabeth Angela Stirling.

An Act for the relief of Patricia Ann Small.

An Act for the relief of Jeannette Rosenberg.

An Act for the relief of Phyllis Siev.

An Act for the relief of Joseph Maurice Sealy.

An Act for the relief of Helena Jadwiga Igiel Wodnicki.

An Act for the relief of Amira Wilson.

An Act for the relief of Hyman Omri Tannenbaum.

An Act for the relief of Doris Irene Trerice.

An Act for the relief of Glen Stewart Tornay.

An Act for the relief of Audrey Barbara Sutton.

An Act for the relief of Adele Kathleen Strachan.

An Act for the relief of Bertha Staruch.

An Act for the relief of Mihaly Szakacs.

An Act for the relief of Doreen Dreyer Eastwood.

An Act for the relief of Jacques Ekaireb.

An Act for the relief of Rosaire Gauthier.

An Act for the relief of Gertraud Holzer.

An Act for the relief of Marie Joan Patricia Jeffries.

An Act for the relief of Anita Guido Knezevic.

An Act for the relief of Celia Lesnik.

An Act for the relief of Joan Mary Pearson.

An Act for the relief of Georgine Plzak.

An Act for the relief of Marcelle Rosenberg.

An Act for the relief of Helen Beverley Sabo.

An Act for the relief of Ruby Rita Smith.

An Act for the relief of Marketa Tata.

An Act for the relief of Ellen Smolar.

An Act for the relief of Carmen Abrams.

An Act for the relief of Margaret Ellynore Abbott.

An Act for the relief of John Andre Anderson.

An Act for the relief of Anne Marie Asselin.

An Act for the relief of Percy Beauvais.

An Act for the relief of Shirley Brimacombe.

An Act for the relief of James Coade.

An Act for the relief of Ann Marie Cooke.

An Act for the relief of Kathleen Sangster.

An Act for the relief of Margot Scott Connor.

An Act for the relief of Stasys Vysniauskas.

An Act for the relief of Francoise Campion.

An Act for the relief of Claire Bradford.

An Act for the relief of Sylvia Evelyn Lyon.

An Act for the relief of Gerald William Henderson.

An Act for the relief of May Margaret Morelli.

An Act for the relief of Franz Zeitlhofer.

An Act for the relief of Lily (Laura) Anita Karbelnik.

An Act for the relief of John Matthew Hardman Pickford.

An Act for the relief of Jean Alice Rinder.

An Act for the relief of Donald Beakes.

An Act for the relief of Guy Bertrand.

An Act for the relief of Lloyd Carlton Willard.

An Act for the relief of Francis John Nobbs.

An Act for the relief of Marie Jacqueline Dusablon.

An Act for the relief of Helen Oulton.

An Act for the relief of Gwendolyn Grace Lanctot.

An Act for the relief of Margaret Kathleen Lister.

An Act for the relief of Judith Joy Spector.

An Act for the relief of Myrtle Alice Southwood.

An Act for the relief of Teresa Lesiuk.

An Act for the relief of Ion Ignatescu.

An Act for the relief of Mary Gallagher.

An Act for the relief of Mary Catherine Weatherby.

An Act for the relief of Linnea Erna Barbara Walker.

An Act for the relief of Rhode Lipschutz.

An Act for the relief of Leslie Thomas Norval Modler.

An Act for the relief of Lajos Nagy, otherwise known as Louis Nagy.

An Act for the relief of Paul Orlivsky.

An Act for the relief of Marie Jeanne Beaulieu.

An Act for the relief of Rachela Zimber.

An Act for the relief of Jacqueline Henriette Pujol.

An Act for the relief of Rebecca Rosenstrauss.

An Act for the relief of Irene Tyminski.

An Act for the relief of Frances Lyman.

An Act for the relief of Andre Durocher.

An Act for the relief of Anna Elizabeth Strickland.

An Act for the relief of Michele Breuer.

An Act for the relief of Magella Bergeron.

An Act for the relief of Lucien DeCoeur.

An Act for the relief of Marie Henriette Antoinette Marguerite Bloodworth Pringle.

An Act for the relief of John Joseph Laflamme.

An Act for the relief of Eliane Trottier.

An Act for the relief of Sylvia Bertha Spires.

An Act for the relief of Albert Henry Grabeldinger Willis.

An Act for the relief of Ivy Elizabeth Sherry.

An Act for the relief of Susanne Reiner.

An Act for the relief of Elaine Redmond.

An Act for the relief of Paul Emile Niquette.

An Act for the relief of Robert Fernand Marcoux.

An Act for the relief of Harold Moreau.

An Act for the relief of Philip Dalgleish.

An Act for the relief of Daniel Gaston Jules Caron.

An Act for the relief of Alexander Burke.

An Act for the relief of Aurella Breard.

An Act for the relief of Laurier Allain.

An Act for the relief of Agnes Agai.

An Act for the relief of David Filmore Sadler.

An Act for the relief of George Mantadakis.

An Act for the relief of Patricia Beverley Dimeo.

An Act for the relief of Marie Emilia Rolande Gittens.

An Act for the relief of Barbara Gladys Gregory.

An Act for the relief of Julianna Gulyas.

An Act for the relief of Edith Herman.

An Act for the relief of Olga Rapoport.

An Act for the relief of Nellie Rothman.

An Act for the relief of Virginia Ruth Parmiter.

An Act for the relief of Paul Aime Bedard.

An Act for the relief of James Robert Breslin.

An Act for the relief of Soshy Judith Marcovitz.

An Act for the relief of Robert Charles Chapman.

An Act for the relief of Werner Burke Michelsen.

An Act for the relief of Dorothy Estelle Lord.

An Act for the relief of Jean Alexandria Etheridge.

An Act for the relief of Elizabeth Cowan Frawley.

An Act for the relief of Anita Klaiman.

An Act for the relief of Haia (Clara) Fuchsman.

An Act for the relief of Georgiana Brasseur.

An Act for the relief of Dorothy Doreen Howell.

An Act for the relief of Molly Sacks.

An Act for the relief of Frances Sheila Madden.

An Act for the relief of Marie Raymonde Violetta Dalpe.

An Act for the relief of Ginette Ingrid Leopold.

An Act for the relief of Kathleen Ryan.

An Act for the relief of Anna Annette Brahmi.

An Act for the relief of Rochelle Caplan.

An Act for the relief of Kathleen Edna Belchem.

An Act for the relief of Therese Genest.

An Act for the relief of Robert Harrison.

An Act for the relief of William Joseph Rowe.

An Act for the relief of Cecile Caille.

An Act for the relief of Robert Inglis, junior.

An Act for the relief of Beverly Anne Runions.

An Act for the relief of Anton Welte.

An Act for the relief of Leo Paul Turcotte.

An Act for the relief of Marie-Louise Guay.

An Act for the relief of Marsha Liberman.

An Act for the relief of Sylvia Socaransky.

An Act for the relief of Sheila Liebling.

An Act for the relief of Joan Marjorie Gregor-Pearse.

An Act for the relief of Giselle Mignault.

An Act for the relief of Hugh O'Connor.

An Act for the relief of Ruth Moss.

An Act for the relief of Dora Elfriede Elizabeth Christian Kovacs otherwise known as Dora Elfriede Elizabeth Christian Kovac.

An Act for the relief of Maurice LeBel.

An Act for the relief of Sonja Bagry.

An Act for the relief of Therese Beaudoin.

An Act for the relief of Ella Jane Lyon.

An Act for the relief of Maria Lenkei, otherwise known as Maria Leichtag.

An Act for the relief of Doris Elinor Roberts.

An Act for the relief of June Blickstead.

An Act for the relief of Angelika Tasler.

An Act for the relief of Hale Calvin Reid.

An Act for the relief of Jeannine Elizabeth Sharpe.

An Act for the relief of Olga Antonina Burkousky.

An Act for the relief of Evelyn Frances Rae.

An Act for the relief of Kenneth James Graham Tait.

An Act for the relief of Margaret Elaine Gallagher.

An Act for the relief of Joyce Ethel Empey.

An Act for the relief of Roger Bernard Angel.

An Act for the relief of Marie Claire Rolande Dubois.

An Act for the relief of Jean Guy Prud'homme.

An Act for the relief of Gilles Graveline.

An Act for the relief of Ingeborg Schmidt.

An Act for the relief of Margaret Clewes.

An Act for the relief of Patricia Hilton.

An Act for the relief of Vida Irene Louise McCallum.

An Act for the relief of Karl Heinz Schulte.

An Act for the relief of Beverley Trachtenberg, otherwise known as Beverley Tratt.

An Act for the relief of Monique Mercure.

An Act for the relief of Eli Kraus.

An Act for the relief of Edouard Pellerin.

An Act for the relief of John Andrew Milne.

An Act for the relief of Alethea Sarah Ivy Fowler.

An Act for the relief of Marcheta Lino Edwards.

An Act for the relief of Gwynneth Margaret Forget.

An Act for the relief of Joan Reid Koken.

An Act for the relief of Eloise Sonne.

An Act for the relief of Jean Ilene Buckley.

An Act for the relief of Anna May Sergent.

An Act for the relief of Karl Heinz Wunderlich.

An Act for the relief of Margaret Anne Harvey.

An Act for the relief of Josephine Isabella Geiger.

An Act for the relief of Barbara Ann Wallace.

An Act for the relief of Thelma Freeman.

An Act for the relief of Karl Heinz Kerlikowsky.

An Act for the relief of Aranka Ilona Berendy.

An Act for the relief of Muriel Howarth Hulbig.

An Act for the relief of Amy Sandra Glendinning.

An Act for the relief of Dorothy Alice Usher.

An Act for the relief of Suzanne Moreau.

An Act for the relief of Phyllis Carol Johnston.

An Act for the relief of Lillian Florence Catherine Hurst.

An Act for the relief of Armand Gauthier.

An Act for the relief of Maria Papadakis.

An Act for the relief of Anna Luella Matthews.

An Act for the relief of Dawn Dorothea Marsden.

An Act for the relief of Donna Maureen Vincent.

An Act for the relief of Therese Geraldeau.

An Act for the relief of Gizella Ethel Bogoly.

An Act for the relief of Simonne Michele Mona Bouchard.

An Act for the relief of Therese Rivet.

An Act for the relief of Irene Elizabeth Malloch.

An Act respecting The Sovereign Life Assurance Company of Canada.

An Act to amend the Senate and House of Commons Act and the Members of Parliament Retiring Allowances Act.

An Act to provide for the establishment of an Economic Council of Canada.

An Act to amend the Excise Tax Act.

An Act to promote increased employment in Canada by financial assistance by way of loans to municipalities to enable municipalities to augment or accelerate municipal capital works programs.

An Act authorizing the Senate of Canada to Dissolve or Annul Marriages.

An Act respecting Co-operative Fire and Casualty Company.

An Act respecting The Monarch Life Assurance Company.

An Act respecting The Crown Life Insurance Company.

An Act respecting The Canadian Manufacturers' Association.

An Act respecting The National Life Assurance Company of Canada.

An Act respecting The Canada Accident and Fire Assurance Company.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

ADJOURNMENT

Leave having been given to revert to the order for Notices of Motions:

Hon. Cyrille Vaillancourt: Honourable senators, I move, with leave, that when the Senate adjourns today it do stand adjourned until Tuesday, October 1, 1963, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, October 1, 1963, at 8 p.m.

THE SENATE

Tuesday, October 1, 1963

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

Prayers.

THE LATE SENATOR EMERSON

TRIBUTES

Hon. W. Ross Macdonald: Honourable senators, it is with deep sorrow and with a sense of severe loss that I rise at this time to pay tribute to our late colleague Senator Emerson. Although he was prevented from being with us for several months, little did we foresee, when we adjourned for the summer recess in August, that he would not be back with us when we reconvened.

The late Senator Clarence Vernon Emerson was 62 years of age. He was born and educated in the city of Saint John, New Brunswick, where he created for himself an outstanding and successful business career; and he was a leading business figure in his native province. In addition to his business activities, he took an interest in many organizations for the welfare of his fellow citizens. He was particularly interested in the Saint John General Hospital, having served as chairman of its Board of Commissioners, and also as president of the board.

Senator Emerson was appointed to the Senate on October 12, 1957, and although his tenure of office here was altogether too brief, he served this chamber with distinction. He was Chairman of the Standing Committee on Finance in 1959 when it presented that excellent report on the threat of inflation in Canada. In 1960 he guided through the Senate the legislation providing guaranteed bank loans to small businesses making capital improvements. Throughout his period of office in the Senate he was at all times particularly interested in legislation which affected the Atlantic region.

Honourable senators, I wish at this time to extend to Mrs. Emerson our heartfelt sympathy and condolences, which I am sure were presented to her in person by the Honourable Alfred Brooks, Leader of the Opposition, who was present at the funeral services and represented all senators on that very sad occasion.

Hon. Lionel Choquette: Honourable senators, in the absence of the Leader of the Opposition (Hon. Mr. Brooks) I should like to associate myself with the remarks of the Leader of the Government (Hon. Mr. Macdonald Brantford).

Once again it is our sad duty to record the passing of one of our colleagues. The late Senator Emerson was an active member of the Senate, a worthy representative of his province, and an ardent spokesman for the Atlantic provinces. The honourable Leader of the Government has referred to the late senator's successful business career in his native province; he was also well known for his active participation in many charitable endeavours in the city of Saint John. He received an honorary degree from King's College, Halifax, for his outstanding work in community affairs.

We all remember the capable manner in which the proceedings of the Standing Committee on Finance were conducted in 1959 when Senator Emerson was chairman of that important committee. The committee's report on the threat of inflation was referred to by the honourable Leader of the Government in the course of his remarks. During the relatively short time he was with us, Senator Emerson made an outstanding contribution to Parliament.

I wish to extend to Mrs. Emerson and her daughter our heartfelt sympathy.

Hon. G. Percival Burchill: Honourable senators, as a representative of the Province of New Brunswick and a colleague of the late Senator Emerson, I should like to add a brief word of tribute to his memory.

To us in New Brunswick it was a shock, as it must have been to every member of this chamber, when the news was flashed of Senator Emerson's death. Not long ago I chatted with him over the telephone, at which time he assured me that his health was being restored and that he looked forward to coming back to Ottawa when Parliament resumed. So, to me his death was a profound shock, as it was to many citizens of our province.

The late Senator Emerson was an outstanding citizen of the Province of New Brunswick. His first love was of his province and the city of Saint John where he lived and where he made a very valuable contribution in many ways. He was chairman of the Board of Commissioners of the hospital there for many years.

The Province of New Brunswick has lost an outstanding citizen, and this chamber has lost a very valuable member. I join with other honourable senators in extending to Mrs. Emerson and the members of the family my very deep symphaty.

Hon. F. W. Gershaw: Honourable senators, for several years the late Senator Emerson, Mrs. Emerson and her mother were close neighbours of ours in Ottawa. They entertained us on several occasions in their home

at Saint John, which home, may I say, was the most beautiful I have ever seen.

As has been said, Senator Emerson was active in hospital affairs. He laid the cornerstone for an important addition to the Saint John General Hospital. He was also very active in church affairs.

Those who knew the late senator best appreciated him most. I talked to him often, and I would say that his philosophy might be expressed in these words:

Sunset and evening star,
And one clear call for me!
And may there be no moaning of the bar,
When I put out to sea,

But such a tide as moving seems asleep,
Too full for sound and foam,
When that which drew from out the boundless deep
Turns again home.

Twilight and evening bell,
And after that the dark!
And may there be no sadness of farewell,
When I embark;

For tho' from out our bourne of Time and Place
The flood may bear me far,
I hope to see my Pilot face to face
When I have crossed the bar.

Hon. F. Elsie Inman: Honourable senators, as a fellow maritimer I wish to join with other senators in paying tribute to our departed colleague Senator Emerson.

Senator Emerson was an outstanding businessman in the Maritime provinces. He was well known, particularly in Saint John where he contributed much to the welfare of that city. He gave generously to public charities and organizations which assisted those who were less fortunate than he.

He served on the board of the General Hospital there and gave his time and energy to promote its good work. In this he was ably supported by his wife, also a generous giver.

I wish to associate myself with the remarks of those who have already spoken and extend to his widow and other members of his family my deep and heartfelt sympathy.

CARRIAGE BY AIR ACT

BILL TO AMEND—FIRST READING

Hon. W. Ross Macdonald presented Bill S-37, to amend the Carriage by Air Act.

Bill read first time.

Hon. Mr. Macdonald moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

HARBOUR COMMISSIONS BILL

FIRST READING

Hon. Mr. Macdonald (Brantford) presented Bill S-38, to provide for the establishment of harbour commissions.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

NATIONAL HARBOURS BOARD ACT

BILL TO AMEND—FIRST READING

Hon. Mr. Macdonald (Brantford) presented Bill S-39, to amend the National Harbours Board Act.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. W. Ross Macdonald: Honourable senators, I have a number of documents to table. The list consists of three pages, and if honourable senators so desire I could make a brief reference to each document.

Some Hon. Senators: Dispense.

The following documents were then tabled.

Report of Canadian Arsenals Limited, including its accounts and financial statements certified by the Auditor General, for the year ended March 31, 1963, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116,, R.S.C., 1952. (English and French texts).

Report of the National Research Council including the Report of the Medical Research Council, for the year ended March 31, 1963, pursuant to section 16(3) of the Research Council Act, chapter 239, and also the Report of Canadian Patents and Development Limited for the same period, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Superintendent of Insurance of Canada—Volume I Abstract of the Statements of Insurance Companies in Canada, for the year ended December 31, 1962, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Report of the Agricultural Stabilization

Board, for the year ended March 31, 1963, pursuant to section 14 of the Agricultural Stabilization Act, chapter 22, Statutes of Canada, 1957-58. (French text).

Report of the Department of Agriculture for Canada, for the year ended March 31, 1962, pursuant to section 6 of the Department of Agriculture Act, chapter 66, R.S.C., 1952. (French text).

Report of Proceedings under the Canada Water Conservation Assistance Act, for the year ended March 31, 1963, pursuant to section 8 of the said act, chapter 21, Statutes of Canada 1952-53. (English and French texts).

Copies of Ordinances, chapters 2 to 31, made by the Commissioner in Council of the Northwest Territories, assented to on July 18, 1963, pursuant to section 15 of the Northwest Territories Act, Chapter 331, R.S.C., 1952, as amended 1953-54, together with copy of Order-in-Council P.C. 1963-1223, dated August 14, 1963, approving same. (English text).

Report of the Auditor General on the examination of the Accounts and Financial Statements of the National Battlefields Commission, for the year ended March 31, 1963, pursuant to section 12 of An Act respecting the National Battlefields at Quebec, chapter 57, Statutes of Canada 1907-8, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Capital Budget of the National Battlefields Commission, for the year ending March 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952 (English and French texts), together with copy of Order-in-Council P.C. 1963-977, dated June 27, 1963, approving same. (English text).

Report on the Administration of Allowances to Blind Persons in Canada, for the year ended March 31, 1962, pursuant to section 12 of the Blind Persons Act, chapter 17, R.S.C., 1952. (French text).

Report on the Administration of Allowances for Disabled Persons in Canada, for the year ended March 31, 1962, pursuant to section 12 of the Disabled Persons Act, chapter 55, Statutes of Canada, 1953-54. (French text).

Report on the Administration of Old Age Assistance in Canada, for the year ended March 31, 1962, pursuant to section 12 of the Old Age Assistance Act, chapter 199, R.S.C., 1952 (French text).

Copies of the following Orders in Council, pursuant to section 21B of the Export Credits Insurance Act, chapter 105, R.S.C., 1952, as amended 1960-61:

(1) P.C. 1963-1221, dated August 14, 1963, authorizing, under section 21 of the said act, contracts of insurance by the Export Credits Insurance Corporation for the sale of approximately 100,000 metric tons of wheat to the Government of Poland.

(2) P.C. 1963-1308, dated September 4, 1963, amending Order in Council P.C. 1963-518, dated March 25, 1963, with respect to contracts of insurance by the Export Credits Insurance Corporation for the shipment of approximately 200,000 metric tons of wheat to the Republic of Yugoslavia.

(3) P.C. 1963-1370, dated September 12, 1963, authorizing, under section 21A of the said act, long-term financing by the Export Credits Insurance Corporation for the sale by Automatic Electric (Canada) Limited, Brockville, Ontario, of automatic telephone switching equipment to the Ministry of Posts of the State of Israel.

(4) P.C. 1963-1401, dated September 19, 1963, authorizing, under section 21 of the said act, contracts of insurance by the Export Credits Insurance Corporation for the sale of wheat and flour to the Government of the Union of Soviet Socialist Republics.

Report of the Dominion Bureau of Statistics, for the year ended March 31, 1963. (English and French texts).

Report of the Unemployment Insurance Commission, for the year ended March 31, 1963, pursuant to section 95(2) of the Unemployment Insurance Act, Chapter 50, Statutes of Canada, 1955. (English text).

EMPLOYMENT

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM—SUPPLEMENTARY INQUIRY ANSWERED

Hon. Allister Grosart inquired of the Government, pursuant to notice:

> For any recent representative period, the total number of persons employed on winter works projects and the number of these who would otherwise be unemployed within the meaning of paragraph No. 3 of the memorandum referred to in my inquiry, notice of which was given on July 18.

Hon. Mr. Macdonald (Brantford): The answer to the honourable gentleman's inquiry is as follows:

> As stated in the answer to the earlier inquiry, the provinces are responsible for the audit of claims for incentive payments under the Municipal Winter Works Incentive Program.

Audited claims are submitted to the Department of Labour after certification by the province, and while the claims indicate the number of workers employed on projects, they do not include information concerning the number of these workers who would have been unemployed in the absence of the program.

The Municipal Winter Works Incentive Program for 1962-63 covered the period October 15, 1962 to May 31, 1963. The number of workers employed on projects during that period will not be known until all claims in respect of projects have been submitted.

Claims in respect of projects carried out under the 1961-62 program indicate that 196,248 workers had been employed.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, there are no items on the Order Paper for this date, but there is considerable work ahead of us.

A few minutes ago I introduced three bills and moved that they be placed on the Order Paper for second reading tomorrow; however, I am not sure that we shall be prepared to proceed with second reading of these bills tomorrow. In any event, I would not ask the house to do so. It might be possible to move the second reading of at least one of the bills and then adjourn the debate. Honourable senators would then have an opportunity to consider what has been said and be able to peruse the bills. I suggest, therefore, that one of the bills be proceeded with on second reading tomorrow.

The first bill, having to do with air carriage, provides for an increased amount for which a company is liable in case of loss by air. The second one is to provide for the establishment of harbour commissions which are being set up to make regulations uniform with respect to harbours that are not national harbours. The third bill—not a complicated one—affects one harbour, and provides for the proper name of the City of Trois-Rivières. At the present time the act refers to a place called Three Rivers, but by the charter there is no place by that name. I am sure we can proceed with that bill tomorrow.

For the remainder of the week I can only conjecture, but I believe we shall be busy. It is almost essential that the interim supply bill be passed this week. Today is October 1. It is quite likely that we shall be required to sit next Friday, October 4. That will depend upon when the bill gets through the other house.

Another bill now being considered in the other house is one with respect to an increase in the amount provided under the present Old Age Security Act. I believe that bill is beyond the resolution stage; if it is not, it will be shortly.

Hon. Mr. Aseltine: Do you expect this house will receive that bill this week?

Hon. Mr. Macdonald (Brantford): I do not know. Probably the Opposition knows more about that than I do. However, in reply to my honourable friend, I can say that it is the hope of those in the Government that the bill will receive third reading and reach this house during the week.

Still another bill now being considered in the other place deals with the Northwest Territories. That bill, about which there is some urgency, has passed the resolution stage and will be on the priority list in the other house.

Honourable senators, that is all the information I can give at the present time. Although it may seem that we have nothing important to deal with at the moment, some important legislation will be coming to us in the near future.

Hon. Mr. Crerar: May I inquire of the honourable Leader of the Government if the bills which were introduced this evening, and which he has proposed to set down for second reading tomorrow, have been distributed?

Hon. Mr. Macdonald (Brantford): I find that copies of the bills have not been distributed, and it was for this reason I said that under no circumstance would I suggest they receive second reading tomorrow. Perhaps it would be as well if we proceeded with only the one bill tomorrow, namely, the one correcting the name of Three Rivers to the City of Trois-Rivières.

Hon. Mr. Crerar: I have no objection to the bills being proceeded with if they are distributed in good time before we meet in the chamber, and thus give us an opportunity to know what we are considering. I think that is rather important.

Hon. Mr. Macdonald (Brantford): I quite agree.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, October 2, 1963

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

Prayers.

HON. JOSEPH A. SULLIVAN

FELICITATIONS ON HONORARY FELLOWSHIP, ROYAL SOCIETY OF MEDICINE, GREAT BRITAIN

Hon. Lionel Choquette: Honourable senators, before the business of the Senate commences, I should like to refer briefly to our good friend and colleague the honourable Senator Sullivan, who has returned from a speaking engagement before the British Society of Otology and other speaking engagements on the continent. Senator Sullivan has been greatly honoured in two ways. First of all, he became an honorary member of the section on otology of the Royal Society of Medicine, Great Britain. I believe he is one of very few men outside the British Isles so honoured. Furthermore he has been honoured by being asked to go from Canada to address this organization in England and as well to fulfil other important engagements.

The distinction of honorary membership was conferred on Doctor Sullivan in April 1963 by the president of the Royal Society of Medicine who travelled from England to Florida, where a meeting of the society in North America was being held, to confer the honour. I may say also that Doctor Sullivan is president of the North American Society of Otologists.

I am sure we all congratulate our colleague, and are proud of the fact that this distinction has come to one of our number. We are glad to see him back.

Hon. W. Ross Macdonald: Honourable senators, I am happy to join with the honourable Senator Choquette in extending a welcome home to a senator who has added lustre to his already outstanding reputation and who has also brought honour to the Senate, for I feel that when a distinction is bestowed upon a member of the Senate it reflects honour and glory on this body as a whole.

We are happy to know of the tributes that have been paid Senator Sullivan outside our country. We missed him greatly during the early part of this session, and I am sure I speak on behalf of us all when I say we look forward to hearing him tell us about his experience abroad.

Hon. Joseph A. Sullivan: Honourable senators, may I make a few remarks?

Honourable Senator Macdonald, Leader of the Government in the Senate, the honourable Deputy Leader of the Opposition Senator Lionel Choquette, and my good friends all, honourable senators: I have not brought so much honour to the Senate as the Senate has brought honour to me as a Canadian. What little I have done has been for the good of my profession, and for the good of this venerable chamber to which it is my good fortune to belong.

Since I became a member of this august body I have received nothing but friendliness, courtesy and kindness, and for that I am deeply grateful.

I sincerely trust that I may be worthy of the words of praise said about me today.

Mr. Speaker, I pay you my deepest respects.

PRIVATE BILL

PACIFIC TRANSMISSION COMPANY—FIRST READING

Hon. Donald Cameron presented Bill S-40, to incorporate Pacific Transmission Company.

Bill read first time.

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

Motion agreed to.

CANADIAN WORLD EXHIBITION

VISIT BY SENATORS TO SITE

Hon. Mr. Macdonald (Brantford): Honourable senators, I have an announcement to make which I am sure will be of interest to all honourable senators.

I have been asked by the Honourable Jean-Paul Deschatelets, Minister of Public Works, to extend to all senators an invitation, on behalf of the federal Government and His Worship the Mayor of the city of Montreal, to visit Montreal next Saturday morning to view the site and the arrangements which have already been made for the World's Fair.

The Minister informed me that provision has been made for a reception to be given by His Worship the Mayor and a luncheon to be given by the federal Government. Honourable senators will leave Ottawa, with members of the other house, by plane some time between 9 and 9.30 Saturday morning. It is expected that we shall be in Montreal during the middle part of the day, returning to Ottawa at approximately 4 o'clock in the afternoon. Before returning by plane we shall also visit the *Place des Arts*. We have read much about this venture, and I am sure the visit will be well worth while.

It is necessary to have some time today the names of honourable senators who wish to

take this trip. Therefore, may I request honourable senators to let the Whips know some time today whether or not they can take in this very interesting tour on Saturday next. The purpose of obtaining the names today is so that plane reservations can be made. I think this will be a most interesting occasion, and I can tell the Whips now that I shall be going.

Hon. R. B. Horner: Honourable senators, I do not know whether I am in order, but I should like to impress upon the Government the necessity, as it appears to me, of obtaining confirmation that the World's Fair grounds will be ready for the scheduled opening. There have been many confusing reports as to whether it will be possible to proceed with the fair. I think the Government would be well advised to obtain reports as soon as possible to the effect that all is well, and that the grounds will be ready and equipped for the opening of the fair.

Hon. Mr. Macdonald (Brantford): May I say to the honourable senator from Blaine Lake that probably he himself will be able to reach a conclusion one way or another, if he takes in this trip on Saturday and looks over the site himself.

CARRIAGE BY AIR ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. W. Ross Macdonald moved the second reading of Bill S-37, to amend the Carriage by Air Act.

He said: Honourable senators, it is not my intention to proceed with the complete explanation of this bill today. Instead, I thought I would today explain the basis upon which the bill is founded, then adjourn the debate and proceed further with it when the house meets tomorrow.

Honourable senators will note from the bill that it is apt to give the impression it is an intricate and difficult piece of legislation. Actually, it is not as difficult as it at first appears.

In 1929, when there was not a great deal of international aviation and commercial aviation, a number of nations got together and drew up a document making uniform provisions for flights between one country and another. They met in Warsaw, and the arrangements made at that time are now known as the Warsaw Convention. I have arranged to have copies of that convention distributed. Copies are available in English and in French, and honourable senators will be provided with a copy in the language they prefer.

If honourable senators will examine the Warsaw Convention, I believe they will find in it the names of the countries which signed. Canada was not a party to the Warsaw Convention in 1929, but in 1947 she did join and become subject to its provisions.

In 1955 it was decided that some changes should be made in the terms of the convention. There had been great progress made in aviation and many more countries had joined in the convention and become bound by its terms.

Honourable senators, I have here a list of the countries that are now bound by the terms of the Warsaw Convention of 1929, and if you agree I would place this on *Hansard* for your information as to the countries bound by the convention.

Hon. Mr. Aseltine: Agreed.

COUNTRIES BOUND BY INTERNATIONAL CONVENTION RELATING TO INTERNATIONAL CARRIAGE BY AIR, SIGNED AT WARSAW, OCTOBER 12, 1929.

Argentina	Laos
Australia	Liechtenstein
Austria	Liberia
Belgium	Luxembourg
Brazil	Malagasy Rep.
Bulgaria	Malaya—Fed. of C.
Burma	Mexico
Byelorussia SSR	Morocco
Cambodia	Netherlands
Canada	New Zealand
Ceylon	Norway
China—Peoples R.	Pakistan
Congo (Brazzav.)	Philippines
Czechoslovakia	Poland
Denmark	Portugal
Ethiopia	Romania
Finland	South Africa
France	Spain
Ghana	Sweden
Greece	Switzerland
Guinea Rep.	Ukranian SSR
Hungary	United Arab Rep.
Iceland	United Kingdom
India	U.S.A.
Indonesia	U.S.S.R.
Ireland Rep.	Venezuela
Israel	Viet-Nam Rep.
Italy	Vietnam D.R.
Japan	Yugoslavia

Hon. Mr. Macdonald (Brantford): Honourable senators, I was saying that by 1955 it was felt some amendments to the Warsaw Convention should be made in order to take account of the changes in international air transportation. Accordingly, an international conference was held in The Hague, and it adopted a protocol which amended the Warsaw Convention of 1929. It is that protocol which is before us today and to which we are asked to give our legislative approval. The Hague Protocol, as it has become known, is attached to the bill now before us. The pro-

tocol has already been signed by a number of countries. I have a list of those countries and would ask to be allowed to put it on *Hansard* so that we may all know which countries are now bound by the protocol.

Hon. Senators: Agreed.

COUNTRIES BOUND BY HAGUE PROTOCOL OF 1955 AMENDING THE INTERNATIONAL CONVENTION RELATING TO INTERNATIONAL CARRIAGE BY AIR, SIGNED AT WARSAW, OCTOBER 12, 1929.

Australia	Luxembourg
Byelorussio SSR	Malagasy Rep.
Cameroun	Mexico
Congo (Brazzav.)	Netherlands
Congo (Leopoldv.)	Niger
Czechoslovakia	Norway
Denmark	Pakistan
Dahomey	Poland
El Salvador	Romania
France	Sweden
German Fed. Rep.	Switzerland
German Democ. R.	Ukranian SSR.
Hungary	United Arab Rep.
Iceland	Upper Volta
Ireland Rep.	U.S.S.R.
Italy	Venezuela
Ivory Coast	Yugoslavia
Laos	

Hon. Mr. Macdonald (Brantford): Honourable senators, I do not think it is necessary for me to further explain the bill at this time. I feel that you should become conversant with the terms of the original convention and also with the terms of the protocol before I proceed further. In that way you will be able to follow the bill with the interest which I think you would like to take in it.

Therefore, honourable senators, I move the adjournment of the debate.

Motion agreed to.

NATIONAL HARBOURS BOARD ACT

BILL TO AMEND—SECOND READING

Hon. Paul H. Bouffard moved the second reading of Bill S-39, to amend the National Harbours Board Act.

He said: Honourable senators, this is a very simple bill. It proposes to amend a section of the National Harbours Board Act to correct a name which is inaccurate in the act itself.

Section 2, paragraph (b) of chapter 187 of the Revised Statutes of Canada, 1952, an act respecting the National Harbours Board, reads as follows:

> "Corporations" means the Corporations constituted to administer the harbours of Halifax, Saint John, Chicoutimi, Quebec, Three Rivers, Montreal and Vancouver—

In section 6 of the same act the City of Trois-Rivières is called Three Rivers; and in the schedules to the act it is also called Three Rivers.

According to the act of incorporation of the city, it is the City of Trois-Rivières, not the City of Three Rivers. This appears in the act of the provincial legislature passed in 1937, where section 4 states:

> The inhabitants and ratepayers of the City of Trois-Rivières and their successors shall continue to be a municipal corporation under the name of "The Corporation of the City of Trois-Rivières".

I am citing the English version.

Consequently, the designation in the National Harbours Board Act is wrong. The sole purpose of this bill is to amend the act so as to make it concur with the proper designation of the City of Trois-Rivières, as it was incorporated by the provincial statute.

Hon. Mr. Choquette: May I ask the honourable senator a question? You have referred to chapter 187 of the Revised Statutes of Canada. Could you tell us in what year that act was passed?

Hon. Mr. Bouffard: That chapter is contained in the Revised Statutes of Canada 1952, but the act, chapter 187, was passed in 1936. It begins:

> This Act may be cited as the *National Harbours Board Act*. 1936, c. 42, s. 1.

At that time the harbour of Trois-Rivières was one which came under the jurisdiction of the National Harbours Board. That act, as I say, is 1936.

Hon. Mr. Lambert: May I ask the honourable senator if the city which has been referred to here had a harbour before the National Harbours Board came into existence in 1936? If so, by what name was it then known?

Hon. Mr. Bouffard: I am under the impression that there has been a harbour at Trois-Rivières for a very long time, long before the National Harbours Board Act was passed, but it was placed under the jurisdiction of the National Harbours Board at the time of the creation of that board.

Hon. Mr. Lambert: As I understand it, the National Harbours Board Act of 1936 simply continued the name of the city referred to as it had existed before that time.

Hon. Mr. Bouffard: I believe that up to the time of the enactment of the Quebec statute the City of Trois-Rivières had carried the two names, Three Rivers and Trois-Rivières; but in accordance with the provincial statute of 1937 the name both in French and English became Trois-Rivières.

Of course, when the National Harbours Board was created in 1936 the Statutes of Quebec did not contain chapter 106 under which it was to be known as the City of Trois-Rivières, and I believe that is the reason it was called the City of Three Rivers in the National Harbours Board Act.

Hon. Mr. McCutcheon: That is when we had bilingualism!

Hon. Léon Méthot: Honourable senators, in considering this bill may I be permitted to address you briefly on the origin and the name of my home town?

Around 1610 there was a regular fur market, and the trading post at Trois-Rivières was of major importance. When in 1634 Champlain sent Laviolette to build a fort to prevent illegitimate fur trading, he founded Trois-Rivières, and that is why Trois-Rivières is the second oldest city in Canada, after Quebec. He did not name our city because there were three rivers within the limits or in the vicinity of Trois-Rivières, but only because of the St. Maurice River.

As many of you know, Trois-Rivières is situated on the north shore of the St. Lawrence River, near where the St. Maurice River has three outlets separated by two delta islands. On one is situated the Consolidated Paper Company, and the other is a national park. Around 1634 it was all forest and anyone going up the St. Lawrence River had the illusion that three rivers were flowing into the St. Lawrence, and that is the reason why they gave it the name Trois-Rivières. Between 1655 and 1850 activities in Trois-Rivières were on a very reduced scale, though throughout the French regime the city remained a garrison and was administered by a governor.

A foundry was built north of the town to to use local bog-iron ore, and in 1757 it cast a million pounds of nails, stoves and utensils.

In 1806 the population was 1,500. Later on a log slide was built at Shawinigan Falls, 21 miles north of the town. Logs from the immense St. Maurice Valley forest could then float to the mouth of the river, and 80 sawmills were operating by 1854.

The city was incorporated as a city in 1857, and at the time the words used were "Les Trois-Rivières" or "Trois-Rivières"—or Three Rivers, as it was translated in English—but only in French.

I remember the days when I was in college if I used only the name Trois-Rivières in my homework it meant a black mark for me because the professor was of the opinion that I should say "Les Trois-Rivières". Later on, when my daughter was attending the Convent of the Ursulines, it was even at that time considered an error to write only Trois-Rivières, and the nuns requested the pupils to write "Les Trois-Rivières".

You may not know that I am a product of Trois-Rivières only. I took my studies in the College of Trois-Rivières and I studied law in the office of my father, who at the time was practising as the lawyer for the city. In those days legal action was sometimes against the city "de Trois-Rivières" and sometimes against the city "des Trois-Rivières", and I used to tell my father when they were suing the city "de Trois-Rivières" instead of the city "des Trois-Rivières", he should take exception a la forme—exception to the form—so as to have the action quashed. However, this was never done, and no court of justice has ever decided if the name of the city was "Trois-Rivières" or "Les Trois-Rivières".

In 1867 when the Province of Quebec was organized by our Constitution, at its first Parliament or session it was decided that our statutes were to be published in two languages and in two separate books. As you know, we now have one book where the English is on one side of the page and the French is on the other. At that time we could see in the French version "La Corporation de la Cité des Trois-Rivières" and in English "The Corporation of the City of Three Rivers".

It remained in that form up to 1934, when we celebrated the tercentenary of our city. Our patriots decided that in a town where the population was 95 per cent French its name should be in French only because, as you know, Trois-Rivières is more French today than Paris or Marseilles. We have 96 or 97 per cent French, and 3 or 4 per cent takes care of all the others. It is more French than any other place in the world that I know. So in keeping with this view it was decided we should change the name. In 1937 I had the honour of acting for the city in proposing a bill to the Legislature of Quebec which reads in part as follows:

> Section 2. The inhabitants and ratepayers of the City of Trois-Rivières and their successors shall continue to be a municipal corporation under the name of "The Corporation of the City of Trois-Rivières".

Not only was I born in Trois-Rivières, but on Bonaventure street, and being a Conservative I still reside on Bonaventure street in the house where my wife was born.

Being also progressive, I opened my law office on Bonaventure Street, at the corner of Hart Street, named in honour of Mr. Ezekiel Hart who was chosen in 1807 to represent Trois-Rivières in the Legislative Assembly of Lower Canada and who was the first Jew elected to a Canadian legislature. He was unable to take his seat, however,

because he could not swear the customary oath "on the true faith of a Christian". He was, however, re-elected in 1808 and once more declared ineligible because of his faith. Nominated for a third time in October 1809, he withdrew from the contest and abandoned politics though he had the support of the Governor, Sir James Craig. As an indirect result of the agitation aroused by Hart's case, an act granting full political and civil rights to the Jews in Canada was passed in 1832, 25 years before their emancipation in Great Britain. A monument has since been erected in his honour right in front of my office on Champlain Square.

The Harbour Commission of Trois-Rivières was abolished about 1935 and the harbour of Trois-Rivières was placed under the control of the National Harbours Board before the statute of Quebec of 1937 was passed, and this is why in the federal statute our harbour was named the harbour of Three Rivers.

Now, there is no doubt that our harbour should be called the harbour of Trois-Rivières. This bill is presented to correct the inaccuracy, and I will certainly vote for it.

Hon. Mr. Hollett: May I ask the mover of this bill if the people of Trois-Rivières have been consulted in this matter and if they have agreed to the change of name?

Hon. Mr. Bouffard: I do not think they need to be consulted because the change was made by Mr. Duplessis when he was Prime Minister of Quebec. The act which was passed by the Province of Quebec in 1937 was proposed by Mr. Duplessis, then Prime Minister of the Province of Quebec.

Hon. Mr. Méthot: Perhaps I can answer my honourable friend. At the time this law was adopted by the Quebec Legislature I was the lawyer in the matter and everybody was consulted and asked for his consent on many occasions, particularly in 1934 when the celebrations were held. Later the municipal council voted on it and it was decided that the name should be only in French. For that reason it is now felt that it should be the same in Ottawa as in Quebec.

Motion agreed to and bill read second time.

On motion of Hon. Mr. Bouffard, bill placed on the Orders of the Day for third reading at the next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, October 3, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to June 30, 1963. (English and French texts).

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, August 14, August 28, September 11 and September 25, 1963, pursuant to section 7 of the Regulations Act, Chapter 235, R.S.C., 1952. (English and French texts).

ESTIMATES TABLED

Hon. Mr. Macdonald (Brantford): Honourable senators, I also table Supplementary Estimates (D) for the fiscal year ending March 31, 1964 (English and French texts).

Copies of Supplementary Estimates (D) were distributed last night, and each honourable senator should now be in possession of a copy. I mention this because tomorrow I will be presenting an interim supply bill. I have not yet seen the bill, but I hope it will contain requests for two months' supply. Honourable senators will recall that in years gone by I objected to bills requesting only one month's supply, so I hope the present Government will obtain the consent of the other parties in the house to request for two months' supply.

It will be necessary for the Senate to sit tomorrow afternoon. We are now in the third day of October, tomorrow will be the fourth, and the Government is not in funds for expenditure for this month. Honourable senators will appreciate the necessity of proceeding with the bill and, I hope, passing it tomorrow.

PRIVATE BILL

ST. LAWRENCE RIVER TOLL BRIDGE AND CAUSEWAY AT POINTE-AUX-TREMBLES —FIRST READING

Hon. Thomas Vien presented Bill S-41, to authorize the construction of a toll bridge and a causeway over the St. Lawrence River near the City of Pointe-aux-Trembles.

Bill read first time.

28906-6—35

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

Motion agreed to.

TABLE OF PRECEDENCE FOR CANADA

On the Notices of Inquiries:

Hon. Jean-François Pouliot: Honourable senators, I refer to a previous inquiry about the Table of Precedence for Canada. If we look at the red list of the Senate, where the names of all senators are inscribed, it will be seen that 33 of us were appointed by Mr. St. Laurent when he was Prime Minister, and that 33 were appointed by Mr. Diefenbaker when he was Prime Minister. Therefore, 66 of us are indebted either to Mr. St. Laurent or Mr. Diefenbaker for our appointment to this chamber.

I drew to the attention of this house, and of the Government, the fact that at the present time neither Mr. St. Laurent nor Mr. Diefenbaker has the rank that he is entitled to in the Table of Precedence. Since the Prime Minister of Canada is the first citizen of this land, it is unfair that former prime ministers should have the seventy-ninth or eightieth rank in the Table of Precedence. I have been informed further that an order in council was drafted under the previous regime, but for some reason or other it has not been passed.

I wonder if the present Government, in order to give the two previous prime ministers of Canada the consideration which is due them, would draft another order in council and see what could be done to place former prime ministers immediately after the Prime Minister in office in the Table of Precedence. All I ask is, would the Government be willing to prepare such an order in council, and then to report to the Senate if it is adopted, and if it is not adopted, to state why not.

Hon. Mr. Horner: May I ask the honourable senator if he would not go a little farther and ask that our gracious Queen be requested to knight these former prime ministers?

Hon. Mr. Pouliot: His Excellency the Governor General is the first on the list, and His Excellency the Administrator should be in that capacity when he actually substitutes for the Governor General. My friend from Blaine Lake (Hon. Mr. Horner) knows all that, and he knows much more about what I said a moment ago.

Hon. Mr. Macdonald (Brantford): I shall be glad to bring the remarks of both honourable gentlemen to the attention of the Government.

ICE CONDITIONS—ST. LAWRENCE RIVER

REPORTED CONSTRUCTION OF ICE BOOM AT MONTREAL—ORDER STANDS

On the Notice of Inquiry by Hon. Mr. Isnor:

Re: Ice Boom—St. Lawrence River

(a) Is the statement as printed in the *Financial Times* of Montreal, July 15th, 1963, correct as to fact?

(b) To which department of the government will the 5½ million dollars be charged?

(c) To which department of government will the maintenance be charged?

(d) What is the annual estimated cost of maintenance?

Hon. Mr. Macdonald (Brantford): Stand.

Hon. Mr. Isnor: May I inquire of the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) when I will likely receive a reply to this rather important question.

Hon. Mr. Macdonald (Brantford): I will endeavour to get that information for the honourable senator by the next sitting.

Hon. Mr. Isnor: Thank you.

Order stands.

NATIONAL HARBOURS BOARD ACT

BILL TO AMEND—THIRD READING

Hon. Paul H. Bouffard moved the third reading of Bill S-39, to amend the National Harbours Board Act.

Motion agreed to and bill read third time and passed.

CARRIAGE BY AIR ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Macdonald (Brantford) for second reading of Bill S-37, to amend the Carriage by Air Act.

Hon. Mr. Macdonald (Brantford): Honourable senators, yesterday I distributed copies of the Warsaw Convention, which I trust honourable senators have had an opportunity to peruse, together with the present bill which sets forth the protocol amending the convention.

The convention initially was adopted in 1929, when there was very little flying in Canada. We did have the bush pilots, those courageous and valiant young men who flew with very light airplanes into what was then the wilderness of our northern country, taking great chances in order to carry explorers and prospectors into that area. Today we are benefiting from their exploits, and we have in that vast country valuable mines and oil fields which I am sure would not have been developed as rapidly had it not been for the bush pilots of that day.

By 1929 local flying clubs were being established across Canada in many small towns and in larger centres, where interested young men came together to learn to fly. I take pride in the fact that in 1929, when I was a young man, I became the first president of the Brant-Norfolk Flying Club and from that club there have gone forth many pilots. Many of them served with distinction in the last war, and others have become pilots with T.C.A. and other commercial organizations.

Brantford is only one centre that has one of these flying clubs, many of which are still operating and still rendering fine service to our country. After the war they trained commercial pilots, but a lot of that work has now been taken over by the Department of National Defence.

At that time there was little or no international air traffic in Canada, with the possible exception of some flying between Canada and the United States. There was no transatlantic flying. It was not until 1937 that Trans-Canada Air Lines was established. For many years its operations were confined to Canada, then, later, to Canada and the United States, and it was only after the war that regular scheduled transatlantic flights were made by T.C.A.

However, there were international flights in Europe much earlier than on this continent.

Accordingly, in October 1929 most European countries, together with some countries outside Europe, gathered at Warsaw and drew up the convention for the unification of certain rules relating to international carriage by air. It was at this gathering that what has come to be known as the Warsaw Convention was entered into.

Honourable senators will note from the list of countries which entered into that convention back in 1929 that the United States and Canada are not included. That is to say, Canada and the United States did not join in the Warsaw Convention at that time. But in the years immediately following the convention there was rapid development in aviation, and the possibility of air travel between North America and the other continents was beginning to be realized. Consequently, in 1934 the United States became a party to this convention. Canada did not join until 1947. The legislation enabling us to do so was

passed by our Parliament in 1939, but the war intervened and Canada did not proclaim the legislation until 1947.

It is not my intention to go into detail now with respect to the original convention. I am quite sure that honourable senators will want to refer this bill to committee—I presume the Standing Committee on Transport and Communications, of which the honourable Senator Hugessen is chairman. At the committee hearing there will be a departmental representative who is familiar with the terms both of the convention and of the protocol, and he will be prepared, of course, to answer all questions with regard to both these documents. The committee should have a most interesting meeting.

However, I feel I should mention some of the more pertinent, and probably more interesting, points in connection with the original convention. It established what is practically the absolute liability of the carrier to the passenger for personal injury and for damage to or loss of baggage and/or merchandise. Were it not for the Warsaw Convention, a shipper or passenger suffering loss would have to prove that the carrier was negligent, but the convention provides that the onus is on the carrier to prove that it was not negligent. In other words, when an action is brought by an injured person or by one suffering loss by reason of destruction of baggage, or otherwise, he makes his claim against the carrier and immediately it becomes the duty of the carrier to prove that it was not negligent. That procedure is definitely in favour of the passenger.

On the side of the carrier is the fact that the convention limits its liability, and although the amounts which I mention may appear to be small, they are in fact correct.

By the original convention, the claim of a passenger as to liability for personal injury, including loss of life, was limited to approximately $8,300. Liability for loss of baggage over which the carrier had control was limited to $300, unless the owner of the baggage entered into a prior agreement with the company to the effect that the liability would be greater. In such instance the owner would have paid a premium. In the case of goods, the liability under the original convention was limited to about $15 per kilogram, unless the owner had declared a higher value and again had paid a higher premium.

In the event of litigation, the convention provides that the place of trial is where the accident occurred, or where the carrier has its principal place of business, or it may be in the country where the claimant resides if the carrier has a place of business in that country.

The convention also makes provision for the form of passenger tickets, luggage tickets, air consignment notes, etc., and such items are referred to in the convention as documents of carriage.

You will notice in reading the convention that it applies only to international carriage between countries party to the convention. For example, the convention would not apply to a flight between Canada and France if France were not a party to the convention. However, the convention would apply even if the flight were between two points in the same country provided there was a stopover in another country. That is to say, supposing one bought a ticket for Vancouver and the flight was routed so as to stop at, say, Toronto, Chicago, and then Vancouver. That would be an international flight; and if an accident took place on such a flight it would come under the provisions of this treaty. The limit of the liability of the carrier would be as provided for under the original convention, as I have stated it.

Hon. Mr. Choquette: Who is considered the carrier in this act? I do not see any definition.

Hon. Mr. Macdonald (Brantford): The carrier would be the air transport company.

Hon. Mr. Choquette: I should like to draw the attention of the honourable senator to page 11 of the act, Article 20, paragraph 2:

> In the carriage of goods and luggage the carrier is not liable if he proves that the damage was occasioned by negligent pilotage or negligence in the handling of the aircraft or in navigation and that, in all other respects, he and his agents have taken all necessary measures to avoid the damage.

My question is this: Is not the pilot the agent of the carrier? If so, how is the carrier absolved from any liability if it is proven? Is there a word missing?

Hon. Mr. Macdonald (Brantford): I do not think there is a word missing. Under the original convention the pilot was not absolved from liability, but under the protocol to which I shall come in a moment there is a provision respecting his liability.

I do not think I need say anything further with respect to the original convention. I merely mentioned it because the bill before us is, as it were, an amendment to the original convention.

This amendment is contained in the protocol which was entered into at The Hague in 1955. A meeting was convened there by the International Civil Aviation Organization, to which was invited all countries of the world, whether parties to the original convention

or not, and at that time the various representatives drew up the protocol which is now before us for implementation and ratification. I do not propose to spell out the details of the protocol but merely mention the changes the protocol effects in the original convention.

In the first place it increases the liability of the carrier, from $8,300 to $16,600. That still does not seem to be a large amount in the case, for instance, of the death of an executive receiving a large salary. Notwithstanding that, under this protocol the liability of the carrier is not more than $16,600.

Hon. Mr. Pearson: May I ask a question of the honourable Leader of the Government. With respect to injuries, is the type of injury specified? I am thinking that an injury might consist of merely a broken finger. Is any particular kind of injury specified?

Hon. Mr. Macdonald (Brantford): No, the convention does not specify particular kinds of injury. I do not see how it could. This is not an insurance policy.

Perhaps I should mention here that anyone flying can get additional protection by taking out an insurance policy, the premium for which is very low. However, over and above that, if a person were injured he or she would have a claim against the company for such injury.

The amount of $16,600 was arrived at by negotiation. My information is that both Canada and the United States were anxious to have a larger amount of liability provided for, but the other countries would not agree to it. I am further informed that under our own laws, there is a limit of liability in the amount of $20,000.

The protocol also simplifies the provisions regarding passenger tickets, consignment bills and baggage tickets. In the original convention there was extensive detail in connection with these documents, and those provisions have now been simplified.

I come now to the question raised by the honourable Acting Leader of the Opposition (Hon. Mr. Choquette). The original convention did not protect an employee of the carrier, and passengers were free to sue the pilot for an unlimited amount. The protocol now provides that when an employee of the carrier is acting within the scope of his employment the limit of liability set forth in the protocol will also apply to him.

Honourable senators, the purpose of the bill that we are considering is to implement the provisions of the protocol to which I have just referred, and provides that the protocol shall have the force of law with respect to international traffic between Canada and the other countries which have ratified it. However, a case may arise where Canada, for instance, has ratified the protocol and country "X" has not ratified it but is a party to the original convention. In that case the terms of the original convention would apply. But, if country "X" had ratified the protocol then both countries would come under its provisions.

Hon. Mr. Crerar: May I inquire at this point whether the signatories to the original convention are all adhering to these amendments, or to this protocol as the honourable Leader of the Government calls it?

Hon. Mr. Macdonald (Brantford): I did not understand the question.

Hon. Mr. Crerar: I am sorry. My question is this: Are there countries which were parties to the original convention which are not parties to these amendments to the convention in respect to damages that might arise?

Hon. Mr. Macdonald (Brantford): A great many of the countries are parties to the protocol, but not many of them have ratified it. In fact, it is only recently that it could come into effect. It is provided that it cannot come into effect until at least 30 countries have ratified it. My information is that it has now been ratified by 31 or 32 countries.

Hon. Mr. Crerar: How many countries were parties to the original convention?

Hon. Mr. Macdonald (Brantford): I put that information on record yesterday, and I do not have the number before me at this moment.

Canada is ratifying it now so that it can become effective as between Canada and the other 30-odd countries which have already ratified it.

Hon. Mr. O'Leary (Carleton): May I ask if the protocol has been ratified by the United States?

Hon. Mr. Macdonald (Brantford): Yes, it has been ratified by the United States.

Hon. Mr. Hollett: Do I understand correctly that with respect to an aircraft leaving Halifax for, say, Vancouver, this convention has no effect unless that aircraft touches down in the United States? An aircraft has to touch down in another country in order for these provisions to apply?

Hon. Mr. Macdonald (Brantford): Yes, my honourable friend is correct. This protocol affects international flights only.

Hon. Mr. Aseltine: Would the honourable senator tell me what the procedure would be in a case where a signatory to the convention wished to withdraw?

Hon. Mr. Macdonald (Brantford): Notice would have to be given according to the terms of the convention. I do not recall at the moment what the terms are, but I am sure that the official from the department can give us full information on that question when the convention is before the committee.

Hon. Mr. Aseltine: Do you know of any country that has withdrawn?

Hon. Mr. Macdonald (Brantford): No, I do not know of any country having withdrawn. I did see a list of the countries that had signed the convention but had not ratified it. Perhaps I may be allowed to give this information at the next sitting of the Senate; in any event, it can be given when the committee meets to consider this convention.

Hon. Mr. Hugessen: If I may interrupt, an answer to my friend's question is to be found in Article 39 of the convention which reads:

> (1) Any one of the High Contracting Parties may denounce this Convention by a notification addressed to the Government of the Republic of Poland, which will at once inform the Government of each of the High Contracting Parties.
>
> (2) Denunciation shall take effect six months after the notification of denunciation, and shall operate only as regards the party who shall have proceeded to denunciation.

Hon. Mr. Aseltine: What article is that?

Hon. Mr. Hugessen: Article 39 on page 16 of the act.

Hon. Mr. Kinley: Honourable senators, may I refer to Article 22, which reads:

> (1) In the carriage of passengers the liability of the carrier for each passenger is limited to the sum of 125,000 francs. Where, in accordance with the law of the Court seized of the case, damages may be awarded in the form of periodical payments, the equivalent capital value of the said payments shall be not exceed 125,000 francs. Nevertheless, by special contract, the carrier and the passenger may agree to a higher limit of liability.

I cannot quite understand why the liability under this convention would be only $16,000-odd. Perhaps the honourable Leader of the Government can explain as to where he gets the figure of $16,600.

Hon. Mr. Macdonald (Brantford): I must thank Senator Kinley for having brought this question to my attention before I came into the chamber. I took the occasion to get in touch with the Foreign Exchange Department, Bank of Canada, to ascertain whether these figures are correct and I obtained certain information. Based upon that information I can make this statement: The limit of liability in the convention is expressed in terms of a French franc consisting of 65½ milligrams gold of millesimal fineness 900. The Foreign Exchange Department, Bank of Canada, informs me that this franc, when converted into United States currency, is worth approximately 6⅝ cents.

The limit of liability contained in the convention is 125,000 francs, which is approximately 8,300 United States dollars, or 8,940 Canadian dollars at the present rate of exchange. The protocol, as I have mentioned, doubles the limit of liability, making it 250,000 French francs, which is the equivalent of approximately 16,600 American dollars, or 17,900 Canadian dollars at the present rate of exchange.

Honourable senators, I have little further to say. I should point out that up to the present moment we have been discussing the Warsaw Convention and the protocol. The bill before us makes one other change, and that is with respect to translation. It amends the English language version of the Warsaw Convention contained in chapter 45 of the Revised Statutes of Canada, 1952, copies of which were distributed to honourable senators yesterday. These minor changes are set forth in clause 3 of the bill. They are necessary to make the terminology of the English version of the convention, which is a Canadian translation of the official French text, conform with the terminology of the officially adopted English version of The Hague Protocol.

That is all I have to say. I hope you are now quite familiar with the Warsaw agreement and with the agreement that was made at The Hague in more recent years.

Hon. John J. Kinley: Honourable senators, I remember an experience I had with the French franc—that is, the gold franc which is supposed to be a constant currency. I read this bill last night, and it comes to my mind that 250,000 francs is much more money than is spoken of by the honourable Leader of the Government.

I took the trouble of calling my bank this morning about the rate of exchange on the franc. They called Montreal, and they told me that the French gold franc is quoted on the Canadian exchange, not on the American exchange, at $35.22 for 100 francs. At that rate 250,000 francs would approximate $80,000. One can work that out on the basis of about one third of a dollar. That would mean they would be liable for $80,000 in the case of death in an aircraft accident. This is very important, as most of us travel by air. I travel by air on many occasions and I always take out insurance, as it is very cheap. For $1 I get insurance coverage of $30,000 from Nova Scotia to Ottawa and

back, if I buy a return ticket. I did not know what were the limits of the liability of the air carrier until I saw this bill and the protocol.

I am glad this bill will go to a committee, as the difference here is serious. It seems to me that $16,000 would be a very small amount to pay for the life of a passenger on an aircraft, but the bill says that it is 250,000 gold francs. The question is, how much is a gold franc worth in Canadian currency?

Hon. Mr. Macdonald (Brantford): Honourable senators, I find that I gave the wrong information to honourable Senator Grattan O'Leary when I said that the United States had ratified the protocol. I find that the United States has not yet ratified the protocol although it is before Congress at the present time for ratification. Of course, as I mentioned earlier, the United States has been a party to the Warsaw Convention since 1934.

Hon. Paul H. Bouffard: May I be permitted a question? I understand that the bill is going to committee. Could we have some expert from the Department of Justice give his opinion as to whether this treaty or this arrangement affects civil rights and procedure? The convention states that the action should be taken at a certain place and the amount of money which is involved is determined there. Can it be legally passed without the ratification of provincial legislatures?

I think it is a serious situation, and there is grave doubt as to whether we can bind the citizens of any province concerning civil rights without their consent. Therefore, I would like an expert from the Department of Justice tell us whether he thinks this convention, if adopted only by Parliament, is valid.

Hon. Mr. Macdonald (Brantford): I am pleased that honourable Senator Bouffard has raised this question. I may say that honourable Senator Vien spoke with me just before I came into the house and raised the same question. It had not come to my attention previous to that time. Senator Vien has asked that the debate be adjourned in order that he may discuss this point with honourable senators. I am sure we would be pleased also to hear from Senator Bouffard at that time.

I may also say that other senators have expressed a desire to speak on the bill, so I do not expect that it will receive second reading today.

Hon. Mr. Thorvaldson: Would the honourable Leader of the Government care to comment as to why this convention has not been before Parliament for ratification until now, which is 34 years after it was entered into, namely, in 1929? Of course, the same question would apply in regard to the United States, as he tells us that it is before Congress now for ratification.

Hon. Mr. Macdonald (Brantford): There was delay in ratifying the original convention, on account of the war. During the war, if there were international civilian flights they were limited to a few countries. Also, during that period so many other things took up our time that it was not practical to try to get countries together on these points. I presume that was the reason for the delay, but I have no more definite knowledge about it than has my honourable friend Senator Thorvaldson. I may say that the United States ratified the agreement about five years after it came into effect.

With respect to the protocol, it was entered into at the convention at The Hague in 1955. The Parliament of Canada has been very busy since that time. Honourable senators know that we have had a large volume of legislation to deal with and that it has been difficult to attend even to the most urgent matters. I am not blaming any government or any opposition for this. There has been too much work to handle in the other house.

I agree with my honourable friend (Hon. Mr. Thorvaldson) that it could have come to this house earlier; but I presume that even if it came here earlier it would not have been advanced very far in the other house. The reason we are bringing it forward now, of course, is that the protocol could not come into force until 30 countries ratified it. This came about only on August 1 of this year, and the Government now proposes to ratify the protocol.

Hon. Lionel Choquette: What advantage do we gain by ratifying or accepting it? As my honourable friend Senator Bouffard has pointed out, it affects civil rights which is a provincial matter. Our courts will administer our laws, the laws of negligence as we know them to exist. Their hands would be tied by a paltry sum of $16,000 compensation in the case of the death of a person with respect to whom the claim should be $250,000; whereas, if this agreement were not in existence we would apply our own laws and our own criterion for assessing damages.

Hon. Mr. Bouffard: As a matter of fact, a case of this kind occurred about a year ago. Compensation of about $150,000 was paid for one man's death through accident.

Hon. Mr. Macdonald (Brantford): I am not sure whether that judgment was given against the carrier company or against the insurance company.

Hon. Mr. Bouffard: It was a settlement of an action taken against a carrier.

Hon. Mr. Macdonald (Brantford): If it were taken against the carrier, I think it would be in connection with an international flight between Canada and a country which was not a party to the convention. If the country were a party to the convention the amount would be limited.

Hon. Mr. Bouffard: It was between Canada and the United States.

Hon. Mr. Macdonald (Brantford): I would think that if it were between Canada and the United States, the provisions of the Warsaw Convention would apply at that time.

Hon. Mr. Choquette: That is just the question I asked. What is the advantage?

Hon. Mr. Macdonald (Brantford): I am coming to that point. My friend asks what the advantage is. The loss through claims would be so great if there were no limits that I suppose flying companies could not exist. If there were many claims of $125,000 those companies could not exist or, if they did, the rates would have to be prohibitive.

Hon. Mr. McCutcheon: Does my friend feel that is objectionable?

Hon. Mr. Macdonald (Brantford): Well, as to whether the rates would be prohibitive I would not have so much objection now, seeing that the law was amended recently to allow members of this house to travel by air. I am afraid that if the rates were prohibitive the companies could not exist.

Hon. Mr. O'Leary (Carleton): Do they not carry their own insurance against losses?

Hon. Mr. Macdonald (Brantford): They probably do, to the extent set forth in the convention; but if they have to carry insurance to meet claims of millions or billions of dollars, that would mean putting up the rates to a prohibitive level.

Hon. Mr. McCutcheon: The fact is that this convention does not apply when I fly by T.C.A. or C.P.A. between Ottawa and Vancouver or between Ottawa and Toronto. There is no limit to the liability on those flights. What advantage do we get by limiting liability in the case of people flying by Air France, Alitalia, K.L.M., or by T.C.A. and C.P.A. on their international flights? Why would we have two laws? It is very curious and very interesting.

I have looked at the conditions on the T.C.A. ticket which I am going to use this evening. I see that all the up-to-date provisions of the protocol are in those conditions, although this Parliament has not yet approved the protocol. The argument breaks down completely then. I am worth a quarter of a million dollars if I am killed between Ottawa and Winnipeg and only $16,000 if I am killed over the Atlantic.

Hon. Mr. Macdonald (Brantford): With respect to companies which operate flights, one has to be practical. My friend who is worth $250,000 could, no doubt, pay a fare 10 or 20 times higher than it is today.

Hon. Mr. McCutcheon: I pay the same fare in Canada as anyone else pays, and there is no limit on the liability.

Hon. Mr. Macdonald (Brantford): I understand there is a limit on the liability. I inquired about it and was told that there is a limit in Canada of $20,000. However, my friend may know more about that than I do, and I stand to be corrected on the point.

My honourable friend will see my point: if there was no limit the cost for carrying people and goods would be so high that planes could not operate except to carry persons worth, say, $250,000.

Hon. Mr. Grosart: Why does the honourable senator say that? I think we all know that for approximately $2 you can buy $200,000 worth of insurance. If the carriers absorbed an increase of $2 per passenger, I fail to see how that would be prohibitive.

Hon. Mr. Bouffard: You can certainly get the insurance at a lower rate than we do in Quebec.

Hon. Mr. Kinley: The limitation is only a ceiling. The amount is within the jurisdiction of the courts, and 250,000 gold francs is the limit to which they can go. Again, if, for instance, you are on a Canadian plane flying from England to Canada, then it is a question of who is responsible, and compensation between air lines might be a factor in attracting travellers.

Hon. Mr. Macdonald (Brantford): Honourable Senator Grosart has raised a point with reference to the comparatively small premium one pays for considerable protection. I suppose if some countries were to agree, we would then have different rates. Some companies might increase their rates just by the amount of the premium, while others might not, and the insurance companies in that respect would be put out of business. We have heard a lot about what this proposed new pension plan would do to the insurance companies. What would happen to the insurance companies now offering flight insurance? Would we in effect be socializing them?

Before this matter is raised in the house again, I hope it will be considered from all

angles. I am sure honourable senators will agree that it is in the interests of all concerned to have a limited amount of liability which will affect all countries absolutely, and have insurance companies provide supplementary protection by policies with low premium.

Hon. Norman P. Lambert: May I ask the honourable leader whether, in consideration of the provisions in this bill, any information is available regarding the profit and loss statements of the different aviation companies which have been affected by the provisions of this proposed convention? It is a question whether any loss is involved. So far as Trans-Canada Air Lines is concerned, my impression from statements presented to the house from time to time is that T.C.A. has been far from being financially self-sufficient in its operations.

Hon. Mr. Macdonald (Brantford): I was about to say to my friend that the information is contained in the annual statements of T.C.A. and, I presume, of C.P.A.

Hon. Mr. Lambert: The honourable leader referred to bush pilots in relation to the pioneering of aviation in this country. I lived in western Canada for a time following World War I, when a pioneer in the field of commercial aviation in this country organized a flying company called Western Canada Airways. The founder of that enterprise was the late James Richardson, who did as much as anyone to afford opportunity in civil aviation for a large number of distinguished pilots who had won their spurs during the war. I cannot recall all their names, but among them were "Wop" May, "Punch" Dickins, Grant McConachie, "Dutch" Schiller, "Cy" Becker, Stan McMillan, Roy Brown and many other distinguished aviators in World War I. There was also "Bertie" Hollick-Kenyon, who was taken from Western Canada Airways to embark on an expedition representing Western Canada, to the South Pole.

I mention this, with all respect to what has been said here, because I think it should be observed in any sort of historical reference to pioneer efforts in aviation in Canada. Another reason is that a son-in-law of the late James Richardson is a member of the present Government, and his wife was a distinguished member of that family in Winnipeg during those earlier days. I think all due credit should be given to those efforts to establish aviation as an institution in Canada. Before the Government formed the T.C.A. lines as a national organization the trail had been blazed by an outstanding group of war pilots, who became active partners in that organization financed by the late James Richardson.

Hon. Donald Cameron: Honourable senators, I should like to add a word or two to this discussion.

First, I think the bill itself represents a very mild attempt to bring regulations with respect to international flying into the jet age, but it is still a long way from accomplishing much in that respect. I am afraid I cannot agree entirely with the Leader of the Government (Hon. Mr. Macdonald) when he says that if a higher limit were imposed in the case of accidents in international flying it would put the airline companies out of business. You can buy insurance coverage for $200,000, $225,000 or $250,000, for $66 a year. We all carry insurance, and I think there is some basis on which this could be worked out.

Secondly, I suspect that there are many more items in connection with international flying regulations which could be examined in greater detail at some appropriate time. For example, I should like to know what is the relation of governments to the International Air Transport Association, which I understand is an association of private carriers and seems to be pretty much of a law unto itself. I think we might take a careful look at the whole situation with respect to flying regulations, as far as Canada is concerned, both nationally and internationally.

Canadians have a right to be proud of Canada's contribution to commercial flying, for the bush pilots have been among the great pioneers, and I was glad to hear Senator Lambert pay tribute to these distinguished pilots.

This brings me to another observation, which might cause His Honour the Speaker to rule me out of order, but I cannot resist the temptation.

Over the past 25 years commercial firms in Canada have, rightly I think, been allocating a certain amount of money to the decoration of new buildings, such as murals and various other embellishments. I refer, for instance, to the Imperial Oil Company in Toronto, and especially the British American Oil Company and the Royal York Hotel. Many companies have set an example for governments. Indeed, I am glad to say that governments have been following their example and I hope they will continue to do so. It is true that the ministers responsible may have difficulty getting appropriations for the decoration of public buildings; but I hope that nothing will be done to complicate their task, because this is the sort of thing that lends distinction to our buildings in Canada and provides an opportunity to express a feeling of Canada in an artistic form.

However—and this is the point that hurts—there has been completed in my home town of Edmonton this year a smart, modern international airport at a cost of approximately $30 million. The Department of Transport, quite rightly I think, has set aside a certain amount of money for a mural. They wisely agreed that this mural should be one to honour the pioneer bush pilots, whom Senator Lambert mentioned by name, and all others who were the real pioneers of commercial flying in Canada.

The Department of Transport engaged experts to recommend a selection. Among them were Dr. Charles Comfort, Director of the National Gallery; Professor John Russell, Director of the School of Architecture, University of Manitoba; John Parkin, of Parkin Associates, Architects, Toronto; Dr. Henry Kreisel, Head of the English Department, University of Alberta, Edmonton, and some others. They are all distinguished persons in their own right and they happen to be personal friends of mine.

The Edmonton airport is a modern airport. Someone has expressed the thought that in a modern airport you must have an abstract mural, even if it is to give recognition to the bush pilots who have earned such a warm place in the hearts of all Canadians. While I have nothing against abstract painting or abstract-type murals, this is one case where I would think the mural should have meaning to those who see it. When people walk into the Edmonton terminal and see this mural supposedly honouring the bush pilots, their comment is, "What it it?"

A cartoon appeared in the Edmonton Journal of September 21 showing two little girls standing looking at this thing, and one said to the other, "If my dad caught me doing anything like that he would put me over his knee and spank me."

I have no objection to abstract art in its proper place, but when anyone perpetrates a monument of that kind to men who did so much for this country, something that is completely meaningless to the average person, then I think someone's judgement is far off the beam. Those men did an outstanding job for Canada, and not only western Canadians but all Canadians are proud of them and the contribution they have made; so I think a grave mistake has been made in selecting that mural supposedly honouring the bush pilots. The idea is quite appropriate but the fact, the result, is anything but satisfactory.

So, while I would compliment the Department of Transport for providing a mural of that kind, for goodness sake let us keep our feet on the ground in seeing that selections are meaningful to the ordinary citizen and not to just a few of the abstractionists who are up on cloud nine.

Hon. A. B. Baird: Honourable senators, while you talk a great deal about the bush pilots let me remind you that we have in Newfoundland the Alcock and Brown record, along with other Atlantic fliers, whose exploits took place in 1919. I think that we could properly erect a monument to commemorate the achievements of the Alcocks and Browns, as well as talk about the other bush pilots.

Hon. John J. Connolly: Honourable senators, I want to say just a word or two about this bill.

From what has already been said in the debate it is quite clear that the liability of the carrier is severely limited by the terms of the convention, and I think we must satisfy ourselves at the committee stage as to whether or not in the national interest, and in the interest of Canadians who make international flights, we are in fact doing them a disservice by adhering to this convention.

I suppose if the carrier's liability to the passenger is limited, from a practical point of view what the passenger does is take out insurance to protect himself as adequately as he can. So in practice, if there is a limited liability prescribed by the convention, the passenger always retains the right further to protect himself by insurance.

Hon. Mr. Choquette: Excuse me, but should he not be warned of any inadequate protection?

Hon. Mr. Connolly (Ottawa West): I am just coming to that point. There may be a responsibility on the part at least of Canadian carriers to warn Canadian travellers on international flights that the liability of the carrier is thus and so under the convention, and if the passenger wants more protection he should provide it by contract which he makes himself. This to me is self-evident.

I hope that at the committee hearing there will be good reasons given as to why in the national interest a convention such as this should be ratified. As the Leader of the Government (Hon. Mr. Macdonald, Brantford) has said, the reasons may lie in the fact that the carriers may have to have protection of this kind, otherwise the international air service might not be available. I think that is the first question we might ask.

I am inclined to agree, too, that there is a great deal in what the honourable senator from Ottawa East (Hon. Mr. Choquette) has said about Article 20. I do not know to what extent the onus that is otherwise cast upon the carrier is shifted from the carrier by

Article 20 of the convention, and I would hope that at the committee stage the experts —and I think in this case it calls for a legal expert—will be able to give the answer on that point.

Finally, I think we should all remember that this is a convention and a protocol to which a good many countries already adhere. I do not think we have any power to amend it; it is a matter either of approving it or of rejecting it. I do not think it is possible for the Parliament of Canada unilaterally to make any amendment in the international agreement which has been made and which is reflected in the bill we have before us.

Hon. M. Grattan O'Leary: Honourable senators, what astonishes me about this protocol is its ceiling on liability. I am thinking of the individual breadwinner. Supposing a young husband with a large family is killed in an air crash, do you suggest that $16,000 is appropriate compensation?

Surely the matter of adequate compensation can be left to the discretion of our courts to determine. Surely their assessment of damages would provide some humanitarian compensation in keeping with the circumstances of the individual who suffered the accident. I would, of course be sorry to see it happen, but I would not worry too much about the family of the man described by Senator McCutcheon. I would, however, be concerned about the head of an average large family who was killed in an airplane accident. In that case, to say that $8,000 or $16,000 would be adequate compensation seems to be nonsense. It occurs to me that those figures were arrived at in Europe where $8,000 or $16,000 means a great deal, but they do not mean much at the present time in North America.

For loss of baggage the convention provides compensation of $300. Why, you couldn't buy a set of golf clubs with that kind of money.

Hon. Mr. Connolly (Ottawa West): Not yours, anyhow.

Hon. Mr. O'Leary (Carleton): I know we cannot amend this bill, that we must reject it or accept the protocol as it stands at the present time. I am not as much interested with what Senator Connolly calls the national interest as I am concerned with the interest of individuals.

Hon. Mr. Connolly (Ottawa West): That is the national interest.

Hon. Mr. O'Leary (Carleton): There is no objection to people taking out flight insurance, but if the state is to start issuing warnings to people to take out insurance before flying, we do not know what the effect would be on people contemplating travel by air. It is no answer to say a passenger can take out insurance.

During my adult life I have flown a great deal, including a flight across the Atlantic in 1941, and I did not take out a cent of insurance. But had I come down in the middle of the Atlantic I would have thought it a pretty poor state of affairs if my wife and family could receive only $16,000. Surely, these cases must be determined at the discretion of sensible judges in the courts, with the award fitting the particular case. To fix a ceiling of $16,000 and let it apply to the rich or the poor, to the playboy or the father of a family crossing the Atlantic, seems to be nonsense.

Hon. Allister Grosart: Honourable senators, I have listened with interest to this rather long debate. I believe it is the longest single discussion on a motion since I have been a member of the Senate. I was greatly interested in the time, care and trouble taken by the Leader of the Government in making sure that we understood in detail the terms of this agreement into which it is proposed that our country enter. The debate has ranged over very extensive territory, embracing the question of liability, the question of civil rights, even the field of abstract painting. I think it proves one thing, that it is an excellent practice, before Canada enters into an international agreement, to have the document placed before the Parliament of Canada.

It so happens that another important international agreement was recently announced by the Government by press release. It would appear to concern something that is at least as important as the subject matter of this bill and this protocol. If I read the press report aright, it concerns the possibility of Canada agreeing to the storage of nuclear weapons on our soil.

I would ask the Leader of the Government if the Senate will be given the opportunity of discussing that current international agreement at least as thoroughly and with as full an explanation as we have had on the agreement now under consideration.

Hon. Mr. Macdonald (Brantford): I would say to my friend that when any agreement comes before the Senate, so far as I am concerned every opportunity will be given to all senators to discuss it freely. As to what agreements will come before the Senate, I am not in a position to say. One thing I do know is that no agreement between two

countries can come before the Senate without approval on the part of each of the parties. Such things as security arrangements have to be taken into consideration, and agreements affecting such arrangements could not be placed before any chamber without the approval of both parties.

However, I do not intend to go into that matter at this time. It is certainly not in order to ask the question at this moment, but I have answered it, and I am glad the honourable senator raised the matter.

Honourable senators, I am not rising to close the debate, because several other senators have intimated they wish to speak. I cannot adjourn the debate, but Senator Haig spoke to me on this matter, and I hope that when all those present who wish to speak on it have spoken today someone will adjourn the debate on his behalf. Senator Vien wants to speak on it, and I believe that Senator Bouffard does also.

May I be permitted to say that we have had an excellent discussion. I am very pleased that all these points have been brought out. That is what we should do—discuss fully matters that come before us. We have a reputation for doing so and I believe we have lived up to it today. I am glad I did not go on with the debate yesterday. I am also glad I distributed certain documents, and I am grateful to the Senate for having considered these documents before proceeding with the debate today. I want to thank all honourable senators who have taken part in this debate.

On motion of Hon. Mr. Blois, for Hon. Mr. Haig, debate adjourned.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, before we adjourn may I say, as I intimated earlier, that we will adjourn until tomorrow afternoon.

I anticipate the only business before the Senate tomorrow will be interim supply, and I trust it will be disposed of then. I understand that if it is disposed of tomorrow there will be royal assent tomorrow afternoon.

The Senate adjourned until tomorrow at 3 p.m.

28906-6—36½

THE SENATE

Friday, October 4, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report for 1962 of the Board of Grain Commissioners for Canada. (English and French texts).

Report by the Tariff Board, relative to the investigation ordered by the Minister of Finance respecting machinery and equipment used in the mining industry and in the oil and gas industries, volume I, oil field equipment—Reference No. 130 (English and French texts), together with copy of the transcript of the evidence presented at public hearings (English text), pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C. 1952.

EMPLOYMENT

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM

On the Order for Inquiry:

Hon. Allister Grosart: Honourable senators, I wish to thank the honourable Leader of the Government (Hon. Mr. Macdonald) for the answer he tabled in this house last Tuesday evening to an inquiry I had asked with respect to the effectiveness of the expenditures on winter works in relation to the purpose for which those expenditures were authorized by Parliament. If the conclusions I draw from the answer given are correct, I believe I have the duty to call to the attention of the Senate a situation which would appear to require correction by the appropriate authorities.

My original inquiry of July 18 last referred to the requirements set forth in a memorandum to the provinces, copies of which were sent to members of both Houses of Parliament. In that memorandum the provinces were reminded of an obligation on their part in respect to claims made for winter works expenditures by municipalities, in the following words:

> It is provided that the bulk of those employed under this plan must be persons who are unemployed or persons who would be unemployed if it were not for the employment made available through projects authorized under the program.

In other words, the purpose of these heavy expenditures under the winter works program is very definitely set out in the act and in the regulations under the act, namely, to provide employment in the winter season that would not otherwise be available. My inquiry at that time was as to what was being done to make sure that those expenditures were in compliance with the provisions of the act.

The honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) was good enough to provide me with a reply to that inquiry on July 24. The reply pointed out that this was not a new situation. I presume the reason for doing so was to absolve me of any suggestion that I was asking the question in criticism of the present Government, which, as usual, was the furthest thing from my thoughts.

Hon. Mr. Macdonald (Brantford): I never anticipate anything like that.

Hon. Mr. Grosart: I am quite sure that the honourable Leader of the Government would not anticipate anything like that from me. I hope, however, that if it should happen that I am going to do that, he will not have the opportunity to anticipate.

Hon. Mr. Macdonald (Brantford): It is more interesting to be taken by surprise.

Hon. Mr. Grosart: I cannot think of anything more difficult for a new senator, sir, than to take you by surprise.

The reply then said that the responsibility for auditing these claims—claims against the federal Government in respect of expenditures by municipalities—was a provincial responsibility, and it said that the provinces generally require "some certification by the municipality". It did not go beyond that—some certification by the municipality.

I was not satisfied with that answer because it did not indicate that the Department of Labour—and this is not a new situation—has over the years set up any kind of system to find out whether these expenditures were actually providing jobs that would not otherwise be provided.

I asked a supplementary question in an attempt to get some facts, which was roughly as follows: That the department take any representative period of time they like and tell me how many people were employed under the winter works incentive program in that period and how many of those would not otherwise have been employed. The act, of course, provides that the money can only be spent, or largely so, to provide what we may call "new" jobs.

The answer that the honourable Leader of the Government gave me on Tuesday was in reply to that second question, and it repeats the former information that this audit is a

provincial responsibility. Then follows this rather remarkable statement:

> Audited claims are submitted to the Department of Labour after certification by the province, and while the claims indicate the number of workers employed on projects, they do not include information concerning the number of these workers who would have been unemployed in the absence of the program.

I say that is a remarkable statement because the Minister of Labour on July 12 sent out a memorandum to all provinces saying they must comply with this provision. Now we have the information, if I read the answer correctly, that there is no check whatsoever on the expenditure of these moneys to see whether they are expended for the purpose outlined in the act, because I think the reply means that the provinces are not required, in submitting their claims, to furnish any evidence whatsoever that the act has been complied with.

I believe this is a situation which should be corrected. I am rather surprised we have not heard from the Auditor General about it, because this seems to be an area in which he is often active, to find out if public funds are being expended in a manner not in compliance with the authorizing act.

I would like to make it clear that I am not in any way criticizing the winter works program. It was and is, in my opinion at least, a most brilliant and imaginative approach to this very critical problem of seasonal winter unemployment. The reply I was given states, for example, that in the winter of 1961-62 no fewer than 196,000 workers were employed under the program. Some of the figures I found in the annual report of the Department of Labour are even more impressive: They give an estimate of something like six million man-days of work provided under the program with a total direct payroll of $82 million, of which $40 million was claimed from the federal Government. I am speaking of estimates, but I think in effect they were slightly exceeded. This means that these jobs were provided at an average rate of $14 a day, of which the federal Government contribution would be about $40 million, or $7 per man-day.

Of course, it is true that the majority of provinces, though not all, made supplementary contributions to the federal Government's 50 per cent of direct payroll costs, so the final cost to the municipalities of the payroll part was very small. It occurs to me that the Department of Labour may rely on this built-in interest of the provinces in these expenditures to protect the federal Government. However, I would suggest that if this is the situation it is not quite good enough. I think the Department of Labour should have on its own files the evidence that at least a very substantial part of the projects for which it is paying out this $40 million is in compliance with the act.

I will say no more now than perhaps to suggest to the Leader of the Government that he might be good enough, if he sees fit, to bring this viewpoint to the attention of the proper authorities.

Hon. Mr. Macdonald (Brantford): Honourable senators, I am sure we are all indebted to the honourable Senator Grosart for having gone into this question, which is an important one, so fully and for having brought the facts as he found them to the attention of the house. I can assure him that I will have a copy of today's Senate *Hansard* forwarded to the Minister of Labour tomorrow, with the honourable senator's remarks marked especially for the attention of the minister.

NEWSPAPER REPORT

QUESTION OF PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, I regret very much having to rise today on a question of privilege over a matter which was so painful to me that it caused me a great deal of sorrow. The members of this house and the members of the other house are members of Parliament; there exists a certain solidarity between them, and when the members of one race are attacked and treated with abuse, one must necessarily raise one's voice in protest.

This time I rise as both a member of Parliament—because whether one thinks of it or not, we are members of Parliament just as truly as are those who sit in the other house—and as a French Canadian who wants to respect his colleagues as much as he is respected by them. This works in two ways. There is no reason for me or for anyone else to respect a person who does not respect us. It is hard to have to say that, but what has been said was so unjust, so unfair, and so untrue that it is rather incredible.

I have been given a clipping from the last page of the Ottawa *Citizen* of September 30, containing a Canadian Press dispatch from Winnipeg. It is the report of a meeting of a group of Canadians of Ukrainian origin, and the last paragraph reads as follows:

> Senator John Hnatyshyn of Saskatoon said 85 per cent of the French members in the House of Commons do not know the French language and speak English on the floor of the house.

Who could ever say that?

Hon. Mr. Hnatyshyn: On a point of privilege—

Hon. Mr. Pouliot: Just a minute until I finish. If there is a question of privilege it will be taken care of afterwards. I ask for your protection, Mr. Speaker, because when I rise on a question of privilege I have the right to finish what I have to say, if you agree to it.

Now there is a public record which is very well known, namely the *Hansard* of the House of Commons. It is a bulky set of books, and one has only to peruse it, if one is in good faith, to see that at the present time a larger number of members of the House of Commons make their speeches in French, and in excellent French, than have ever done so before. Furthermore, those speeches, with very few exceptions, are not delivered by members of English descent. They are delivered by French Canadians from the Province of Quebec or elsewhere, and they speak very good French. The only trouble they have sometimes is the same as I have here with the French reporter. But, if one looks at *Hansard* he finds that there are hundreds of pages reporting speeches delivered in French by French-speaking members. Therefore, that statement is false and injurious to all French Canadians who are represented by members who speak the French language in the House of Commons, and who are here described as speaking only English because they cannot speak French.

If those members speak French they do so to affirm their right to speak their mother tongue in this bilingual country. That is their unquestionable right. If they speak English at times, as I do myself, they speak it out of courtesy for their colleagues who do not speak French, in order that they may understand. I speak as good English as I can, and I think there are very few of my honourable colleagues who do not understand what I am saying here in the English language. It is purely a matter of courtesy to the English-speaking people and the English-speaking members of Parliament, and it is most unfortunate that such graciousness is described as ignorance.

This is beyond me. When we hear so much about the *bonne entente,* or the good understanding, that should exist between all people in Canada, between those who belong to the two races that founded this country and also the new Canadians, I am really shocked—and I cannot understand it—when I am told that this was said by the honourable gentleman who seems to be amiable when I meet him in corridors.

I am told that there are some people who take advantage of the meetings of new Canadians in order to arouse them against English-speaking as well as French-speaking Canadians. I cannot believe it. I have read to you, honourable colleagues, what I have found in this newspaper. It took me some time to find it because I did not know the date. I telephoned the Canadian Press clipping service in Toronto to obtain the exact date, and I found the newspaper on the file.

It is time to protest, and it is time to ask the honourable gentleman, on behalf of all French Canadians, for an apology. If he does not want them to speak on political matters in French as well as in English or to discuss bicultural matters, it is time to denounce him as an enemy of Canada.

Hon. John Hnatyshyn: Honourable senators, had the honourable senator from De la Durantaye (Hon. Mr. Pouliot) spoken to me about this matter before rising on a question of privilege, I do not think he would have had to make such a heated speech.

In the first instance, I did not make any such statement as that which is reported. As a matter of fact, I do not think there was a reporter present at that meeting. However, I did take part in the discussion, and I remember very clearly what I said. I spoke about a system of simultaneous translation having been introduced in both chambers, with which I agreed and of which I approved. Then I pointed out that 85 per cent of the members of the House of Commons and the Senate from the Province of Quebec, who formerly had to speak English if they wanted everyone in the chamber to understand them, now had an opportunity of speaking the French language, which is an official language of Canada, and of being understood by every member listening to them.

I never made any statement such as Senator Pouliot has suggested, which is to the effect that 85 per cent of the people from Quebec—I cannot remember the exact words of the newspaper report—cannot speak French. The thing is ridiculous. I know that people from the province of Quebec speak both French and English.

I say again I regret the Senator Pouliot, who has known me for a number of years and who has never known me to make a statement of that kind, did not first give me an opportunity of denying it. I made no criticism one way or the other. I simply pointed out that as a result of the simultaneous translation systems installed in both Houses of Parliament—and let me repeat it—anyone who wishes to speak French in either house can do so and be understood by all. In that manner a member can be understood by every other member in the house, whether he speaks one official language only or both official languages.

In view of that I wish to say to the honourable senator from De la Durantaye that I do not think any apology is required from me. Had I made any offensive remarks against

anybody, let me assure honourable senators I would be the first to apologize; but in this instance I had no intention of offending anyone, I never said anything that could offend anyone, and I do not know the reason for the report which the honourable senator has been reading.

(*Translation*):

Hon. Cyrille Vaillancourt: Honourable senators, I shall speak in French to conclude this debate.

Our colleague Senator Hnatyshyn claimed that his remarks were not accurately reported in the newspaper. On the other hand, Senator Pouliot told us what he read in the newspaper. One wonders if there is not someone somewhere who has something to gain by creating disunity.

May I refer to an event which occurred in Montreal last week and which is not necessarily connected with the subject under discussion. If I am out of order, Mr. Speaker, you just have to tell me.

We all know that the Place des Arts was officially opened last week in Montreal. A certain group of independents, the R.I.N., took that opportunity to express its discontent. I had asked three persons to go and determine the number of people who took part in the demonstration. They told me there were 155 persons not counting those who were there only out of curiosity. However, a Toronto newspaper reported that there were over 1,000 demonstrators.

What is the purpose of stirring up passions like that? Instead of trying to destroy, let us work together to make a united, prosperous and happy Canada.

(*Text*):

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, before the house adjourned yesterday afternoon I stated, as reported in *Hansard*:

> I anticipate the only business before the Senate tomorrow will be interim supply.

We all expected that the interim supply bill would reach us today. I regret that it has not arrived as yet.

I hope the bill will arrive here today, for one important reason, if for no other, that the honourable Senator Aseltine is now in the seat of the Leader of the Opposition. It will be remembered that he held the position of Leader of the Government with great dignity for some time, while I was Leader of the Opposition, and I would be sorry if he did not have an opportunity to take part in the debate today. I know he is fully informed on the intricate problems of supply, and more especially of interim supply.

I am sure the house will join with me in saying we are happy to see Senator Aseltine with us in such good spirits and good health. We hope he will be with us for many years to come.

I do not know any better than other members of the house whether the supply bill will reach us today or next week. May I suggest that, if we have no other business before us at the present time, we rise now to return at the call of the bell at approximately 5 o'clock.

Hon. Mr. Crerar: Does that mean that if we are not summoned before 5 o'clock we may go home?

The Hon. the Speaker: Perhaps the Leader of the Government can answer that question more readily than I can.

Hon. Mr. Macdonald (Brantford): I am sure that the acting Leader of the Opposition (Hon. Mr. Aseltine) can answer it even better than I can.

Hon. Mr. Aseltine: We will be here as long as is necessary.

The Senate adjourned during pleasure.

At 5.15 p.m. the sitting was resumed.

Hon. Mr. Macdonald (Brantford): Honourable senators, I have been informed by the Clerk that the interim supply bill has not yet been received from the other house. Accordingly, there is no business before this house at the present time. It is now 20 minutes past five, and even if the bill did reach us before six o'clock we would not have time to consider it this evening. It is possible that the bill will be passed by the other house this evening or, if not, early Monday morning.

Honourable senators will recall that on May 30 last a resolution was passed in this house authorizing His Honour the Speaker to recall the members of the Senate, in case an emergency should arise, to meet at a time earlier than that set out in the motion for adjournment. I feel that we should adjourn now until, say, Tuesday afternoon next, but should the interim supply bill reach this house earlier than that time, honourable senators could be recalled under the provisions of the resolution which was passed by this house. Is that agreeable to the Opposition?

Hon. Mr. Aseltine: Agreed.

Hon. Mr. Macdonald (Brantford): Honourable senators, with leave of the Senate, I move that when the house rises today it do stand adjourned until Tuesday afternoon next at 3 p.m.

Motion agreed to.

The Senate adjourned until Tuesday October 8, at 3 p.m.

THE SENATE

Tuesday, October 8, 1963

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

Prayers.

NEWSPAPER REPORT

QUESTION OF PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, I wish to say a word in personal explanation with regard to my remarks concerning a press report on a speech made by Senator Hnatyshyn. I read in Senate *Hansard* what he said, and I assume he has denied having made the statement. So far as I am concerned, it is finished with regard to him; but I withdraw nothing, and I keep it in reserve for whom it may concern if anyone else uses the language reported by the press.

APPROPRIATION BILL NO. 3, 1963

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-101, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Bill read first time.

SECOND READING

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

Hon. W. Ross Macdonald: Honourable senators, I am going to suggest to the house that we proceed with the second reading of this bill now, and if we dispose of it on second reading this afternoon I will not ask for third reading until this evening. I recall that we had an informal arrangement at the last sitting of the house to the effect that we would sit both this afternoon and evening; so if this bill receives second reading this afternoon and is given third reading this evening it could receive royal assent tonight.

Honourable senators will appreciate that there is some urgency in the matter. We are now at the eighth day of this month and no supply has as yet been granted to put the government in funds to meet its obligations. In the circumstances I am sure we will all co-operate to pass this legislation promptly.

With regard to the balance of the business before the house, I have been informed by Senator Vien that he would like to proceed with second reading of Bill S-41, standing in his name and dealing with the St. Lawrence River toll bridge at Pointe-aux-Trembles. It is the third item on the Order Paper. If it would meet with the approval of honourable senators—and I have discussed this with officials of the house—I would suggest that after the supply bill has received second reading we go on to item No. 3, reserving the routine proceedings until this evening.

Hon. Mr. Brooks: There is no objection to that course being followed.

Hon. Mr. Macdonald (Brantford): Thank you. Then, honourable senators, I move, with leave, that Bill C-101 be now read a second time.

Hon. Mr. Pouliot: Honourable senators, I have some remarks to make on this bill, and I wonder if it would be more agreeable to the honourable Leader of the Government if I were to make them now, or wait until this evening. I am at his disposal.

Hon. Mr. Macdonald (Brantford): I will leave that to the honourable Senator Pouliot to decide after I have made my remarks in explanation of the bill.

Honourable senators will recall that in May of this year we passed the first appropriation bill, which provided for four months' supply, namely, April, May, June and July. Then at the end of July we approved the second appropriation bill which granted supply for August and September.

In general terms, the present bill provides supply for two additional months, namely, October and November. The total amount of supply requested is $747,449,955.03, together with the usual authority to borrow up to $500 million. As I said, the bill provides generally for two months' supply which is to say that with the exception of a few items, it provides for two-twelfths of all the items to be voted in the main estimates 1963-64, a total of $640,449,276. The bill also provides in respect of the main estimates 1963-64 for an additional three-twelfths of Vote 35 of the Department of Transport totalling $820,000; for an additional two-twelfths of Vote 50 of the Department of Agriculture totalling $178,833.34; and for an additional one-twelfth of Votes 25, 100 and 145 of the Department of Agriculture, Vote 30 of the Department of Citizenship and Immigration, and Vote 10 of the Department of Transport, all of which totals $3,583,608.34. All of these amounts are requested in respect of the main estimates 1963-64.

Honourable senators, there have now been four supplementary estimates tabled in the house, referred to as supplementary estimates (A), (B), (C), and (D).

Hon. Mr. Crerar: What was the total of that, may I ask? Do you have it here?

Hon. Mr. Macdonald (Brantford): I have it but, if I may, I will refer to it in my closing remarks.

In respect of supplementary estimates (A) 1963-64, the bill before us provides for the release of two-twelfths of all the items, with a few exceptions, and this totals $48,103,070. Still dealing with supplementary estimates (A) 1963-64, the bill provides for the further release of an additional three-twelfths of Vote 117a of the Department of External Affairs, totalling $84,240; and for an additional two-twelfths of Vote 116a of the External Affairs, amounting to $280,800.

In respect of supplementary estimates (B) 1963-64, the bill provides for two-twelfths of the items to be voted in those estimates, and two-twelfths of the items in this estimate amount to $1,166,666.67.

In respect to supplementary estimates (C), two-twelfths of the items to be voted is requested, and this amounts to $3,333,333.34.

In respect to supplementary estimates (D), eight-twelfths of all items is requested and this amounts to $49,444,457.34, together with an additional three-twelfths of Vote 117d of External Affairs, amounting to $5,670.

Honourable senators, I hope I have not confused you. To put it in simple language, I shall go back to my opening statement and say in general terms that the Government is asking for supply for a two-month period in order that it can carry on its affairs.

Honourable Senator Crerar asked me a question about the various amounts in the Appropriation Acts considered in this fiscal year. I have here a table which appears to be quite complete and which sets forth the amount of the main estimates, and then separates the main estimates into the statutory amounts, together with the amounts to be voted. It also sets forth the amounts requested in the four supplementary estimates tabled, and of course there were no statutory amounts in the supplementary estimates. According to the table the total of main and supplementary estimates tabled to date is $6,864,868,864.

Hon. Mr. Brooks: May I ask the honourable Leader of the Government how that compares with the estimates of other years—that is, in peacetime?

Hon. Mr. Macdonald (Brantford): I would think these would be somewhat higher, though I have not the other figures with me.

Hon. Mr. Crerar: May I ask if that includes all the statutory items as well?

Hon. Mr. Macdonald (Brantford): Yes, that includes the statutory items, and those total $2,586,910,689. Probably I should let the honourable senator see this statement when I have completed reading it.

Hon. Mr. Aseltine: Why does not the honourable Leader of the Government put it on the record?

Hon. Mr. Macdonald (Brantford): Thank you. Honourable senators, I would be pleased, with your consent, to place this table on the record.

The Hon. the Speaker: Is it agreed?

Hon. Senators: Agreed.

Hon. Mr. Macdonald (Brantford): May I first show it to honourable Senator Crerar?

(The table follows)

ESTIMATES, 1963-64

(including Budgetary Expenditures and Loans, excluding Old Age Security Payments)

	Total	Statutory	To be Voted
Main Estimates	$6,433,212,345	2,586,910,689	3,846,301,656
Supplementary Estimates (A)	330,489,833	—	330,489,833
Supplementary Estimates (B)	7,000,000	—	7,000,000
Supplementary Estimates (C)	20,000,000	—	20,000,000
Supplementary Estimates (D)	74,166,686	—	74,166,686
	$6,864,868,864	2,586,910,689	4,277,958,175
Payments from Old Age Security Fund	755,000,000		
	$7,619,868,864		

SUPPLY, 1963-64

Appropriation Act No. 1, 1963:	
Four-twelfths generally of the Main and Supplementary Estimates (A) plus additional proportions of 47 special items to provide for expenditures up to July 31	$1,430,259,968.45*
Appropriation Act No. 2, 1963:	
Two-twelfths generally of the Main and Supplementary Estimates (A), six-twelfths generally of the Supplementary Estimates (B) and (C) plus additional proportions of 28 special items to provide for expenditures during August and September	724,687,939.03
THIS BILL (Appropriation Act No. 3, 1963):	
Two-twelfths generally of the Main Estimates and the Supplementary Estimates (A), (B) and (C) and eight-twelfths of the Supplementary Estimates (D), plus additional proportions of 10 special items to provide for expenditures during October and November	747,449,955.03
	$2,902,397,862.51

*This amount included the total of $615,396,021 authorized by Special Warrants of the Governor General.

Hon. Mr. Macdonald (Brantford): Honourable senators, I have indicated that the total of estimates tabled is $6,864,868,864, and that of this amount $2,586,910,689 is composed of statutory items. This leaves 4,277 million to be voted. I might add that this does not include payments from the Old Age Security fund.

Hon. Mr. Crerar: That is what I had in mind.

Hon. Mr. Macdonald (Brantford): Payments from the Old Age Security fund, at the present rate, amount to $755 million, which makes the grand total of main estimates, supplementaries and Old Age Security payments, $7,719,868,864.

Hon. Mr. McCutcheon: Are the Old Age Security payments regarded by the Leader of the Government as a budgetary item?

Hon. Mr. Macdonald (Brantford): That is a statutory amount, but it has been separated from the other statutory items.

Hon. Mr. McCutcheon: In other words, it is non-budgetary?

Hon. Mr. Macdonald (Brantford): I would say it is non-budgetary in that it is raised at the present time by a special levy of 3 per cent on income, 3 per cent of sales tax and 3 per cent of corporation taxes.

Hon. Mr. McCutcheon: That is right. In other words, the substantial deficit which will occur this year will not be taken in by the Government as part of its budgetary deficit?

Hon. Mr. Macdonald (Brantford): Well, that remains to be seen. I do not know whether there will be a deficit or not, but on March 31 next we will know whether there is a surplus or a deficit.

Hon. Mr. McCutcheon: We will read next year's White Paper.

Hon. Mr. Crerar: We know pretty well now.

Hon. Mr. Macdonald (Brantford): I am hoping there will not be a deficit, and I know that all honourable senators share that hope.

Hon. Mr. Aseltine: Are you sure you are not being too optimistic?

Hon. Mr. Macdonald (Brantford): Probably honourable Senator McCutcheon, who asked the question, might be interested to know that the table I have placed on record also sets out the total amounts appropriated or to be appropriated by Parliament to date, including the amount of $615,396,021, which was authorized by special warrants of the Governor General. So that we also have before us for consideration all the moneys authorized to be spent to date.

Honourable senators, I doubt if I can give any further information at the present time. The bill is in the improved form that was suggested by this house to the other house. I think it is much easier to understand in its present form than it was in the form of previous days. The bill was distributed this morning, and I hope all honourable senators

have had an opportunity of perusing it. I trust that it will receive second reading this afternoon.

Hon. A. J. Brooks: Honourable senators, it is not my intention to make any extended remarks. In fact, I could not do so if I wanted to because, as the honourable Leader of the Government has just told us, it is very difficult to understand these interim supply bills unless one has a long time in which to study them; and in this chamber we never had sufficient time and neither has the other place.

This interim supply bill is, as usual, very confusing. In the first place, it comes late to this chamber. While it is not for us to complain regarding matters of this kind, I think it is indeed unfortunate that we have had to wait a week to get the interim supply bill needed to carry on the business of the country.

The honourable Leader of the Government mentioned there was considerable urgency now to have this bill passed in this chamber. I feel that the embarrassment which has been caused to the Government—and I am sure it has been very embarrassed—to have waited now for eight days to have this interim supply passed, is very much their own fault. There will be time later on to discuss this matter, but the time taken up in the other house was not spent discussing supply estimates but on a matter which I am sure should never have arisen at all.

We in this country have a democratic form of government based on the two-party system, the Government and the official Opposition. As honourable senators know, the time spent by the other chamber when this legislation was before it was spent not on the question of the supply to be granted to Her Majesty but as to whether a certain party should have recognition.

As I said a moment ago, it is not my intention to discuss these estimates in detail. It would take a long time to deal with in even a general way. These estimates were expected to be before this chamber last week, and my good friend the honourable Senator Aseltine was prepared to discuss them at that time. I am pleased indeed that he is going to do so this afternoon.

Hon. Mr. Macdonald (Brantford): I am sure that he will be in order.

Hon. Mr. Brooks: I do not consider that I have been out of order.

Hon. Mr. Macdonald (Brantford): I am not so sure that my honourable friend has been in order.

Hon. Mr. Brooks: I was taking up the remark made by the honourable Leader of the Government about the urgency in having this matter put through this chamber; and I was commenting on the fact that the other chamber has taken a week to discuss a matter which had nothing at all to do with estimates for supply but was a discussion under the resolution introducing this bill.

Hon. Mr. Macdonald (Brantford): I was not reflecting on the other house. I say, Mr. Speaker, that is entirely out of order.

Hon. Mr. Brooks: Nor am I reflecting on the other house.

Hon. Mr. Macdonald (Brantford): You have been reflecting on it.

Hon. Mr. Brooks: I was simply saying that it is embarrassing to the Government and that they have no one but themselves to thank for the embarrassment. Apart from that, I have nothing more to say.

Hon. Mr. Macdonald (Brantford): Let us be in order.

Hon. Walter M. Aseltine: Honourable senators, I intend to make a few remarks with respect to Bill C-101, but before doing so I wish to refer briefly to another matter and to make a request of the Leader of the Government.

On Saturday last members of the Senate, members of the House of Commons and certain Government officials were invited to Montreal to view at first hand the progress which has been made in the preparations for the World's Fair to be held there in 1967. Quite a number of senators accepted the invitation and spent the day as guests of the Minister of Public Works, the Mayor of Montreal and officials of the World's Fair Authority.

After a bus tour of the city we inspected the site for the fair on St. Helen's Island. I am sure we were all much impressed with the progress which already has been made.

A helicopter carried aloft all those who wished to view the site from the air. Although I did not make that trip, some of the others on this side of the house did and they report that it was quite interesting and exciting.

The luncheon on the island was a delightful affair, with appropriate speeches made by our distinguished Leader of the Government in the Senate the honourable W. Ross Macdonald, by the Minister of Public Works, by His Worship the Mayor of Montreal and by others in authority. Before the meeting adjourned there was a period during which questions could be asked and more information obtained.

May I take this opportunity of asking the Leader of the Government to extend the thanks of all senators who attended to the Minister of Public Works, to His Worship

the Mayor of Montreal and to the officials of the World's Fair Authority, for the very efficient manner in which the visit was conducted and for the courtesy and hospitality extended to us all and for the valuable information so freely given.

Hon. Mr. Macdonald (Brantford): Honourable senators, may I take this opportunity to say that I shall be pleased to send an excerpt of the remarks made by the honourable Senator Aseltine to the individuals he has mentioned. I will omit the little exchange we had in the house a few minutes ago, and send only the remarks which were so graciously made by the former Leader of the Government.

Hon. Mr. Aseltine: Honourable senators, I come now to Bill C-101 which, as has been said, is an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964. I do not intend to go into the figures too deeply. They have been given to us by the Leader of the Government, and so far as I could see he introduced this bill in much the same manner as I used to do when I was on that side of the house and occupied the seat he now occupies, so I cannot make any complaint on that ground. However, I wish to say that I have read the bill carefully several times, and I find it in the form recommended by the Senate several years ago. The bill in this form is a great improvement over similar bills of that kind we have had to deal with in the past. I am sure the Senate is grateful to the Government for continuing to present the supply bill to us in this form.

I have also had the main estimates before me for a considerable time, and have perused them several times. It is a most interesting document, and I commend it to those senators who have not read it, for it will give them a good deal of information about estimates which are continually coming before the Senate for consideration. I have had the summer months to study them and, as I have said, have gone over them carefully.

The interim supply bill, providing for two-twelfths of the amounts of the items set forth in the main estimates, is therefore a routine matter. Sometimes we hear the Opposition say that more time should be given for study of the different items to be voted on. Personally, I cannot honestly say that I have not had plenty of time to examine them; indeed, I have had oceans of time to consider these estimates, as I am sure all honourable senators have had. That factor does not concern me at all. What does concern me is the fact that we are not proceeding toward a balanced budget, as was promised by the Liberal party during the last election.

I have in my hand further supplementary estimates providing for the spending of an additional sum of $74,166,685. The over-all figures that I have do not quite agree with the figures which have been given to us by the Leader of the Government; but when you add to the estimates which have been brought down the supplementary estimates (A), (B) and (C), and this $74 million, you have approximately a $7-billion proposition before you. In my opinion, that is a terrific amount of money; and, as has been stated, it does not include the $755 million to be paid out of the Old Age Security Fund or the money which will have to be paid out of that fund if the old age pension is increased by $10 a month. I am also of the opinion, although I am not positive, that that figure does not include some $238 million for loans, advances and investments. Also, before the end of the fiscal year we are going to be faced with other supplementary estimates. No one knows what the ultimate figure will be but it is likely to be an all-time record. We are therefore not proceeding very quickly towards a balanced budget. That is all I have to say in that regard.

I wish to refer the Leader of the Government to supplementary estimates (D). I realize that the Department of Labour will have to spend $5 million, which has to be voted on for the older worker employment and training program. I do not see how that can be avoided. I understand also that there will have to be spent another $1 million to pay freight assistance on western feed grains sent to the other provinces so that they will be able to raise their cattle economically. I also agree that if we are to have a winter works program we shall need the $35 million mentioned on page 4 of these estimates; and if we are going to give people who build houses during the winter $500 on each house, we are going to need the $20 million mentioned therein. However, I do not refer to the supplementary estimates (D) for the purpose of mentioning those things.

I would ask the Leader of the Government to explain, if not now, later when he makes his reply before the bill receives third reading, why there are a number of $1 items. For instance, on page 5 there is a $1 item in connection with Northern Affairs and National Resources—

> to extend the purposes of Vote 110 of the estimates of 1963-64, to include the contribution detailed in these estimates and authority for the Commissioner of the Northwest Territories . . .

I would like to know how much money will be spent under that $1 item. Apparently there is no limit.

A little farther down on page 5 I see another $1 item, for the Department of Public Works and having to do with the Trans-Canada Highway. No amount is mentioned. I presume that the department can spend any amount that may be necessary, and no doubt these amounts will be added to the estimates for the whole year.

Then, on page 6 are two more $1 items. One has to do with Veterans Affairs Allowances and Civilian Allowances—

> To provide effective October 1, 1963 and during the twelve-month period thereafter, that a pension paid pursuant to the Old Age Security Act be deemed for purposes of the War Veterans Allowance Act, 1952, and Part XI of the Civilian War Pensions and Allowances Act, to be $55.00 per month.

I do not know how much money is going to be spent in that respect, but I would like to know, if the Leader of the Government can tell us, before the bill receives third reading.

Then I go to the last $1 item, one having to do with loans, investments and advances. I also ask the honourable Leader of the Government to furnish me with similar information with regard to that $1 item.

Honourable senators, that is all I have to say at this time. I realise that this money must be voted, that we need it within the next few days. I for one am satisfied to give this bill second reading now, and third reading later today, so that royal assent can be given before we adjourn tonight.

Hon. Jean-François Pouliot: Honourable senators, in speaking to this bill I first wish to mention that during the last weekend of September the Liberal party had a three-day caucus. It was unprecedented. In my career as a member of Parliament and as a senator, no government has ever called a caucus prior to the session opening in order to get the opinion of the parliamentarian members of the party about policies to be pursued by the party during the session. I find it very democratic, and for that reason praise should be given to the Prime Minister, the Right Honourable Mr. Pearson. I must add that at that gathering, although it was not mentioned in the press, there was a standing vote of confidence for the Prime Minister. Everybody stood up and cheered him, as he deserved.

Secondly, I want to mention that the same manifestation of loyalty took place in another caucus to approve the stand of the Government with regard to Mr. Donald Gordon. I personally have had some discussions with Mr. Gordon, but I find that the Prime Minister has shown remarkable ability in dealing with that case. I do not betray any secret in bringing the attention of the Senate to the fact that the Liberal party is satisfied with the policies of the present Government.

Honourable senators, I have just a few remarks to make about biculturalism. I find that the less we speak of instruction and education the more is said about culture and culturalism. Naturally, we live in a bi-ethnical country. I will not express myself about biculturalism. It is a word which to me is meaningless. I come from the country and most of what I know about culture is about agriculture. The farmers are my friends and when we speak of culture we think of the fields, the orchards, and so on.

Now, sir, and honourable senators, in discussing culture the first thing to do is to recite an act of humility, to say, "Oh, God, I am only dust and ashes", and that is a good start for any discussion. I think of it at the present time. People are playing with words. Do they read the documents that everybody who discusses constitutional matters should peruse? There are books available to everybody—the Statute Book of Canada, the *Debates of Confederation,* all the constitutional acts which no one has any excuse for not reading. I wonder how many people who discuss biculture have read the constitutional acts and the *Debates of Confederation* in order to form their own opinion on the matter.

It is very easy to get some knowledge from those reference books with the assistance of an excellent index which has been prepared by the Public Archives and which is available in both languages. We seldom discuss biculture here in the Senate but there are other places where people never cease to speak about it.

What is culture? Culture is a word which was used first by the Germans who wrote big books with a lot of footnotes at the bottom of the pages; they themselves thought, and they tried to give the impression to others, that they knew more than anybody else and were a learned group.

I remember when I was at school nobody spoke of culture; everybody spoke of instruction and education, which are not the same thing at all. Instruction starts by the learning of the alphabet. It is a good start for those of any language in this country. The alphabets are not the same but this is the basis for sound instruction. It is much better than euphonic language. Euphonics teach by sound instead of by the alphabet.

I am quite honest in telling you about one of my stenographers, a very bright girl who had won the gold medal at the convent, who came into my office one day laughing heartily. I asked her what was the meaning of her hilarity, and she told me that downstairs

in the House of Commons stenographic pool a stenographer had asked for an alphabet. When she was asked, "Why do you need that?" she replied, "I need it to make up the files of my member." She did not know the alphabet, and yet she was on the staff of the House of Commons. That may be an exception but it is strictly the truth. Perhaps that girl spoke of culture as do all those who have not taken the trouble or the pains to get the real basis of instruction.

There is a big confusion between instruction and education. Instruction is the learning of one language, or two languages; it is the learning of the fundamentals, the essential things that one should know to have enough knowledge to occupy certain clerical and other positions. Education is the formation of the mind and heart of the young man or woman. Therefore, instruction and education are not at all the same thing and there should be no confusion about them.

When we speak of people who think they are endowed with culture we mean people who walk on stilts and who appear higher than the average. They are very proud of themselves and they deign to look down on their fellow citizens.

What is the reason for calling a province a state? In the Constitution it is a province, and in my province of Quebec they call it the state of Quebec. Why? What does it add? It adds nothing. It is playing with words. I am astounded that there are so many people who play with words in this country; instead of coming down to earth and discussing matters as they should be discussed, they use new words to describe old things without changing their meaning at all.

What I regret in all these discussions about biculturalism is that everyone forgets that the whole matter is bi-ethnical rather than bicultural. It is a matter of race, not of education and instruction. Now, as always, there are those who work hard at school to get good marks, and those who do nothing. What is at the present time called the bicultural issue is not a bicultural issue at all; it is a bi-ethnical issue. It concerns the relations between the two great races in this country, those of French and those of English descent. We are all in the same boat now; we have to live together; and if the Constitution of this country, the B.N.A. Act, has been wrongly drafted or drafted out of fear of the invasion by the Fenians, what we should do is not to re-think it, as has been suggested, but we should re-make it from A to Z, but do so together in order that we can live in harmony, whether we are in Quebec, Ontario, the West or the Maritimes. That is my contention.

The B.N.A. Act should not be considered the Ark of the Covenant. What I find a great mistake is that people are concerned as to whether Confederation will survive or whether the B.N.A. Act will survive. It is not important at all. What is important is whether or not the Canadian nation will survive—that is the point. And what is most important is that Canadians from all parts of the country should meet together.

During the last election I happened to be in Mattawa, a rather small town of four or five thousand on the Ottawa River—and this applies to many other places in Canada, including Cabano, in Témiscouata, my former constituency, where my home is—and there I met English-speaking and French-speaking Canadians living happily together. That experience was better than any university lecture on good understanding in this country. There were French-speaking and English-speaking Canadians who were managing very well together and everyone seemed to be happy. Why not make an excursion to Mattawa, Cabano or any other place where people of French and English origin live happily together? It would be much better than the distinctions that are made by socialist intellectuals who have nothing else to do but bite the hand that feeds them; in other words, people who lose no opportunity to insult the members of Parliament.

Honourable senators, I hope that in the future the matter will be discussed from another angle. There is one reminiscence I wish to relate. One day a former Prime Minister had the intention of appointing a friar to the Senate, and a friend of his suggested that he should see his bishop and submit the matter to him. If I have been well informed the Roman Catholic bishop, on being approached, answered: "If you do that you will have to appoint a representative of every denomination in this country, and the Senate will be turned into a monastery with representatives of all the various creeds in this country."

Not long ago a Protestant clergyman in Ottawa delivered a lecture in which he complained of the appointment of a French-speaking Catholic priest to the Royal Commission on Bilingualism and Biculturalism, and he asked why a Protestant should not have been appointed. I suggest the Government should also appoint a Protestant clergyman to the bicultural probe for as long as it exists. I do not know how long it will exist and I do not know what success it will have; but I have suggested that the bicultural or bi-ethnical issue could better have been studied by the Senate, and that together with representatives of all races and representatives

from all parts of the country we could have made a better contribution to Canada than any group of university men.

That being said, I want you to understand that certain concessions should be made to those who speak from opposite angles in this country. We must face a situation which has existed in other countries and which has been solved to a large extent in the African states. The first of July is not called "Canada Day". I believe it should be called "Canada Day", and there was a bill to that effect passed by the House of Commons some years ago, although it was not passed by the Senate, to call our national day "Canada Day". After all, "Canada" is not a bad name, and it is the name of this country. A minister who is very clever suggested it should be the first of July. That is one opinion. Others said it should be "Confederation Day"; they would not use the word "Canada". That is one point.

The second point is that we should have a flag, and it should be a flag which would represent Canada; but we cannot have it before having our own national identity. If you have your passport you will see on it not that you are a Canadian, but that you are a Canadian citizen. You are described as, "Citizenship: Canadian", or, "Citizenship: Commonwealth". You are a citizen of the Commonwealth to please Mr. Nehru, and besides that you are a British subject.

I am not a professor of English but I know very well, from having used the dictionaries, that the word "citizen" applies only to those who live in a republic. For instance, the Kennedys are American citizens. We are not Canadian citizens, and we cannot be Canadian citizens as long as Canada remains a monarchy, with our sovereign Queen Elizabeth being the Queen of Canada. She is the Queen of Canada as well as the Queen of Great Britain, but for us she is, first and foremost, the Queen of Canada. I hope honourable senators follow me; I am sure you do; and I thank you very much.

As I have said, we are not "citizens"; we are not British subjects: we are Canadian subjects. The Canadian speaks of Her Majesty the Queen of Canada; that is it. I do not want to offend anyone, and anyone may have the citizenship that he desires. If one wishes he may remain a British subject. I do not say this because of any animosity or ill-feeling towards the British. In fact I have great respect for them, but we must take things as they are, and as the Queen is the Queen of Canada we should be Canadian subjects of Her Majesty the Queen of Canada, or simply Canadian.

I can well imagine that there would be revolution in one of the republican states of Africa if its people could not describe themselves as citizens of that republic. Here, however, we are not a republic; we are a monarchy, and I show my loyalty to the Queen and my high appreciation of the fact that she is the Queen of Canada, and that Canada is our country. Those are very simple things, honourable senators, and if they were understood as I say them to you today, do you think that the separatists, the independents and republicans would have as much chance to speak against Canada as a whole as they now do? If Canada showed real patriotism, could they do so? At the present time patriotism is a forgotten word.

I remember when I entered politics it was considered a great tribute to anyone to say that he was a patriot. At the present time everything is international and we are really without a country, just citizens of the world, and patriotism belongs to bygone days.

I shall not insist further; I have said what I wanted to say. But if the so-called bicultural commission was worthy of its assignment, its members would go across Canada to campaign for education, and to tell Canadians who they are, what they are and what they can do for the benefit, welfare and happiness of this country.

Hon. T. A. Crerar: Honourable senators, it is certainly not my intention to delay the house, but there are a few observations I should like to make concerning this bill.

The first thing we should keep in mind is that these interim supply bills which we pass from time to time, and one of which we have before us at the moment, are votes of the estimates prepared and submitted to Parliament last January. I do not intend this as any reflection on the previous Government, but these estimates are the estimates prepared by the late administration.

Hon. Mr. Brooks: Not the supplementaries.

Hon. Mr. Crerar: Supplementaries have been added from time to time. The essential fact which should be carefully considered is that the total supply Parliament is being asked to vote before the end of this fiscal year now amounts to over $7,600,000.

Hon. Mr. Macdonald (Brantford): Billions.

Hon. Mr. Crerar: Seven billions. I apologize to the house. When I arrived in Parliament first about 47 years ago we were accustomed to talk in terms of millions and hundreds of millions, not in this stratosphere of billions. It is indeed an enormous sum of money.

There is one other matter on which I trust the Leader of the Government will enlighten us when he comes to speak again. In this bill we give authority to the administration to borrow another $500 million. This will be

found in clause 4 of the bill. There is no indication that this $500 million is being borrowed to repay previous loans now maturing. I do not know if this is so, but I think it would be interesting for the house to have some information on that point.

I was critical at times, as my honourable friend who now leads the Opposition knows, of the spending by the previous Government, and I say to this house that I feel no different today in regard to the spending by the present Government. Today there is a steady growth of a mountainous debt.

It is interesting to reflect that about 26 or 27 years ago the total budget for this country was around $550 million. Now that is small potatoes. We fling hundreds of millions around today as we did hundreds of thousands 25 years ago. I am one of those who believe that down that road lies the gravest danger for our country. It is true that we have covered this up, disguised it if you like, by over 100 per cent inflation in our economy since that time, but the first essential is to get our financial house in order, and to do that the first step is to balance our budgets.

How can we balance the budget if we respond to every appeal that comes from every section of the country? That was my criticism of the late administration. If somebody raises a cry the idea seems to be that we must do something to satisfy it. Since the end of the war we have adopted the notion that money can solve any problem, but anybody who knows anything about human nature or human history knows that that is not the case. Consequently, I submit that today we need to take a fresh view of all our commitments.

Do we realize how much this country is spending today on what is called the welfare state philosophy? Our expenditures under this heading are not confined to the votes which we pass in this Parliament; they embrace the votes passed in all our legislatures and many of our municipalities, certainly the larger ones.

Two big items that have led us into this financial morass are the tremendous spending on social security of one kind or another and the amount we have to vote for defence. To those items we are now adding yet another in the form of the mounting obligations arising from interest on the public debt which, if my memory serves me right, now takes something in the region of $750 million a year.

Hon. Mr. O'Leary (Carleton): Eight hundred and eighty million.

Hon. Mr. Crerar: Maybe it is that much. I have not looked at the figures recently. But even taking the sum of $750 million, the interest today is almost double what the whole budget was 25 years ago. I submit that this country cannot really prosper, nor can we lay a firm foundation for the future on that kind of public financing. I cannot for the life of me understand this tremendous itch to spend money, unless it be related to an appeal for votes. I am not against social security, but I cannot see the sense of paying the old age pension to a person who has an income of $100,000 or even $5,000 a year.

We proliferate our civil servants. Look at what the civil service is costing today, compared with what it cost only 15 years ago. Look at the number of government employees all over the country.

Hon. Mr. McCutcheon: You are hiring so many more.

Hon. Mr. Crerar: I hold to another dictum. I have definitely come to the conclusion that the less government a country has the better it is for that country. You cannot push governments into all sorts of businesses and adventures embracing the spending of a lot of money without a colossal waste being associated with it.

I know that there are some in this house who do not agree with what I am saying, but I do not think there is any more responsible duty resting upon a member of Parliament than that of scrutinizing the manner in which the taxpayers' money is spent and in easing the burden on the taxpayer as much as he can.

After all, when one reads history one sees that nearly all of the great revolutions arose from the oppression of heavy taxation; we cannot alter that fact, nor can we get away from the notion that human nature, after all, has not changed much in two thousand years.

When I look at the disarray around us I feel that there is undoubtedly a growing lack of respect for law and order in this country. We see it on every hand. About 20 years ago, or a little less, we had a great argument for family allowances, and the argument was that the family allowance would help towards the rearing of better children throughout the whole of Canada. Since we started to pay family allowances in 1945 we have paid out over four billions of dollars, and today juvenile delinquency in this country is at the highest point it has ever been. Well, quite clearly, the family allowance is not necessary to the rearing of sound-thinking children. Quite obviously it is not.

Honourable senators, I do think the time has come when we must, or should, at any rate, make an honest survey of this situation. I hope that the political battles that have been going on in this country will cease

within the next few weeks at least, and that then we will get down to the serious business of governing this country.

This notion that you have to spend money in order to obtain votes is fallacious from the ground up. It may be true so far as 20 per cent of our people are concerned, but I want to tell honourable senators—and I think I know what I am talking about—that the vast majority of the people of Canada are worried and confused and uncertain. They see a growing mountain of debt. They see their municipal taxes, their provincial taxes and their federal taxes increasing every year and they wonder where the end is. I do think that this problem which, after all, is a real and essential problem of government, is one that we will see if we study the history of it; this problem of how much money you take out of the taxpayer's pocket and what you do with it is the most important thing and is the biggest problem that Parliament has to consider. That is a consideration, I submit to this honourable house, which has too often been overlooked when we have considered matters of this kind.

Before I sit down I would again ask the honourable Leader on this side (Hon. Mr. Macdonald, Brantford) to give us an explanation, if one is available, for this increased borrowing of $500 million.

Hon. David A. Croll: Honourable senators, despite the contributions that have been made to this debate in this house today I am delighted to be a Canadian citizen and to suffer all the hardships that Canadians usually are alleged to suffer. I am not going to follow that trend of the debate. I do not want any information from the honourable Leader of the Government—I rather think I will give him information.

Bill C-101 provides for a portion of the money voted by Parliament to be spent by Parliament, and it is being spent by Parliament, as the honourable senator has just indicated, and some part of it has been spent on Parliament itself. Thus I am impelled to enter this debate briefly at this time to say something about the institution of Parliament, and about the Senate because it is an important and essential part of Parliament.

It is my experience that the Senate does not traditionally clamour for publicity, and consequently its existence is sometimes forgotten and its importance downgraded. In my view the usefulness and importance of the Senate varies from time to time depending on conditions in the country and, in particular, upon the composition of the other place. When there are tremendous stresses and strains in the country, and when the Government in office does not command the support of the majority of the other place, the Senate becomes extremely important to the people as a whole. If it does not have those qualifications of majority, the Government must live in sufferance and with the support of some members who are dedicated in the long term to overthrow the Government. So the threat of dissolution, either by accident or by design, is ever present.

Politics is a very lively art, and it cannot be said that Canadian politics is always dull. However, recent events have made it clear that whether it is dull or not it is at least volatile and explosive, and the dangers involved, which are genuine, are a threat to peace, order and good government.

In this complex situation the Senate must remain calm, reasoned, and quite above the sharp and ruthless conflicts of petty party politics, and carry on in the manner in which it has carried on to date.

Recent editorials about the decline of Parliament are appearing in the newspapers. I quote from an editorial in today's edition of the *Globe and Mail*:

> The Parliamentary system of Government is a sophisticated form of democracy developed over hundreds of years by far-sighted and public-spirited men seeking a means to govern themselves. It attempts to reconcile the rule of the majority with the rights of minorities, to permit strong leadership while retaining checks and balances in the Legislature, to provide for the free clash of political ideas within the confines of orderly procedure and debate.

There was an editorial in yesterday's *Gazette*, headed: "A Challenge to Parliament Itself", which has a relationship to what the honourable Leader of the Opposition (Hon. Mr. Brooks) said when he referred, in a sense, to things that went on in the other place. With respect to the obstruction of the Creditistes this editorial says in part:

> The whole matter degrades the condition of Parliament. It brings to Ottawa the atmosphere of factional recklessness that has marked other legislative bodies in other lands, where parties multiply and responsibility drops.
>
> In one respect only the spectacle has value. It demonstrates, painfully, what Canada does not want; and introduces into Canada's Parliament a sample of the sort of irresponsibility that has wrecked other countries' parliaments in the past, and which Canada should have no wish for in the future.

I hope that all honourable senators have read that editorial. If they have not they

ought to take the time to do so. Indeed, it almost seems that when the absurd becomes the usual, it ceases to appear absurd. The Senate has in the past demonstrated its ability to retain its dignity and its composure and to keep its head during difficult situations. I am sure that it will continue to do so in the future. If the facts were known, and they are not adequately known, the people of Canada would gain considerable reassurance from the mere fact of the existence of the Senate as an integral part of Parliament.

Hon. Allister Grosart: Honourable senators, as I am a new senator here I am not sure whether it is permissible to discuss the subject matter of the bill before us.

There seems to be a glaring omission in the explanation given to us by the Leader of the Government. He said he hoped there would not be a deficit in our public accounts this year. Senator Crerar pointed out that these estimates go back to last January. However, since then a budget has been brought down in which there was an estimate of a possible deficit. My recollection is that the figure then was in the neighbourhood of $550 million. We are asked to vote now certain sums which on the face of the bill, including the supplementary estimates and other factors, indicate that the rate of spending we are asked to approve is higher than that contemplated in January, and I believe higher than that taken into consideration by the Minister of Finance when he made his estimate.

Therefore, I think it is proper to ask the honourable Leader of the Government to do more than say, "I hope there will not be a deficit". Although he may so hope, I am sure he has not the slightest expectation that that condition will be reached when the arithmetic is completed at the end of the year.

I would ask him, when he is replying to these requests for further information, to give us an estimate, if such is available, of the likely deficit at this particular rate of spending. I do not think I am asking him to do something which is too difficult, as estimates are being made by the departments concerned before asking us to approve these additional expenditures. They have some idea as to what this rate of spending will mean to the public estimates in relation to the deficit.

Hon. F. W. Gershaw: Honourable senators, I should like the honourable Leader of the Government to give further particulars regarding vote 145. Last year the Agricultural Rehabilitation Development Association, a federal-provincial organization known as ARDA, was set up. It was intended to promote the development of the marginal districts of this country, and the people who lived in those districts were much concerned. In some places they have held quite a few meetings and have come forward with some promising propositions, but they find that very little assistance is given to them either by the province or the dominion.

I would ask the sponsor of the bill if any of this vote of $8 million is in part for ARDA.

Hon. Mr. Macdonald (Brantford): Honourable senators—

The Hon. the Speaker: Is the honourable Leader of the Government now answering questions or is he making his final remarks?

Hon. Mr. Macdonald (Brantford): Mr. Speaker, I am closing the debate.

The Hon. the Speaker: Honourable senators, I should like to inform you that if the honourable Leader of the Government speaks now it will have the effect of closing the debate.

Hon. M. Grattan O'Leary: Honourable senators, I think I heard the honourable Leader of the Government say in his statement a moment ago that this house had before it in this bill all the expenditures that would be proposed this year. Is that true? I would be extremely surprised if we were not asked to deal with further supplementary estimates.

Hon. Mr. Macdonald (Brantford): Honourable senators—

The Hon. the Speaker: Is the honourable Leader of the Government closing the debate now?

Hon. Mr. Macdonald (Brantford): Yes, Mr. Speaker.

The Hon. the Speaker: If the honourable Leader of the Government speaks now, he will close the debate.

Hon. Mr. Macdonald (Brantford): Honourable senators, perhaps I should answer first the question which has been asked of me. I did not intend to say that we have before us a statement of all the expenditures anticipated in this year. In fact, I am quite sure we have not.

Hon. Mr. McCutcheon: We are only approaching the millennium. We have not reached it yet.

Hon. Mr. Macdonald (Brantford): Honourable senators, we have not before us the statement of many unforeseen items. I think you will agree with me that it would be impossible to have such a statement at the present time. I did not intend to give the

impression that the items before us now represented all the moneys which would be spent this year.

As to honourable Senator Grosart's question with regard to the amount of the deficit, of course my estimate of it would be no better than his. I could go over the amounts which were included, item by item, and try to estimate that more money would be needed in one place or another and that in other cases we would not receive as much money as we expected from certain sources. However, I must frankly admit that I could not give an estimate which would be worth while.

If during the course of this fiscal year I can come to what I think is a reasonable estimate, one which is likely to be correct, I will be very happy to give it to the house.

Referring to the remarks of the financial critic on the Opposition side (Hon. Mr. Aseltine), let me thank him for complimenting me by saying that I presented the statement today in as excellent a form as he did when he sat in this place. That has been my ambition and I am glad that in his opinion I have reached it.

If I understood him correctly, he did say that we were spending now over $7 billion. We are spending that sum, if you take disbursements from the Old Age Security Fund into account. I understood him to say that without the old age pension payments we were spending over $7 billion.

Hon. Mr. Aseltine: My notes say "with", not "without".

Hon. Mr. Macdonald (Brantford): That is correct. Without the old age pensions the estimates before us, including the main estimates and the four supplementaries, come to $6,864,868,864. Added to that there is the amount of the old age pensions, which I mentioned earlier, $755 million. That makes a grand total of $7,619,868,864.

I was also asked questions with regard to dollar items in Supplementary estimates (D). The first of these, vote 110d on page 5 of supplementary estimates (D), merely extends the purpose of the vote of the same number in the main estimates. It does not provide for any additional expenditure other than was provided for in the main estimates. The reference in the vote is to loans to students. That is of course a separate question and it relates to decisions to be made by the Commissioner of the Northwest Territories to make payments from territorial funds. The effect of Vote 110d is to extend the provisions of the program so that loans can be made to students.

In regard to Vote 178d, this provides for the extension of the existing terms of the Trans-Canada Highway Act in the manner described in the wording of the vote, namely, to extend the operation of the act for another four years, that is, to December 31, 1967.

It also extends to 90 per cent the federal contribution payable in the Maritime provinces, and it further extends the over-all total of federal contributions from $400 million-odd provided for in the present act to a new total of $625 million.

The additional expenditures in 1963-64 resulting from this amendment will not be substantial in relation to the provision of $50 million presently contained in previous estimates for 1963-64.

Another dollar item is vote 45d of the Department of Veterans Affairs. This will not have the effect of spending more than was provided for war veterans allowances in previous estimates. The purpose of this item is to ensure that such increase as may be made in old age security payments will not have the effect of reducing present rates of payments to the recipients of war veterans allowances. Without this item the limits of allowable total incomes specified by the War Veterans Allowances Act would result in lower allowances as soon as old age security payments are increased. I am sure the Leader of the Opposition (Hon. Mr. Brooks) is familiar with that provision.

Hon. Mr. Brooks: There is a ceiling on what they receive.

Hon. Mr. Macdonald (Brantford): Yes. This increases the ceiling.

The last such dollar item is Vote 207d, Loans, Investments and Advances. This item allows the Central Mortgage and Housing Corporation to issue loans of higher amount than are allowable under the National Housing Act at present. It does not have any direct effect on federal expenditures, budgetary or otherwise.

Honourable senators, I think probably that answers all the questions with the exception of one asked by Senator Gershaw regarding agriculture. I would note that ARDA is the subject of agriculture votes in the main estimates:

Vote 165—Operations	$ 157,000
Vote 170—Projects and Programs	$7,000,000
Total	$7,157,000

To date, assuming the passage of this bill, eight-twelfths of these items will have been released.

Another question remains, regarding the borrowing authority, which was asked by Senator Crerar. I have a statement on that which I am glad to give to the house. It is as follows:

> Borrowing authority is needed to permit the Government to raise new money required both for the financing of its

ordinary operations and for loans and advances to crown corporations.

Appropriation Act No. 1, 1963 conferred $1500 million in borrowing authority on the Government. To date $1093 million remains unborrowed and negotiable. The $407 million decline since the Appropriation Act No. 1, 1963 received royal assent on June 5, 1963 is made up as follows:

	$ millions
New money raised through Treasury Bills in June	20
New money raised through Treasury Bills in September ..	5
Authority to raise new money through Treasury Bills in fourth quarter (PC 1963-1363 of September 12, 1963)	200
Authority to raise new money through sale of non-marketable notes to U.I.C. (PC 1963-1187 of August 14, 1963)	80
New money that will be raised upon delivery of October 1, 1963 bond issue (PC 1963-1364 of September 12, 1963)	102
Total	407

Net cash from sales of Canada Savings Bonds annually represents a heavy charge on the Government's borrowing authority, starting in late October. One does not know in advance the total of new cash that might result from net sales of the 1963 Series of Canada Savings Bonds. However, new cash resulting from net sales of Canada Savings Bonds in the last fiscal year was at a high of about $850 million during November 1962 declining to $772 million on March 31, 1963.

Since the Appropriation Act No. 1 was passed, there have been a number of important developments affecting the financial situation. In particular there have been such special and unpredictable factors affecting the Exchange Fund as the proposed United States Interest Equalization Tax and the recent wheat export contract with the U.S.S.R. Cash requirements of the Exchange Fund and other unforeseeable requirements might affect the Government's borrowing program and reduce further the Government's unborrowed and negotiable borrowing authority.

To ensure the Government flexibility in its debt management planning and operations, the Government recommends that a further $500 million in borrowing authority be granted. This would bring total borrowing authority in fiscal 1963-64 to $2 billion which compares with the following totals in previous years:

	$ millions
1955-56	1000
1956-57	1500
1957-58	1000
1958-59	2000
1959-60	1500
1960-61	1500
1961-62	2000
1962-63	2500

In this instance, this is not out of proportion to what was asked in the past. It is higher than was passed in some years and not as high as required in other years.

Motion agreed to and bill read second time.

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

Hon. Mr. Macdonald (Brantford): With leave of the Senate, I move that this bill be read the third time later this day.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Brooks: May I ask the honourable Leader of the Government what time has been fixed for the royal assent?

Hon. Mr. Macdonald (Brantford): I understand that the hour now set for the royal assent is a quarter to ten this evening.

Hon. Mr. Brooks: It has been suggested by an honourable senator that it might be possible to finish our work here before six o'clock and it would be unnecessary to sit after that hour. I just mention it to the honourable Leader.

Hon. Mr. Macdonald (Brantford): I understand that His Imperial Majesty Haile Selassie, Emperor of Ethiopia, has invited honourable senators to a reception at half past five, and I doubt if we could finish our work by that time. I would ask His Honour the Speaker if we might continue with the routine proceedings, and proceed with item No. 3 on the Order Paper in the name of the honourable Senator Vien.

The Hon. the Speaker: Do honourable senators agree to proceed with item No. 3?

Hon. Senators: Agreed.

PRIVATE BILL

ST. LAWRENCE RIVER TOLL BRIDGE AND CAUSEWAY AT POINTE-AUX-TREMBLES—SECOND READING

Hon. Thomas Vien moved the second reading of Bill S-41, to authorize the construction

of a toll bridge and a causeway over the St. Lawrence River near the city of Pointe-aux-Trembles.

He said: Honourable senators, I will ask your attention for a few minutes only.

Opposite the east end of the island of Montreal, there are two islands, Isle Ste-Thérèse and Ile-aux-Asperges. The area of these two islands is about 2,000 acres. About 90 per cent of this superficial area is the property of the promoters of this bill, Developpement Central Ville de l'Isle Inc. The promoters intend to establish a town on this island, and the name Ville de l'Isle refers to the name that they wish to give it; the Developpement Central Ville de l'Isle has been created for that purpose.

There is no navigable water between the islands and the shore. The nearest island is about 500 feet off shore, and the water between is navigable only for very small river craft such as paddle boats, small sailboats or small motorboats. When application was made to the Department of Public Works for a licence, the department determined that there should be at least a 25-foot clearance over high water level at that point. This shows that no large river craft are using this narrow and shallow passage.

It was thought that, under the provisions of the Navigable Waters Protection Act, a simple licence from the departments of Public Works, Transport and the National Harbours Board would suffice. At least, the promoters were so advised. For four weeks, notice of their petition was published in newspapers and in the *Canada Gazette*. Then the matter was referred to legal counsel of the National Harbours Board who, in turn, referred it to the Department of Justice. The Department of Justice gave the opinion that an act of Parliament was necessary; one of the sections of the Navigable Waters Protection Act provides that a bridge over the St. Lawrence cannot be built without authority of an act of Parliament.

Inasmuch as this bridge does not go directly across the St. Lawrence but runs only between the islands and the shore, a distance of about 500 or 600 feet, the departments of Public Works and of Transport were satisfied that an order in council was sufficient. However, the Department of Justice thought otherwise. It is not stipulated in the act as "across the St. Lawrence"; it is stipulated as "over the St. Lawrence". Whether it is over the St. Lawrence for 500 or 600 feet, or over the full width of the river, Justice construed it as being over the St. Lawrence. Be that as it may, the promoters yielded to the opinion of the Department of Justice. They have given the notices as required, in the *Canada Gazette* and the newspapers, and they now request an act of Parliament enabling them to build the bridge and causeway.

You will see by sections 2 and 3 of the bill that the works cannot be proceeded with before the plans and specifications have been submitted to and approved by the departments concerned, that is, the departments of Public Works and Transport and the National Harbours Board. That had already been done when it was thought that an order in council was sufficient. When the Justice Department issued its ruling to the effect that a special act was necessary, the promoters started the ball rolling in that direction. These promoters are before you for an act granting leave to build this bridge and causeway. They have sought the approval of the departments concerned and received the assurance that their application should be approved. Nothing in the proposed works is an impediment to navigation.

Hon. Mr. Paterson: Will it be a toll bridge?

Hon. Mr. Vien: Yes, it will be a toll bridge between the shore and Ste-Thérèse island. The provincial government of Quebec, whose authority has to be obtained in that respect, will be consulted. Nothing can be done before that authorization has been granted.

If this bill is passed nothing shall be done before all plans and specifications shall have been submitted and approved by all concerned. In other words the promoters will not be empowered to proceed with the construction before they receive a new approval by all departments concerned, and by the provincial government of Quebec as regards the toll bridge.

Honourable senators, I suggest that this bill be read a second time; I shall then move that it be referred to our Standing Committee on Transport and Communications where all the details shall be given. The promoters will be there, as well as the officers of the departments concerned; fuller details will then be made available.

Hon. L. M. Gouin: Honourable senators, I wish to say just one word to support the remarks that have been made by Senator Vien.

I know very well the locality which he has described. About sixty years ago I used to spend my summers at Point-aux-Trembles, just in front of Ste-Thérèse island, and I wish to assure honourable senators that the small channel between the island of Montreal and Ste-Thérèse island is not navigable for any regular river traffic. I used to go there in a flat boat and do some fishing. That part of the river can be used only by small launches and power boats.

The works proposed by the bill now before the Senate are really of such a nature that they cannot possibly interfere with navigation; on the other hand, they are likely to be of great advantage to the eastern end of the island of Montreal, to promote a very interesting development, and to give work to many people who will be employed in the construction of the bridge and eventually the construction of cottages which will be erected in that locality.

Hon. Mr. Lambert: May I ask honourable Senator Vien if the work proposed by this bill has been submitted to or approved by the Department of Public Works?

Hon. Mr. Vien: The bill has been submitted to the Department of Public Works; they have raised no objection. Plans and specifications had been submitted to the Department of Public Works at the time of the former application and the department approved them in principle.

Hon. Mr. Lambert: But the plans in connection with the works must be approved by the Department of Public Works before proceeding with the actual work?

Hon. Mr. Vien: Yes, they have to be approved.

Hon. Mr. Lambert: Has a permit been issued?

Hon. Mr. Vien: No. The Department of Justice stated that no permit could be issued, because a permit to build a bridge over the St. Lawrence River could be given only by act of Parliament.

Hon. Mr. Lambert: In which case, would second reading of this bill be premature without the assurance that the Department of Public Works is satisfied with the plans and is quite willing to issue a permit?

Hon. Mr. Vien: The Department of Public Works cannot issue a permit now. The power to proceed must be granted first by an act of Parliament and, as provided for in section 2 of the bill, the work cannot be proceeded with before the plans and specifications are submitted and approved.

Hon. Mr. Haig: May I ask Senator Vien two questions: First, who will set the tolls on this bridge? Second, is there any time in the future at which tolls on such bridges are to be discontinued?

Hon. Mr. Vien: I do not think there has been any provision included in the bill for the discontinuance of the tolls. I will certainly inquire and furnish this information to the committee. I am told, but I have not been able to verify it, that when the bonds to be issued are completely amortized the bridge will be free.

Hon. Mr. Roebuck: Is there any limit to the amount of the toll that may be charged the public?

Hon. Mr. Vien: No. These tolls cannot be charged without leave being granted by the government of Quebec, which regulates them. As soon as we have received this authority we shall apply to the Department of Public Works, to the Department of Transport, to the National Harbours Board and to the provincial government of Quebec for all the approvals required by law. They will give these approvals in terms of the laws and regulations in force, and we shall be governed accordingly. Does that answer the question?

Hon. Mr. Roebuck: Yes.

I was just wondering why there are tolls at all. This bridge is being built to give access to a building project where town lots are to be sold, evidently in large numbers and probably at a very high price. Why tolls at all? Why not give access, and in that way make the lots valuable and pay for the bridge out of the sale of the lots?

Hon. Mr. Vien: The whole undertaking will cost six, seven, eight million dollars or more. When the whole development is completed it will have cost much more. The territory is larger than that of the city of Outremont; it is larger than that of the city of Westmount; there is room for 50,000 people on these two islands. Therefore, there is to be built there a residential town, with town planning and public facilities of all kinds. Evidently, the bridge and the causeway are part of the whole undertaking. It has been deemed by the promoters not to be unreasonable, at least for a certain time, that the people living on the islands should pay a little something towards the amortization of the cost of the bridge. As a matter of fact, this principle has been applied in a number of cases, even by the Government. The Victoria Bridge and the Jacques Cartier Bridge were toll bridges for a long period of years.

The promoters, therefore, do not think it unreasonable, subject to approval by the Department of Highways of Quebec, that they should charge a toll to those using the bridge. The route from Montreal to the Laurentians is subject to a toll of 75 cents—25 cents at one place, 25 cents at another, and 25 cents a little farther on. In New York the George Washington Bridge, the Brooklyn Bridge and other bridges are subject to tolls. Apparently it is not considered contrary to

public interest that tolls be charged to help in amortizing the cost of such undertakings.

Hon. Arthur W. Roebuck: Honourable senators, we had a somewhat similar situation in the city of Toronto approximately 25 years ago. We built a great bridge across the Don River to provide access to the lands on the other side of the Don, on the other side of the city. The bridge cost the city of Toronto something in the order of $2 million. The township that lay just past the bridge was organized at the time and the lands were assessed. Before that bridge was opened the increase in the assessment on the lands on the far side was more than the cost of the bridge. Had those who benefited by the increase in land values paid for the bridge it would have been a piece of just and proper bookkeeping. As it was, the land owners put the $2 million or more in their pockets even before the traffic surged across the bridge, and the city of Toronto charged its taxpayers for the cost of the bridge.

In this instance, evidently the promoters of the whole enterprise own a very large section of vacant land, and probably by the time the bridge is built the increase in the value of the land which these promoters own will equal the cost of the bridge; so they will put the increase in their pockets and ask the general public to pay for the cost of the bridge in tolls.

Hon. Mr. McCutcheon: No one has to go across the bridge if he does not want to.

Hon. Mr. Roebuck: That is all very fine as far as the promoters are concerned, but it is not very good bookkeeping from the public's point of view.

Hon. Mr. Horner: Honourable senators, it will be the users of the bridge who will pay the toll. I have no objection to a toll bridge, as the idea is that the people who use it pay for it.

Hon. Mr. Lambert: May I ask the sponsor of the bill again if he has any estimate of the cost of the bridge?

Hon. Mr. Vien: I could not tell you the cost of the bridge. It will be about 600 feet long and 25 feet high. However, we shall give all these particulars in committee.

Hon. Norman P. Lambert: May I say that if the bona fides of the applicants for this legislation prove satisfactory to the Standing Committee on Transport and Communications—and we have had many applications to incorporate pipe lines and so on—the final accomplishment of the undertaking would depend upon the Department of Public Works. If the scheme is feasible and if the financial requirements associated with it are correct, then I do not see that we have any alternative but to grant the general requirements of such an incorporation. It would not be the first time the Senate has incorporated public undertakings of this nature.

The Hon. the Speaker: It is moved by the honourable Senator Vien, seconded by the honourable Senator Croll, that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Roebuck: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

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

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, may I suggest that we rise now and resume our sitting at 8 o'clock this evening. May I also suggest that the first order of business, even before the routine proceedings, should be the third reading of the appropriation bill so that arrangements can be made for royal assent at 9.45.

The Senate adjourned during pleasure.

At 8.15 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 3, 1963

THIRD READING

Hon. W. Ross Macdonald moved the third reading of Bill C-101, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa

8th October 1963

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General will proceed to the Senate Chamber today, the 8th October, at 9.45 p.m., for

the purpose of giving Royal Assent to certain bills.

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

The Honourable
The Speaker of the Senate.

PRIVATE BILLS

THE CANADIAN EQUITY INSURANCE COMPANY—FIRST READING

Hon. Duncan K. MacTavish presented Bill S-42, respecting The Canadian Equity Insurance Company.

Bill read first time.

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

Motion agreed to.

THE MANUFACTURERS LIFE INSURANCE COMPANY—FIRST READING

Hon. Mr. MacTavish presented Bill S-43, respecting The Manufacturers Life Insurance Company.

Bill read first time.

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

Motion agreed to.

ADANAC GENERAL INSURANCE COMPANY OF CANADA—FIRST READING

Hon. Mr. MacTavish presented Bill S-44, respecting Adanac General Insurance Company of Canada.

Bill read first time.

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

Motion agreed to.

THE CANADIAN UNION CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS—SECOND READING

Hon. David A. Croll moved the second reading of Bill S-36, respecting The Canadian Union Conference Corporation of Seventh-day Adventists.

He said: Honourable senators, this is a bill dealing with The Canadian Union Conference Corporation of Seventh-day Adventists, the corporate entity which represents the Seventh-day Adventist Church in Canada. This corporation came into being by act of Parliament, namely, chapter 85 of the Statutes of 1955, which united The Eastern Canadian Union Conference Corporation of Seventh-day Adventists and The Western Canadian Union Corporation of Seventh-day Adventists, which themselves, in 1916 and 1920 respectively, had been incorporated by act of Parliament.

The purpose of the present bill is to amend the 1955 legislation in four ways. In the first place, the name of the corporation is to be changed to Seventh-day Adventist Church in Canada. The present name is obviously quite cumbersome, and the suggested new name is shorter and more descriptive of this denomination. I am informed that the corporation would also like to have a corresponding French name, and that it will be moved in committee that the name of the corporation in French be "Eglise Adventiste du Septième Jour au Canada".

In the second place, the limitation on the powers of the corporation to hold land is being removed. The Senate has of course removed such limitations in recent years at the request of religious and charitable bodies.

Thirdly, the bill seeks to enlarge and clarify the objects of the corporation in accordance with the current activities and programs of the church. In particular, the new paragraph (c) of section 6 of the original act will make it possible for the corporation to undertake the publication and sale or distribution of a wide range of religious, educational, scientific and cultural literature throughout Canada.

Finally, clause 4 will permit the corporation to hold regular general meetings every four years. This is so that they may be held in conjunction with the quadrennial general conference of the Seventh-day Adventist Church in Canada.

The bill, in short, is an exercise in corporate housekeeping and tidying-up, and will enable the church to keep its corporate affairs in good order and in harmony with current corporate practice and procedure.

By comparison with some of the larger and better known religious organizations in Canada, the Seventh-day Adventists are a rather small denomination. However, they are more than 15,000 in number, and are to be found in every province of Canada. Together with their churches and private and parochial schools, except in Newfoundland, they operate without any provincial grants; in addition they operate hospitals, summer youth camps and community welfare services.

The size of the denomination in Canada is perhaps misleading. There are over 1,250,000 members in more than 189 countries around the world. The Seventh-day Adventists are members of a conservative or orthodox Protestant Christian denomination. They are

strong advocates of religious freedom, of the complete separation of church and state, and of the importance of recognizing the brotherhood of man and the equality of all races under God.

As their name indicates, they observe the seventh day of the week, namely Saturday, as the Sabbath and consider that to be the teaching both of the Old and the New Testaments.

Honourable senators, if this bill receives second reading I shall be pleased to move that it be referred to the Standing Committee on Miscellaneous Private Bills, where representatives of the Church will be in attendance and able to answer any questions which may arise in the minds of the honourable members.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Croll, bill referred to the Standing Committee on Miscellaneous Private Bills.

PACIFIC TRANSMISSION COMPANY—SECOND READING

Hon. Donald Cameron moved the second reading of Bill S-40, to incorporate Pacific Transmission Company.

He said: Honourable senators, before proceeding to discuss this bill, I wonder if I might crave your indulgence for a moment or two in connection with an item which is of vital concern to all members of Parliament. It is dealt with in a report in tonight's Ottawa *Journal* and I am sure most of you have read it. Some honourable senators may have heard reference to it on the radio this morning.

As honourable senators are aware, for some time a dock strike has been going on in Montreal. This is of vital concern to all Canadians, but particularly to those in western Canada who are concerned about the disposal of their wheat.

In this evening's Ottawa *Journal* a certain lawyer named Phil Cutler, counsel for the International Longshoremen's Association, is reported as follows:

> Phil Cutler, lawyer for the International Longshoremen's Association (CLC), reiterated the union's fear that the federal government would intervene to end the strike to protect Canada's recent sale of wheat to Russia.
>
> He said the Shipping Federation of Canada, representing employers, "has got to learn not to count on federal intervention by way of compulsory arbitration." If the labor minister orders the men back to work they will not go, he said, and if they are ordered by act of Parliament they will go but they will not work.

Honourable senators, if this gentleman is quoted correctly this is a rather serious statement for any so-called responsible individual to make in the name of a trade union.

Canada owes a great deal to the trade unions of this country. As one of those who has a good deal to do with management in one way or another, I know that management representatives are frank in saying that this country could not get along without unions. At the same time we have reached a stage in our development where we have a right to expect much more responsibility on the part of those who belong to unions and who have the power to disrupt the economy of the country with tremendous damage not only to themselves but to the whole country.

Honourable senators will have read also in the papers in the last few days that the Parliament of Canada has been receiving a good and severe spanking editorially from one end of the country to the other.

As was pointed out by my honourable friend Senator Croll this afternoon, in referring to an editorial in the *Globe and Mail* this morning, the Senate is of course part of the Parliament of Canada and is condemned along with the other part. If the Commons is not prepared to take a specific stand on matters of this kind, it is high time the Senate expressed itself in no uncertain terms and sought to bring some order out of what is rapidly becoming a chaotic situation in catering to the unions as far as shipping is concerned.

That is all I wish to say about this very serious matter, and one which should not go unchallenged.

Referring to the bill under discussion, it is somewhat interesting that on October 9, 1962 I introduced a petition regarding the establishment of the Pacific Transmission Company. On account of the vicissitudes undergone by Parliament during the past year or so, that measure did not get beyond the petition stage before Parliament was dissolved, and I am now moving second reading of a new bill. I should say at once that in the event this bill receives second reading tonight, it is my intention to refer it to the appropriate committee—probably the Committee on Transport and Communications.

Honourable senators, this bill seeks to establish the Pacific Transmisssion Company, a company to be incorporated for the purpose of transmitting butanes, propanes, methanes, and the other by-products of the natural gas industry, from a point in southeastern Alberta, near Empress, Alberta, 577 miles to a point near Winnipeg.

There are some complications in connection with this bill, but not with its proposed construction. I can say without hesitation that

this is a very fine development so far as the petroleum and petro-chemical industry in Canada is concerned, and something we all welcome most warmly. Under the plan gas is gathered from the Alberta gas fields by the Alberta Gas Trunk Line Company and delivered to Trans-Canada Pipe Lines at a point near Empress, Alberta.

Under the terms of an agreement entered into between Pacific Petroleums and Trans-Canada Pipe Lines, Pacific Petroleums is guaranteed the right to extract natural gas liquids, being ethane propane, isobutane, normal butane, pentanes and heavier hydrocarbons, from gas owned by Trans-Canada and delivered from the field through the gathering system of Alberta Gas Trunk Lines Company. The agreement required Pacific Petroleums to construct a liquids extraction plant for the purpose of extracting natural gas liquids, together with all facilities for adsorption, distillation, fractionation, treating, storage and loading of products and facilities for the receipt of the feed gas and for the delivery of the residue gas. The plant will be capable of extracting 83 per cent of the propane and virtually all of the heavier hydrocarbons. Pacific Petroleums agreed to construct a 6-inch line from the plant to a point near Winnipeg, together with all pumping stations and other required facilities, a distance of 577 miles.

Historically, Pacific Petroleums was incorporated in British Columbia in 1962, and it entered into an agreement with Trans-Canada Pipe Lines Limited to construct this line of almost 600 miles in length. There was some urgency in getting the line built to prevent loss through inefficient utilization of gas by-products such as propanes, butanes, etc., and if the line were to be built without delay it required a company incorporated under special act of Parliament.

This is where we get into some of the legal aspects, which I think will be discussed more competently before the committee on Transportation and Communications than I am capable of doing. Delay would have resulted in a financial loss to the company and the public would not have been served with these valuable fuels and materials. If you were to visit Manitoba, or more particularly Saskatchewan and Alberta, you would see on almost every farm through the southeastern part of the country a propane tank out in the yard. In other words, the farmers are able to utilize propane for their heating, and sometimes for power, because pumping stations, irrigation pumps, and so on, are often operated by this type of gas. Previous to that, the gas was wasted.

Because the bill did not receive passage, Pacific Petroleum Company purchased from Westcoast Transmission Company, a company incorporated by act of Parliament in 1955 under the name of Petroleum Transmission Company, on the express understanding that such company would be resold to Westcoast Transmission Company Limited as soon as Parliament had incorporated a new company to take over the Empress-Winnipeg project.

Unfortunately there were unavoidable delays in placing before Parliament the application to incorporate Pacific Transmission Company. In the meantime the National Energy Board and other regulatory bodies had issued permits and licences in connection with the Empress-Winnipeg project to Petroleum Transmission Company, so that it would now be extremely difficult to transfer the project to the new company. Therefore, the new company, that is the Pacific Transmission Company, when incorporated, will be transferred to Westcoast Transmission Company Limited in order to fulfil the obligations of Pacific Petroleums Limited to Trans-Canada Pipe Lines to complete the contractual arrangement made between Pacific Transmission Company and Westcoast Transmission Company Limited.

The total cost of the Empress-Winnipeg pipe line, including the cost of the liquid extraction plant, will be approximately $33.5 million, and both the pipe line and the plant are now under construction. It would not have been possible to proceed without the co-operation of Westcoast Transmission Company Limited in making available to Pacific Petroleums Limited the Corporate entity, Petroleum Transmission Company, to carry out this job.

I should say there is a very interesting development in connection with this project. In order to preserve an adequate reserve of these by-products, and to provide a constant supply throughout the years, the proposal is to use this 6-inch pipe line to carry gas to Winnipeg, but in the meantime to establish a storage plant about 18 miles south of Regina in the salt beds of that area. They are dissolving a cavern or reservoir now of approximately 200 feet wide by 700 feet long and 12 feet in height, capable of storing 500,000 barrels of these by-products. It so happens that these salt beds, because of their location, and an impervious layer of clay underneath and another one on top, and the fact that they are not soluble in these liquid gases, from a natural cavern which can be used for storage and can be enlarged as circumstances require. In other words, this is one of those gifts of nature which is of tremendous economic value. This storage reservoir is being established so that gas can be kept there to guarantee a continuous supply as time goes on.

In other words, this is a most valuable development in connection with the western petro-chemical industry and something I think we are all delighted to see go forward. I would commend this project to the support of the members of the Senate.

As I said earlier, if this bill receives second reading tonight I propose to move that it be referred to the Standing Committee on Transport and Communications.

Hon. R. B. Horner: Honourable senators, if I heard the honourable senator correctly, he mentioned the difficulty in the loading of wheat due to the longshoremen's strike. I congratulate him very sincerely for bringing up that question. I also wish to congratulate Frank Ryan for the suggestion given on his program that the farmers come down east and load the wheat themselves. I can assure honourable senators that that can be done so quickly it would be quite a surprise to the eastern fellows just to watch the westerners perform in handling that wheat.

We have suffered before; we lost a sale in Vancouver. We have had it put to us that the timing of the strike was the important factor. I think it is a deplorable situation that at a time when this country is proving successful in making this huge sale and when the services of longshoremen are needed immediately, they consider it the most favourable time to strike. I think this idea of Frank Ryan is an excellent one. Having produced the wheat the farmers can really follow their grain down to the ports and load it in a hurry, if these fellows do not wish to do it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, we have now disposed of all the items on the Orders of the Day, and as Mr. Speaker has already informed us, the deputy to His Excellency the Governor General will attend here at 9.45 this evening to give royal assent to the bill we passed earlier.

Under the circumstances, I would suggest that we rise now to re-assemble at the call of the bell a little before a quarter to 10.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bill:

An Act for the relief of Madeleine Françoise Hankowski.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

28906-6—37½

THE SENATE

Wednesday, October 9, 1963

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

Prayers.

OLD AGE SECURITY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-98, to amend the Old Age Security Act.

Bill read first time.

Hon. W. Ross Macdonald moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Copy of *The Canada Gazette*, Part I, dated September 28, 1963, containing Order in Council P.C. 1963-1380, dated September 19, 1963, approving amendments made on August 9, 1963, to the General Rules and Orders regulating the Practice and Procedure in Admiralty cases in the Exchequer Court of Canada, pursuant to section 31(4) of the Admiralty Act, chapter 1, R.S.C., 1952. (English text).

ICE CONDITIONS—ST. LAWRENCE RIVER

REPORTED CONSTRUCTION OF ICE BOOM AT MONTREAL—INQUIRY ANSWERED

Hon. Gordon B. Isnor inquired of the Government, pursuant to notice:

(a) Is the statement as printed in the *Financial Times* of Montreal, July 15th, 1963, correct as to fact?

(b) To which department of the government will the 5½ million dollars be charged?

(c) To which department of government will the maintenance be charged?

(d) What is the annual estimated cost of maintenance?

Hon. W. Ross Macdonald: The answer to the honourable gentleman's inquiry is as follows:

(a) No. The construction and operation of the ice control structure will not assist icebreakers in keeping the St. Lawrence River open for the many miles downstream from St. Helen's Island which constitute the main problem. The structure will delay the backup of ice from St. Helen's Island upstream, thus reducing the amount of ice and the icebreaking required in Montreal harbour to prevent flooding.

(b) Department of Public Works.

(c) Not yet determined.

(d) Not yet determined.

THE ESTIMATES

MOTION TO REFER VOTE 15 TO FINANCE COMMITTEE—ORDER STANDS

On the notice of motion by Hon. Mr. Pouliot:

That Vote 15, Translation Bureau, in the Estimates of the Department of the Secretary of State and the Estimates of the Department of Public Printing and Stationery, contained in the Estimates for the fiscal year ending March 31, 1964, tabled in this House, be referred to the Standing Committee on Finance for inquiry and report.

Hon. Jean-François Pouliot: Honourable senators, I ask for leave of the Senate to let this motion stand until Wednesday of next week.

Hon. Senators: Agreed.

Order stands.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, July 18 the adjourned debate on the motion of Hon. Mr. Pouliot for second reading of Bill S-32, to amend the Marriage and Divorce Act.

Hon. Jean-François Pouliot: Honourable senators, I just want to give a brief explanation of this bill, and I do not intend to make a speech. The purpose of the bill is to allow married women to dispose of their immoveable property without being obliged to seek the permission of any person. The bill contains only one sentence which reads as follows:

Married women shall have the same rights as unmarried women for the sale and alienation of immoveable property.

This morning I had an interview with the Leader of the Government (Hon. Mr. Macdonald, Brantford) and the Leader of the Opposition (Hon. Mr. Brooks) and they suggested that I should send this bill to the Miscellaneous Private Bills Committee. Therefore, honourable senators, seconded by honourable Senator Inman, I move the second reading of this bill.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Pouliot, bill referred to the Standing Committee on Miscellaneous Private Bills.

CARRIAGE BY AIR ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, October 3, the adjourned debate on the motion of Hon. Mr. Macdonald (Brantford) for second reading of Bill S-37, to amend the Carriage by Air Act.

Hon. J. Campbell Haig: Honourable senators, it was my misfortune to be unavoidably absent when the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) introduced Bill S-37, to amend the Carriage by Air Act.

I can see from reading *Hansard* that the Leader explained in his usual capable manner what this bill is meant to accomplish. The first schedule of this act, which deals with the Warsaw Convention, states that its purpose is for the unification of certain rules relating to international carriage by air.

This convention was drafted by a group of nations which arranged to make uniform regulations covering certain particulars of air travel, such as tickets and documents, but mainly limiting the liability of airlines in case of accident or death.

The honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) has suggested, and I think quite properly, that when the bill has passed second reading it be referred to the Standing Committee on Transport and Communications. He also indicated that there would be certain departmental representatives present at the meeting of the committee to explain this very technical measure. I would suggest to the chairman of that committee, Senator Hugessen, that all the Canadian airlines be invited to give their views on this bill. I also recommend to him, and through him to this house, that certain professors of air law—and I am thinking of A. B. Rosevear, Q.C., of McGill University—be invited to attend the committee meetings and explain some of the legal or technical parts of this bill.

I may say at this point, honourable senators, that when I refer to the *Hansard* report I am referring to the *Debates of the Senate* for October 3, 1963. I wish to make some observations on various points that were raised by certain honourable senators.

The honourable Leader of the Government at page 547, in the first column, indicated that if it was not for the Warsaw Convention, and also The Hague Protocol which makes certain amendments to that convention, a passenger suffering loss either by death or accident would have to prove that the carrier was negligent. The honourable Leader of the Government went on to say that under Article 20, subsection 1 the carrier is not liable if he proves that he and his agents have taken all necessary measures—and I emphasize those words "all necessary measures"—to avoid the damage. This article states, therefore, that the carrier must prove that in addition to not being negligent he has taken all necessary measures to avoid an accident and, therefore, it imposes an onus on the carrier that is very difficult to meet.

At page 547, in column 2, Senator Choquette raises a question with respect to Article 20, paragraph 2. This paragraph has been eliminated by Article X of The Hague Protocol, so that the pilot or any of the airline's staff is responsible and, therefore, there is a relationship of master and servant. This protocol adds Article 25 A to the Warsaw Convention, which gives the pilot the protection, and also the limitation of liability, of the Warsaw Convention.

I might mention also at this time that one honourable senator stated that a Canadian passenger on any Canadian airline which is on an international flight can choose any forum he wishes in Canada in which to bring his action. So for all practical purposes, T.C.A. and C.P.A., which have offices in all provinces, can be sued in a province of the plaintiff's own choosing.

Senator Bouffard at page 550, column one, asked a question as to whether this bill, which seeks to ratify the Warsaw Convention and The Hague Protocol, contravenes or affects civil rights and procedures. I would point out that there was a reference under The Supreme Court Act in 1932 which went finally to the Privy Council, and which is reported in volume 2 of *Canadian Constitutional Decisions of the Judicial Committee*, arranged by Richard A. Olmsted, Q.C., at page 709. As I said before this was an appeal from the Supreme Court of Canada which ruled that the Canadian Parliament had the right to regulate aeronautics. The headnote to the Privy Council's decision reads in part:

> The whole field of legislation in relation to aerial navigation in Canada belongs to the Dominion.

These rights belong

> to the Parliament of Canada under its authority to make laws for the peace, order and good government of Canada.

I submit, therefore, that the Canadian Parliament has the right to pass this act, which act would enable Canada to ratify The Hague Protocol. We have already ratified the Warsaw Convention.

There was also a case in Manitoba that finally reached the Supreme Court in 1950, and which is reported in (1950) 3 Dominion Law Reports at page 101. That is the case of *Johannesson v Rural Municipality of West St. Paul*, which states that the Dominion Parliament has exclusive legislative authority over aeronautics in all its aspects, and in all matters respecting aerial navigation. This case went on to indicate that a local municipality has the right to make certain by-laws relating to the zoning regulations regarding the location and direction of airports.

The plaintiff Johannesson had an airport near Red River and was using it for his own purposes as he owned a flying school. He proposed to make it available to private carriers for their use, and the municipality made certain zoning regulations which were upheld by this Manitoba case.

Senator Grattan O'Leary raised, at page 554, certain questions affecting insurance. I have been informed that most airlines buy for themselves commercial insurance in large sums for their own protection and frequently provide self insurance for a further amount, depending on their incidence of traffic and the size of their aircraft.

Senator Cameron, as reported at pages 552 and 553, raised certain interesting questions. Not having seen the new Edmonton airport, I would defer any remarks I might wish to make or could make on the question of the murals, good, bad or indifferent.

He also raised a question regarding the International Air Transport Association, which is known as IATA. This is a voluntary organization of practically all the international airlines of the world, that is, the airlines that fly internationally. The association deals with certain problems affecting air travel but its main work is in the field of rate-making on international routes, with the exception of those between Canada and the United States.

Recently, as honourable senators probably have read in the newspapers, there has been much discussion by this association at Salzburg, Austria with relation to the fare structure on the North Atlantic run. Certain airlines wish to raise the fares while others wish to lower them. The question was discussed at that meeting. By a bilateral agreement, those governments affected by the agreement recognize and rely on the capability of IATA to arrange and suggest these international rates, but after IATA, with the unanimous consent and agreement of the airlines affected, has recommended the suggested rate, the respective governments affected by these bilateral agreements must approve.

Senator John J. Connolly, as reported at page 553, raised the question of notice to the passenger on an international flight to show that the liability of the carrier or the airline is limited. This notice of limitation is printed on the ticket, pursuant to this Warsaw Convention, and it sets forth the carrier's liability. If it is not mentioned on the ticket, for some unknown reason, then the carrier faces unlimited liability to the passenger in the case of death or accident.

At the present moment some 72 countries have ratified this convention, and therefore the explanatory note that some 46 countries are parties to the convention is slightly in error. Those 72 countries which have ratified the convention are bound by its terms. Therefore, the Canadian traveller flying between Canada and any country which has signed the convention is fully protected.

A question was raised also as to the capability or the desirability of a passenger buying commercial insurance from one of the airport machines or from a company. If an accident or death occurs on one of these international flights, the person who is injured, or his estate if he dies, can collect under the Warsaw Convention provisions.

As is mentioned in the explanatory notes to this bill, under The Hague Protocol the liability of the carrier has been increased from approximately $8,300 to approximately $16,600. In terms of the Canadian dollar, that latter figure is roughly equivalent to $18,000. This dollar figure is a very complicated one, as the honourable Leader of the Government has mentioned. It is based on the French gold franc and it is correlated to the American dollar. As I have said, a Canadian passenger could collect nearly $18,000 under the Warsaw liability clause.

Honourable senators, I fully recommend the approval of this bill which amends the Carriage by Air Act and which includes the Warsaw Convention, in accordance with The Hague Protocol of 1955. I may say with regard to the protocol that it has made certain amendments and corrections in the original Warsaw Convention.

It must also be remembered that the Warsaw Convention, plus The Hague Protocol, really has the effect of setting forth in an international document for the protection of both the passenger and the air line certain rights and procedures whereby the passenger and the air line are fully protected in all the countries that are signatories to the Warsaw Convention.

Hon. A. K. Hugessen: Honourable senators, we have had a most interesting discussion on this bill in the Senate, and I am sure we are all indebted to Senator Haig for the light that he has thrown this afternoon on various parts of the bill and the circumstances surrounding it.

He made the suggestion that if and when the bill comes to be considered by the Standing Committee on Transport and Communications, we invite representatives of the air lines and also Professor Rosevear, the expert from Montreal on the subject, to appear. Of course, as chairman of the committee I am the servant of that committee and cannot decide for myself who will appear before it; but I shall certainly transmit Senator Haig's suggestion to the committee when it meets to consider this bill.

I was particularly interested in Senator Haig's remarks about the constitutionality of the bill—the right of this Parliament to pass this bill—a question which was raised, I believe, last week by Senator Bouffard. I agree with the honourable Senator Haig. I think there is little doubt that this Parliament has the right to enact legislation of this kind. It is true that it does in a way affect property and civil rights by limiting the right of a passenger or his estate to sue in the event of injury or death; but, as the honourable Senator Haig said, the Privy Council in 1932 decided that aviation as a whole was properly within the jurisdiction of the federal Parliament. There have been many cases in which our courts have held that the federal Parliament in the exercise of its jurisdiction in subjects over which it is clearly in control can, as incidental to the exercise of those rights, affect property and civil rights, provided that the basis of what it is doing is clearly within its own powers.

In this instance, we are proposing to approve an amendment to an international air agreement, and the courts have always sought, as a basis for deciding whether or not an act of this Parliament is constitutional, what they call the pith and substance of the legislation—what is it that the legislation is really trying to do. In this case you might take one attitude and say that it is restricting the rights of the individual or his estate to sue for a precise amount in case of death. That is property and civil rights. On the other hand, you might say that that is not really what the basic object of this legislation is; the basic object of the legislation is to preserve international air transport by ensuring that no air carrier will be subjected in the case of any one particular accident to such immense claims for damages that its capacity or its ability to carry on the international air service is impaired and it is unable to do what the public expects it to do as an international air carrier. I suggest that that is really the pith and substance of what we are doing in this bill, and that it is only incidentally that we are affecting property or civil rights.

On that basis, let me put an analogy. As honourable senators know, interprovincial railways are subject to the jurisdiction of this Parliament and they are regulated by the provisions of the Railway Act. I think it would be perfectly proper for this Parliament, if it saw fit, to enact an amendment to the Railway Act limiting the liability of railway companies to any individual passenger in the case of an accident to $10,000 or $15,000 or $20,000, or something of that kind, not on the ground that this was interfering with property and civil rights of the passenger but on the ground that a serious accident involving an immense amount of money might impair the ability of the railway company to carry on properly the transportation business which the public expected it to carry on.

Hon. Mr. McCutcheon: Parliament has not done that for over 90 years.

Hon. Mr. Hugessen: I agree that Parliament has not done that, but I think it is much more important that Parliament should do that in the case of airplane companies than in the case of railway companies because when an airplane is involved in an accident it is usually all or nothing; and where you have an international flight with 100 to 150 people on board and the aircraft falls into the sea or runs into the side of a mountain, if there is no ceiling on the liability of the airplane company the claims might run into millions of dollars for one accident.

The house should bear in mind that what we are doing in this legislation is not new to this Parliament. What we are really doing is amending an act which this Parliament passed in 1939. In 1939 this Parliament enacted the Carriage by Air Act which ratified, in so far as Canada was concerned, the Warsaw Convention of 1929, and what we are being asked to do in this bill is to make Canada a party to The Hague amendment of 1955 to the Warsaw Convention of 1929.

When the original bill came before this Parliament in 1939 exactly the same constitutional considerations existed at that time as have been discussed in the course of this debate by Senator Bouffard and Senator Haig.

I seized upon the opportunity to look up the debates on the Carriage by Air bill which took place in the Senate in 1939 and I have the report before me. There are not many honourable senators here today who were members of the Senate in 1939, but to those of them who are here what I am going to say will strike a chord of memory in their minds.

The debate on the bill on April 20, 1939 covers only about two pages of *Hansard* and consisted very largely of a dialogue between the leader of this side Senator

Dandurand, and the leader of the other side Senator Meighen. That was not unusual in those days, in the days of those two giants of debate. Very often, when each of them had had his say on a particular measure or a particular resolution, any other member of the Senate who wanted to get up and speak was sometimes rather a brave man. Well, that was what happened in the debate in 1939. Senator Dandurand spoke. Senator Meighen spoke. Then the bill was passed.

Senator Meighen raised the same question of contitutionality in the course of his remarks and he referred, as Senator Haig did this afternoon, to the Privy Council decision of 1932 declaring that aviation was a matter of federal jurisdiction, and he had this to say:

> There can, of course, be no question as to the powers of the Dominion Parliament in reference to a convention of this kind, which happily deals with a subject already declared wholly within Dominion jurisdiction, namely aviation.

That is the same argument which this afternoon Senator Haig expanded and brought down to date.

The point I want to make is this. In 1939 this Parliament considered it had the power to ratify the Warsaw Convention of 1929, and did so; and Canada became a party to that convention together with a large number of other countries. Now, what would be the position if today we changed our attitude and said that we have no constitutional right to agree to the amendment of the Warsaw Convention? I think that would be a most undignified position for Canada to adopt. We would be telling the other countries of the world that we were wrong in 1939, that we agreed to this 1929 convention then but we do not think we had the constitutional right to do so.

I agree with Senator Meighen and I agree with Senator Haig in the belief that this particular bill is completely within the jurisdiction of the federal authority; but even if there is any doubt on that point, even if we are wrong, well, under the circumstances that I have mentioned, if we were wrong in 1939 we should go on being wrong in 1963 rather than admit we did something beyond our powers on the former occasion.

Hon. Mr. Roebuck: No, no.

Hon. Mr. Hugessen: Bearing in mind that what we are being asked to do is to ratify an amendment to the Warsaw Convention of 1929, I want to deal for one moment with some arguments that were advanced last week, I think by Senator O'Leary (Carleton) and Senator McCutcheon. They objected to this bill—and I hope I am interpreting them correctly—because of the limitation on the amount the estate of a deceased passenger could sue for in the event of an accident. There may be something to be said for that point of view. I am not going to argue that with them here, but I merely want to point out to them that that is not an argument which they can logically use for voting against this bill, and for this reason. All this bill does is to ratify The Hague amendment to the Warsaw Convention. At present that convention limits the claims in the event of death to something over $8,000, while what we are being asked to do is to agree to an amendment increasing that limit to $16,000; so all that my honourable friends really ought to say in criticism of this bill is that it goes part of the way they want it to go but it does not go far enough.

Now let me suggest this. If they carry their opposition to the bill on that ground to the point of inducing the majority of the Senate to vote against the bill so that Canada does not become a party to the amendment of 1955, then what is the result? The result is that Canada goes back to the Warsaw Convention of 1929, which limits the claim of the estate of a Canadian citizen who is lost in an airplane accident to $8,000.

My honourable friend from Carleton said that what interested him, and rightly so, was the rights of the individual. All I am pointing out to him is that by this bill the rights of the individual as regards the maximum his estate can claim are being increased by 100 per cent.

I do suggest there is something to be said for the view that this Parliament should not lightly reject an international convention which has already been agreed to and approved—I am talking about The Hague amendment of 1955—by 31 countries.

Of course we have to take our own responsibility in this Parliament, and the fact that 31 other countries have felt it in their interest and in the interest of their citizens that they should become parties to it, is not necessarily a reason why we should approve it in Canada. But can anyone show me any reason why the interests of Canada and her citizens should differ in any radical way from the interests of the 31 countries—and of their citizens—which have already approved the convention? So, honourable senators, taking it as a whole, I feel that this bill deserves the support of the Senate of Canada.

(Translation):

Hon. Jacques Flynn: Honourable senators, you will surely allow me to make some observations in regard to this bill.

So far, the discussion has shown that it raises many involved problems of public and private international law, as well as of constitutional and civil law. I entirely agree with

the proposal to refer this bill to the Committee on Transport and Communications so that the controversial or obscure aspects of the bill might be clarified.

I support with great pleasure Senator Haig's suggestion to the effect that Mr. Rosevear should be invited to give evidence. I happened during the weekend upon an article by Mr. Rosevear, who is the Director of the Aeronautics and Space Institute of McGill University; that article has been reproduced in the May 1960 issue of the *Canadian Bar Review*. Mr. Rosevear analyzes the very amendments which are put forward in the Protocol of The Hague.

However, I decided to make a few remarks following the comments Senator Bouffard made last week when he asked—and rightly so, I think, because we should always ask that question in the Senate—whether that law was interfering with provincial jurisdiction in matters of civil and property rights. This review of the problem led me, as it were, to the same conclusion as Senators Haig and Hugessen.

I have no doubt as to the Privy Council's decision, which Senator Haig quoted and which I read in the 1932 Appeal Cases, page 54, to the effect that aviation, not being mentioned in the British North America Act among the subjects under the jurisdiction of the provinces or the federal government, came under residual powers. The nature of the matter led the council to the conclusion that its importance was such that it went beyond local or provincial jurisdiction. That is, I feel, the main grounds on which the Privy Council based its decision.

But if there is no doubt that aviation comes under the jurisdiction of the federal Parliament, it is proper to ask oneself a second question: Can a legislation coming under the federal Parliament affect civil and property rights? If so, to what extent?

Such is the problem raised by practically all federal legislation in the fields bordering on the limits of the provincial jurisdiction. The question was often raised in respect of the bankruptcy act. It was certainly raised in respect of the Canada shipping act. The problem also was raised about several other pieces of federal legislation, and I believe the law states quite clearly that the federal Parliament must have the power to adopt provisions concerning civil law and property, if such provisions are needed to achieve the main purpose of the legislation. Such is the judgment I found in the case of the Attorney General for Ontario vs. the Canada Temperance Federation, as reported in Appeal Cases of 1946, p. 193. That judgment is along the lines of several others.

But it must not be overlooked that if federal legislation in an area which comes under the jurisdiction of the federal government can affect civil and property rights, it still holds true that when federal legislation remains silent, provincial legislation continues to apply. It is also quite important to note, in the matter under consideration, that in the field of aviation the federal Parliament has not legislated very much. There is the Aeronautics Act besides this act which ratifies the Warsaw Convention. Those are the only two federal acts that have affected civil and property rights with regard to aviation, because the others, for instance that creating the Air Transport Board, and those which gave jurisdiction to the Department of Transport in this field, contain administrative provisions only.

Therefore, we must not forget that this legislation about carriage by air, in its present form and as it would stand with the proposed amendments, concerns only international flights and does not affect the provincial legislation except in the case of an international flight, and then only if an accident follows a carriage contract made in Canada and occurs in Canada or above Canadian soil.

If the carriage contract does not take place in Canada but somewhere else and if the accident does not occur in Canadian air space but somewhere else, then the provincial legislation is not involved and, in the absence of a treaty, neither is the federal jurisdiction.

Now, if we consider the provisions of the Warsaw treaty as amended by the Protocol of The Hague, in order to see how they deal with civil rights and property, we realize that it is not unfavourable if we except the limitation on responsibility. I shall come back to that limitation in a moment. In regard to the other points, there certainly are advantages.

But first it must be recalled that without that legislation there would be no possibility of recourse if the accident happened without the limits of a national territory, under unknown circumstances; for instance the fall of a plane in the middle of the ocean. And if the accident took place in a foreign country, we must ask ourselves if the foreign legislation would be more advantageous than the conditions of the Warsaw treaty.

With regard to the conditions of procedure, we note first of all that the application of section 1056 of the Civil Code—the provisions of this section are roughly equivalent to those applicable in similar cases in other provinces —is subject to a one-year prescription. Now, the treaty provides for a two-year prescription. This is the first advantage.

Second, neither our Civil Code nor, I am told, the law of the other provinces, imputes a presumptive offence to an air carrier. In this case, the Warsaw treaty and the Protocol specify such a presumption against the carrier. This presumption which is about the same as the one applicable to a motorist, constitutes an advantage for the victim, since it does not exist in the civil law of the province of Quebec, or in the corresponding law of the other provinces.

Thirdly, in pursuance of the Warsaw treaty and of the Protocol of The Hague, recourse is granted to the spouse, the father or the mother, the stepfather or the stepmother, the grandfather or grandmother, the brother or the sister, the stepbrother or the stepsister, the child, the stepson or stepdaughter, the grandson or the granddaughter of the victim.

The provisions of clause 1056 of the Civil Code provide that, in case of death, recourse will only be granted to descendants, ascendants and consorts. The treaty consequently provides a broader basis for recourse.

In the fourth place, as Senator Haig stated, the treaty authorizes the plaintiff to take action in several places, before local or foreign courts, whereas the choice of venue is often a problem in civil law.

Those are some of the advantages given to the victim of an accident or his representatives concerning the legal action they may take.

Of course, there is a limitation of responsibility. I quite agree with those who said that $18,000 or $16,800 is far from being enough. However, I am not concerned about the fact that there is a limitation of responsibility here. There is nothing new in that. The Canada Shipping Act has had a similar provision for many years. That act limits the liability of the shipowner to 3,100 gold franks per ton, or, if I am not mistaken, $190. Such provision is to my mind quite similar to the one we are facing here. Now, it has never been said that such provision was ultra vires for the federal Parliament.

Moreover, the principle of a limited liability is also found in the Civil Code with regard to innkeepers.

Therefore, the true problem consists in knowing whether this amount of $18,000 is enough. As Senator Hugessen said, it is certainly better than the former one, i.e., $8,000 or $8,300. The fact nevertheless remains that the Protocol of The Hague was signed in 1955, that is, eight years ago. Considering the progress made by aviation since 1955, we have to realize that the means of transportation by air were not then exactly the same as today. The planes did not offer the kind of security now offered by today's jets.

It seems that the amount of $18,000 set in 1955, under the prevailing conditions in the field of aviation at the time, has certainly become inadequate today; but this is not a reason to vote against this legislation.

However, in view of the progress in the field of aviation and while approving the principle of the bill, we must point out the necessity of negotiations to adjust the figure to present day conditions. It is the main comment that can be made concerning that matter of limitation of responsibility.

Therefore, I think that we should not hesitate to support the legislation from the constitutional angle. We should not hesitate either in view of the benefits and of the improvements provided by the Protocol of The Hague. Just the same, it can be suggested that negotiations should be undertaken by the Canadian government. We are now in 1963 and the treaty was passed in 1955. So, we are eight years behind and the conditions have changed radically. I am convinced that if it were now necessary to determine the limit of liability, it would not add up to $18,000 but perhaps to $35,000.

Under the circumstances, I think it would be an excellent thing that the bill be referred to the Committee on Transport and Communications where the advice of experts on the matter and of air line representatives could be sought.

(Text):

Hon. Paul H. Bouffard: Honourable senators, may I add a few words to what I have already said. This question comes up in a very unusual way in the sense that this bill is now being brought forward to ratify a convention which was passed eight years ago, and we have no choice other than to approve or disapprove the convention. We have nothing much to gain by disapproving it, but the problem of constitutionality still exists.

Although it is quite clear that the Privy Council has agreed that aeronautics is a matter within the federal jurisdiction, it is quite possible for any corporation, whatever may be its activities, to limit its responsibility towards the public within the provincial jurisdiction. The railways have done it through

contracts made with their passengers, and the merchant marine has done it, as have many other transportation services like bus companies and trucking companies. And I must admit I think they have a right to do it. But the question is how do they do it? They make a contract with the passenger or the owner of merchandise who has to accept the conditions of transport laid down by the company or not use their offer of transportation.

That is how it is done in accordance with the legislation of the provinces, and there would be no objection at all if an organization which is completely under the jurisdiction of the Canadian Government were to act when possible in accordance only with the provincial laws. There is nothing to prevent a corporation like an aviation company, if it is bound by a convention of this kind, making a contract with each passenger stating the limitations of their obligations. All such a corporation has to do is to make a contract with the passenger which would be completely within the scope of provincial legislation.

This bill goes further than that. I am ready to admit that it is perfectly constitutional to limit the company's own liability, but what right has it to limit the liability of its agents and servants? We have no control over the responsibility of servants and agents of the company. If a pilot or any other employee of a company were to get drunk and thereby cause an accident, why should he be limited in his responsibility to the amount stated in the convention? Is that not a complete violation of the provincial legislation that deals with damages, liabilities and property?

Take a company that is within the federal jurisdiction which limits its own liability to a certain amount of money, and let us admit that it is its right to do so, but has it also the right to limit the liability arising from a fault, committed in the course of employment, by an officer or agent of the company under Article 25 A? This article reads as follows:

> 1. If an action is brought against a servant or agent of the carrier arising out of damage to which this Convention relates, such servant or agent, if he proves that he acted within the scope of his employment, shall be entitled to avail himself of the limits of liability which that carrier himself is entitled to invoke under Article 22.

This is not the responsibility of the company. It is therefore not within the jurisdiction of the federal Government to limit the liability of an agent or servant in the scope of his employment whether he works for a company within the federal jurisdiction or not. It seems to me that in such a case they certainly violate the constitutionality of the act.

Whether it is necessary to reject the bill or to reject the convention on account of this is a matter for the Senate to decide. I am not saying we should do one or the other, but I am saying that in this matter we can point out another violation of the federal Government against the legislation of the provinces. This should not happen. Our Government should see that any convention which Parliament is asked to ratify should be within the jurisdiction only of the federal Government. In this case, so far as the agent or servant is concerned, it is certainly not within the jurisdiction of the Parliament of Canada. By ratifying this we are limiting the personal liability of an agent or a person acting in, say, the Province of Quebec in Canada, who makes some mistake which results in an accident. In such a case why should we limit the liability and think that we do not violate the principles of the division of rights as between the dominion and the provinces?

It is for this reason that I suggested to the Leader of the Government (Hon. Mr. Macdonald, Brantford), when he presented this bill, that we should have experts before the committee who could give us the reasons why the convention was passed in that way, and to state whether it is necessary, and whether in their opinion it is completely constitutional. That is my only reason.

Even if they admit that some parts of the convention may be unconstitutional, I do not say we should reject this bill, but it must be pointed out to the Government that in the future they should act within their own powers so that they do not come forward with a bill every session under the assumption that the legislation is within the jurisdiction of the Parliament of Canada and thus violate the principles of property and civil rights which, up to the present, have been recognized as belonging to the provinces only.

Hon. M. Grattan O'Leary: Honourable senators, may I be allowed to ask a question of Senator Hugessen? It is based upon a personal experience I had about five years ago when I was on my way to New York to embark for England. I was at Dorval airport in Montreal when a violent storm was in progress. Trans-Canada Air Lines told me that they would not fly under any circumstances in such weather; they were not prepared to take the risk. However, another airline did decide to send up one of its aircraft and I remember seeing the passengers being lashed by the storm as they walked to the plane.

Let us suppose that that plane, having gone out in those circumstances, had crashed, and that among those passengers there was a breadwinner who was the sole support of his wife and family. Are we to be told in the event of that airline being convicted of negligence, having gone up in such weather when it should not have done so, that the widow in that case could collect only $18,000 on account of her husband's death?

Senator Hugessen expressed the view that this is more than they got under the previous agreement. That is true, but surely the question here, so far as the dependents of the deceased are concerned, is not whether they are getting more than earlier claimants had been getting, but whether they are getting enough.

Senator Hugessen said—and I thought it most extraordinary—"We signed this agreement or convention in 1939—"

Hon. Mr. Macdonald (Brantford): Honourable senators, I do not like interrupting Senator O'Leary, but I point out that he has already made his speech and under our rules we are not allowed to make two speeches in the same debate. I thought he was going to ask a question. It seems to be quite a long question. Perhaps he has concluded it.

Hon. Mr. O'Leary (Carleton): I understand the rule, but I would still like to put a question to Senator Hugessen if I am permitted to do so. My question is: What does he say to that proposition?

Hon. Mr. Hugessen: I am perfectly happy to have my honourable friend put a question to me, but whether I will answer it, or can answer it, is a different matter.

Hon. Mr. O'Leary (Carleton): I have put the question.

Hon. Mr. Hugessen: What was your question?

Hon. Mr. O'Leary (Carleton): I certainly do not agree with the proposition that if we were wrong in 1939 we must go on being wrong in 1963.

Hon. David A. Croll: Honourable senators, I share the honourable senator's view, but what troubles me about this—I have not spoken in this debate yet—is that these provisions exist and the passengers do not know about them. I did not know about them until I came upon them when reading an account of an accident. For the first time I realized that so little was being paid, and I was amazed.

The passenger who boards an aircraft on an international flight has no idea of these provisions. He thinks he is fully insured. It is not open to T.C.A. or anybody else to shove the passenger off for protection on some insurance company. He should, at least, be told of these limitations in liability and that he is subject to them. That is my complaint.

Hon. W. Ross Macdonald: Honourable senators—

The Hon. the Speaker: I would remind the honourable senator that if he speaks now his speech will have the effect of closing the debate.

Hon. Mr. Macdonald (Brantford): First of all, I wish to thank all honourable senators for taking such interest in this bill. Senator Hugessen referred to the fact that when the bill came before this house in 1939 only the two leaders participated in the debate. They were the two giants of debate in those days, but I am just as happy that we do not have such giants of debate in this house at the present time. It adds greatly to the Senate, in my opinion, to have a general discussion, and I have no hesitancy in saying that some of the speeches that have been made in this debate would do credit to those who spoke in 1939.

We have had a very useful debate. We have had twelve speeches—eight on the opening day and four more today, and from the attention that has been given to them it would appear we are all interested in this bill.

I wish to refer particularly to the speeches made today, and to thank Senator Haig for the clear explanation he has given of this bill. He has answered many of the questions that I intended answering and has dealt with many of the areas I had intended to cover in closing the debate.

I wish also to thank Senator Hugessen for his remarks, and more especially for his observations regarding the powers of this Parliament to pass the bill. I was particularly interested in Senator Bouffard's remarks respecting the relief from liability of servants and agents.

Senator Hugessen, in referring to the debate of 1939, said that the late distinguished Senator Meighen had said that the bill was within the jurisdiction of this honourable house to pass, but at that time the clause to which Senator Bouffard referred today was not in the convention. The clause to which Senator Bouffard takes exception is not in the Warsaw Convention but is in The Hague Protocol. That point should be cleared up when we go into committee.

Senator Flynn also made an excellent contribution to the debate. He has stated his opinion that it is within the jurisdiction of the Parliament of Canada to pass this bill, but he feels, along with Senator Haig, that the committee should have the benefit of the

testimony of a distinguished expert from a university in addition to experts from the Government and from the airline companies. I think we might decide that point now.

I ask the honourable Chairman of the Standing Committee on Transport and Communications (Hon. Mr. Hugessen) if it is possible when the bill is set down for hearing that notice be sent to the heads of the airline companies, T.C.A. and C.P.A., to the appropriate departmental officials, and to the distinguished gentleman who was mentioned this afternoon, so that we will be assured of a full discussion of this bill in committee. I do not consider the bill to be exactly controversial, but we want to make sure it is a bill that should be passed by this honourable body.

Hon. Mr. Roebuck: Why not extend that invitation to the law societies of Ontario and Quebec?

Hon. Mr. Macdonald (Brantford): That is a good suggestion; in any event I think an official from the Department of Justice should be present.

Honourable senators, it is not my intention to speak further at this time except to make reference to a question raised by Senator Kinley as to the dollar equivalent of the amounts mentioned in the convention and the protocol. In setting forth the amount of $16,600 I mistakenly referred to the Foreign Exchange Board—which I have asked to have corrected in the record. Of course that board was abolished quite a number of years ago. The information I placed on the record was obtained from the Foreign Exchange Department of the Bank of Canada. If there is still doubt in any honourable senator's mind as to whether the amount of $16,600 in American funds is the correct amount then we can, of course, have someone come from the Foreign Exchange Department of the Bank of Canada to give us information which we know will be reliable.

Hon. Mr. Hayden: It is bound to be a varying amount, depending on the relationship of the franc to the United States dollar.

Hon. Mr. Macdonald (Brantford): Yes, but it would vary very little. The information I have is that the value today would be about $17,889.72, expressed in Canadian funds.

Hon. Mr. Hayden: Then the person who is going to fly should study the foreign exchange rate before he goes up.

Hon. Mr. Macdonald (Brantford): I might advise that also.

Honourable senators, if the bill receives second reading I shall be pleased to move that it be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Kinley: I am not quite satisfied but I should like the bill to go to committee, where I intend to bring up the matter of the obligation of the merchant marine as compared with air transport. Also I think it will be found that there are two French gold francs and that the question arises as to which one is referred to. I made no statement; I asked the question, and the people who gave me the information were dealing with the value of the later gold franc.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Brantford), bill referred to the Standing Committee on Transport and Communications.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, October 10, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Eastern Rockies Forest Conservation Board for the year ended March 31, 1963, pursuant to section 10 of The Eastern Rocky Mountain Forest Conservation Act, chapter 59, Statutes of Canada, 1947. (English and French texts).

Protocol renewing the Trade Agreement between Canada and The Union of Soviet Socialist Republics, signed on February 29, 1956 and renewed on April 18, 1960. Signed at Ottawa, September 16, 1963. (English and French texts).

MISCELLANEOUS PRIVATE BILLS COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the name of the Honourable Senator Pouliot be substituted for that of the Honourable Senator Howard on the list of senators serving on the Standing Committee on Miscellaneous Private Bills.

Motion agreed to.

LAND USE

NOTICE OF MOTION FOR APPOINTMENT OF COMMITTEE

Hon. W. Ross Macdonald: Honourable senators, I give notice that tomorrow I shall move to set up the Special Committee of the Senate on Land Use. The motion is in the form used for setting up the committee in previous sessions.

Hon. Mr. Brooks: May I ask the honourable leader if this confirms that we shall be sitting tomorrow?

Hon. Mr. Macdonald (Brantford): I think the Leader of the Opposition can read that into the words I have spoken.

LABOUR CONDITIONS

INQUIRY AS TO SETTLEMENT OF LONGSHOREMEN'S STRIKE

Hon. Donald Cameron: Honourable senators, before the Orders of the Day are called, I should like to ask the Leader of the Government if he has any information whether any progress has been made in connection with the settlement of the longshoremen's strike in Montreal.

Secondly, I should like to ask if he knows whether or not it is true that customs officials were prevented going on board a ship tied up in the St. Lawrence River because their personal safety could not be guaranteed. Does the honourable leader know if this is true or is merely rumour?

Hon. Mr. Macdonald (Brantford): I cannot say whether it is rumour or fact. I have no information that I can give the house with respect to the conditions on the waterfront other than what has recently appeared in the press.

OLD AGE SECURITY ACT

BILL TO AMEND—SECOND READING

Hon. F. W. Gershaw moved the second reading of Bill C-98, to amend the Old Age Security Act.

He said: Honourable senators, this is a very brief bill. It amends the Old Age Security Act by increasing the monthly pension to $75, commencing October 1 of this year.

We all recognize that we owe a great deal to those who are now receiving old age security. They have endured hardships, they have accomplished a good deal, and some of them are in need. Down through the ages mankind has been told to feed the hungry and clothe the naked, and the way a society or a nation treats those who are in need within its borders is an indication of its own degree of civilization.

Many of these people are in need because the things they have to buy, such as clothing and food, are now very expensive. Taxes on real property are high, and many old age pensioners who live in rented accommodation are finding that the rent takes much of their pension.

Many of them are unable to look after themselves altogether and are compelled to go to an old age home, an eventide home or a haven of rest, where they find that the $65 they receive each month is not enough to pay their keep. These homes, I must add, are nevertheless a blessing to many older people.

There are other pensions paid at the present time in Canada. Pensions under the Old Age Assistance Act are paid to people between the ages of 65 and 69, of which the federal Government pays half. There is the pension for the blind, of which the federal Government pays three-quarters. There is the disability pension which is paid through a

federal-provincial arrangement. Those pensions are not affected by this bill. I must also add that this bill has nothing to do with the proposed Canada Pension Plan.

However, in this bill an effort is made to pay as you go and the money is raised something like this. In completing your income tax form, you take your income and subtract exemptions and deductions and you get your total taxable income. However, you are not through then, because you are asked what you earn in dividends from Canadian companies, from which you are allowed to deduct 20 per cent. That gives you your basic tax figure. However, there is still another section: you add the old age security tax of a minimum of $90 or 3 per cent of taxable income. That item will be changed to a minimum of $120 or 4 per cent of the taxable income, whichever is the lesser. That is being done to meet at least part of the cost of the pension being paid to these 960,000 people in this country who are over the age of 70.

How are the figures arrived at? Back in 1951 they worked out what was called the "2-2-2" formula. That is the name of a headache tablet, and probably this formula has left a headache. It represents 2 per cent sales tax, 2 per cent corporation tax, and 2 per cent personal income tax, these being set aside for old age security payments.

In 1959 when the pension payments were increased that was changed to the "3-3-3" formula, with a ceiling of $90. Now according to this bill it will be "3-4-3", starting with the 1964 income tax form.

The corporation tax in this relationship is not changed. It is already high enough. It is 52 per cent in Ontario and Quebec, 51 per cent in Manitoba and Saskatchewan, and 50 per cent in the other provinces.

The sales tax is not changed in this respect either. Just as the corporation income tax is high, as it is in the United States, it is also felt that the sales tax is high enough, and that if it were increased the poor person who has a family and must provide many things for that family would be unduly taxed. However, the income tax is to be increased by 1 per cent in order to produce the extra $30 for each income taxpayer.

As a matter of fact, it is the sales tax that provides the larger portion of the revenue for this fund. It provides $302.2 million, the individual income tax provides $273.6 million, and the corporation tax provides $115.3 million, for a total of $691 million. The old age security cost runs about $755 million, so there is bound to be a deficit each year. Even with this increase of 1 per cent on taxable income, the projected $116 million for the old age security fund will probably not all be realized and there will be a further deficit of $15 million or $16 million.

Then we come to the question as to who will pay these taxes. The man or the woman who has an income of $4,100 will pay $120 instead of the $90 as the ceiling tax. That is, he gets $4,100; he is allowed $100 for medical care, and as a single man he is allowed his basic exemption of $1,000. So he has $3,000 left, and that at 4 per cent makes the $120 which he will pay. If his income is less than $4,100 he pays less, because he simply pays the 4 per cent on his net taxable income. If it is more than $4,100 he still pays the $120. There will be a deficit of $60 million, $70 million or $80 million which has to be added to the national debt of the country. The large taxpayer will have to pay his portion of this amount.

A married man with an income of $5,100, and having exemptions such as $1,000 for his wife, also pays $120. If his income is less than $5,100 he pays less than $120. A married man with two dependants and an income of $5,100 pays the extra $30, and if his income is less than that he pays less.

So the amount is almost made up by these various taxes; to some extent, it is a pay-as-you-go plan.

If the sales tax on building material and processing machinery goes into force by 1965 or 1966, there will be an increase in the sales tax revenue, and consequently there will be a certain increase in the old age security fund from that source.

Honourable senators, that is the bill. It contains only two clauses. The first clause increases the pension by $10 a month, and the second clause deals with the manner in which the money to meet the increase will be raised.

If anyone feels that the bill should be referred to a committee, I shall so move; if not, I shall move that it be given third reading at the next sitting.

Hon. A. J. Brooks: Honourable senators, as the honourable sponsor of the bill (Hon. Mr. Gershaw) has just told us, this is rather a simple measure, short, and not difficult to understand. I wish to congratulate him on his clear explanation, particularly as to how the money is to be raised to pay for the increase in pensions. This is simply a continuation of what we have been experiencing under the act.

May I also add that I always enjoy listening to the honourable Senator Gershaw when he addresses the house. No matter what subject he discusses, he expresses himself both clearly and interestingly, and he seldom leaves more to be said.

It is not my intention to discuss this measure in any detail. I am sure it is the view of all honourable senators that this bill should become law with the least possible delay, so that the senior citizens of this country can enjoy the $10 increase in pension as set out in the bill. We all know they have been looking forward to the increase for some time; it was promised to them some months ago, and they expected that the legislation would be introduced long before this time.

The bill now before us incorporates a measure which, I might add, was advocated by the official Opposition and the leader of that party as far back as July 18 last. The fact that it has not been introduced before now has been due to the failure of the Government to obtain agreement with all provinces to proceed with the Canada Pension Plan, particularly with the larger provinces of Quebec and Ontario, as to their co-operation and help in the matter. Quebec made it quite clear that she intended to bring in a pension plan of her own; and as we all know, this increase in the old age pensions was linked up with a proposed pension plan. The $10 increase was incorporated as part of the Canada Pension Plan, as the sponsor told us. It was to be financed, as he also explained, by the pay-as-you-go Canada Pension Plan, and we were told that there would be no increase in taxation, such as is now provided for in clause 2 of the bill.

The Minister of National Health and Welfare, in introducing the resolution precedent to the bill in the other place a short time ago, said:

> It was originally the Government's intention that the $10 increase in the old age security benefit be paid out of contributions to the Canada Pension Plan.

This was not possible as a result of the decision of the Government of Quebec to forego the Canada Pension Plan in favour of a contributory plan of its own. Ontario also has been lukewarm; and of course the other provinces could not enter into a plan of this kind unless they had the assistance of the older provinces.

I might interject here that perhaps now the Government will be a little more cautious and a little less hasty in going ahead with the Canada Pension Plan, a measure that has such far-reaching effects and consequences and which is so important to the economy of this country. We will have an opportunity, I am sure, to discuss this matter at a later date.

Clause 2 of the bill, which has been explained by honourable Senator Gershaw, deals with the way the Government now intends to finance the $10 a month increase. This is very important. It will have to be paid for; we all know we cannot get something for nothing. In spite of the Government's promise to increase old age security payments without an increase in taxes, we now know that Canadians in the next fiscal year will have to pay an additional $93 million to finance the increase. In other words, it will amount to an average of nearly $100 million a year additional taxation. That shows what a monthly increase of $10 in our social service expenditures means in taxation.

Some people will glibly say, "The pension should be $100 a month." But an increase of $10, from $65 to $75 a month, means an increase in taxation of $100 million. If it was increased to $100 a month the consequential rise in taxation would amount to $350 million a year.

It was explained that the $100 million will be raised by increasing the 3 per cent tax now levied on taxable income of individuals, with a maximum of $90, to a rate of 4 per cent of taxable income, with a maximum of $120 a year.

All honourable senators, I am sure, are familiar with the history of the old age security legislation, so I am not going to speak to that at any length. However, I should like to make a short review.

In 1926, as many senators will remember, a measure was passed providing for a pension of $20 a month to Canadians who had reached the age of seventy years and who first had to qualify by submitting themselves to a means test. The cost was to be shared by the provinces. This was the forerunner of the present old age security pension plan.

Honourable members will also remember that the estimated cost of that plan in 1926 was $12 million a year. Originally, that was the annual cost of the old age pension plan, a far cry from the $750 million which it is costing at the present time.

Very few changes were made in the form of the old age pension scheme until 1950, when the matter was referred to a joint committee of the Senate and the House of Commons, and there were interesting debates both in the House of Commons and in the Senate at that time. I took the opportunity this morning of reading the debate in the Senate, and I see here today a number of senators who took a very active part in that debate.

The committee recommended a universal pension of $40 per month, payable at the age of seventy and over, as being most suitable to meet the needs of Canadians. The Old Age Security Act, which we are now amending, was passed by Parliament in 1951, on the recommendation of that committee.

I may say that I had the honour of being a member of that committee. The chairman was Honourable Mr. Lesage, who is presently Premier of Quebec. The co-chairman was the late Senator King. The Honourable Wishart Robertson, P.C., who is here in the Senate with us, was the sponsor of the bill when it came before the Senate.

It was a most interesting committee, a large and hard-working one. Its members reviewed and made a thorough study of the pensions schemes not only of the United States but of most European countries, and of Australia and New Zealand. The scheme they evolved appealed, I think, to everyone, as being the most practical and feasible one possible. A good many people will ask us now why we continued the means test. As honourable senators remember, the means test was obnoxious to the people of that day, and the only way its continuation could be avoided was by making it a universal pension.

The proposed increase we now have before us is the fourth in the amount payable under the old age security legislation in its present form. As I have stated, the original amount payable was $40 a month, an amount that was felt by many to be inadequate at that time, and the honourable sponsor of the bill has made that very clear. We sometimes ask ourselves if our people have lost the virtue of thrift. I noted in the debates of that day it was not a question of the people not being thrifty, but rather that the people who had worked hard for many years and had provided what they thought was a nest egg for their old age found it had shrunk to such small proportions it was impossible for them to carry on. That was one of the chief reasons for increasing the pension at that time.

In 1957, on the eve of a general election—and we seem to do good things on the eve of general elections—the Government of the day increased the amount payable under the act by $6, bringing the pension up to $46 a month. This was not considered such a good deed. In the same year the new Government which took office under Mr. Diefenbaker brought in an additional increase of $9, bringing the amount of the pension payable up to $55 a month. Honourable senators will recall that in 1962 it was again increased, to $65 a month. With this increase the pension payable will be $75 a month.

Honourable senators, I do not think there is anything further I wish to say in this connection. I am entirely in agreement with the increase. I believe it is due, and I know it will bring great comfort and assistance to our older citizens.

Hon. T. A. Crerar: Honourable senators, when I came into the chamber this afternoon it was not my intention to participate in this debate.

I recall when the late Government—in the autumn of 1961, I think it was—gave notice of its intention to increase the old age security pension by another $10 a month, with the certainty of an election coming along six months later. In some remarks I made on the address on that occasion I questioned whether it was altogether the right thing to do at that particular moment. Our finances were in heavy disarray; the Government had had ever-mounting deficits; and it did seem to me that was not a particularly auspicious moment to raise the pension by another $10 a month. It was not because I was opposed to old age pensions.

The Leader of the Opposition (Hon. Mr. Brooks) outlined the history as to pensions resulting from the deliberations of the joint committee in 1950. If my memory serves me aright—and he can check me if I am wrong—the committee did not find that the pension of $40 a month which they proposed was intended to be the sole means of support of the pensioner.

Hon. Mr. Brooks: That is right.

Hon. Mr. Crerar: My recollection is that the committee dissociated itself from that concept, and took the ground that the pension should be simply a supplement to help those who might be needy or in distress.

Then, of course, the next step was the increase of $6 a month introduced by the Government of Mr. St. Laurent in 1957. I will repeat what I have said before in the house, that the increase of $6 at that time matched to a fine fraction of a point the increase that had taken place in the cost of living between 1950 and 1957. In other words, the increase of $6 a month confirmed the pronouncement of the pensions committee of 1950, and the increase was to match the increase in the cost of living.

Now, the attitude that was taken to that increase is certainly within my memory. That was denounced by the then C.C.F., now the New Democratic Party, and it was denounced by the party of the honourable gentlemen opposite.

Hon. Mr. Brooks: May I point out that at the time the $40 was decided on as the amount, these same parties thought it was not enough.

Hon. Mr. Crerar: Well, that may be, but the committee's report was adopted. Then what happened? The election was fought, and there were many people who thought that the Liberal government of that day was defeated because it had not increased the old age pen-

sion further. The Leader of the Opposition in the Commons, Mr. Diefenbaker, pledged during the ensuing election that he would raise it if returned to power. A parsimonious Government, this of Mr. St. Laurent! And Mr. Walter Harris, who was Minister of Finance, was a parsimonious Minister of Finance, giving only $6 increase in the old age pension, yet at the same time budgeting for a surplus of $150 million! Well, the Government was defeated, and I have always maintained it was not defeated primarily on the pension issue at all. It was defeated primarily on the ill-considered and outrageous treatment of Parliament on the pipe line debate. Be that as it may, the pension was increased to $55 a month. Then as I said a moment ago, the other increase came in the autumn session of 1961, when the Prime Minister of that day and his Minister of Finance must have known when they gave the increase that they would have to borrow every dollar to pay it because the Government was running heavily into a deficit.

Now we have another increase of $10 a month, to which I do not object, for it has this merit which the increase in 1961 should have had, that we are going to tax to pay it and not borrow to pay it. That is a very vital difference.

I do not know where this pension business is going to end. We have had it kicked about in every election, for the last three or four at any rate, and I am quite convinced that this is not the end. Someone is going to come along before another election and say: "Return us and we will make it $85 a month." Indeed, there is an organization—I think it is known as the Senior Citizens' or Old Age Pensioners' organization—the members of which are already advocating that the pension should be raised to $85 a month.

I should like to ask the house this question: Have we lost all sense of financial responsibility? I wish later to give the house some figures, but before doing so I should like to point out that the amount in the estimates, of which we voted interim supply a few days ago, for old age security was $755 million. That excludes the other categories, pensions for the blind and the disabled, which will also go up but of which the provinces pay one-half.

Now this will add to the federal tax burden, not $116 million as was estimated and which will cover the old age security portion, but somewhere in the region of $125 million, because one must also include the amounts needed to pay the disability pensions, the pensions for the blind and one or two other categories. I have not worked this figure out accurately, but at a rough estimate that is what it will amount to.

As I have said I am not opposing this measure. When I offered some criticism of the increase in 1961 it was commented upon in the press. As a matter of fact, the only thing that got into the press at that time was "Senator Crerar opposes old age pensions," and I do not mind confiding to the house now that it is over that I received at least a dozen letters, some of them unsigned, and all of them abusing me like a pickpocket. Probably I shall receive further letters of this nature now, unless the reporter is a little kinder than he was on the last occasion.

These are not the only payments of this kind. Let me give the house a few items of our expenses. But before doing so I should like to mention that if you include in the social welfare payments of every kind the payments made by the provinces—because every one of the provinces has items of this nature—and by the municipalities, you will find that we are spending today under this heading a sum in excess of $2\frac{1}{2}$ billion.

One of the items I should like to mention is the public debt. Debt goes on, and the provision for interest on our debt in the estimates in the Blue Book now before Parliament is $881 million. I mentioned this a few days ago when I made some remarks on another bill, but at that time I did not have the actual figures before me and I was corrected by Senator O'Leary (Carleton). I now find that there is indeed the sum of $881 million for interest.

This shocks me because when I came to Parliament in 1935, when the administration of Mr. King was formed, our total budget was a little over $500 million. I remember the then Finance Minister, the late Mr. Dunning, almost tearing his hair out at the suggestion that it could go up to $550 million. His worry was how we were going to get it.

Hon. Mr. Brooks: We must take into account inflation.

Hon. Mr. Crerar: Yes, we must remember inflation, but that does not explain it all.

The provision for special payments to the provinces will amount to $248 million this year. Family allowances will take $542 million or $543 million, old age assistance payments, blind pensions, disabled persons' allowances, and unemployment assistance, will take $172 million. These sums are in addition to the old age security, as I intimated a few moments ago. Hospital insurance and general health grants will take $436 million. These are rather substantial sums of money, honourable senators.

In addition, we have veterans' disability pensions. These I do not question because I have always regarded such payments as being debts of honour of the Canadian people. But

there are other payments to veterans, for example, the veterans' dependents allowances. Nobody knows more of this matter than the honourable gentleman leading the Opposition in this House. But these total over $94 million. So that the total for our veterans, and I am not begrudging a single dime of it, is nearly $270 million.

The point I should like to stress in connection with this matter is that all these items together with the increased cost of the additional civil servants required to look after such matters, and the mounting interest on our public debt, have now brought us to the point where our total budget is over seven billion six hundred million dollars.

Now we have additional taxes provided for here, and I am not objecting to them. I feel that if we are going to increase pensions we must obtain the money by way of taxation, and in that way people will have a chance to criticize. I am a great believer in a balanced budget. If I have a criticism to offer on this point it is that the tax is perhaps not widely enough distributed. It hits only one class of taxpayer. Nevertheless it is a sound principle. However, I should like to ask this question: How much longer are we going to continue in this way? How much longer can we stand it?

The forces of inflation, although not very manifest, are at work and we see month by month, with perhaps a little receding in an occasional month, the cost of living creeping up. But where is it going to end? It seems to me that this is almost wholly the result of unbalanced budgets over a period of seven years. Furthermore, I see no hope that the present Government will balance its budget within the foreseeable future because it also is engaging in some spending that might be more closely examined than it has been.

So, honourable senators, at the risk of burdening the mails with some more letters of protest against my remarks today, I add this as my contribution to this debate.

Hon. Thomas Reid: Honourable senators, there is one aspect of this legislation to which I have not agreed in the past and which I still oppose. I am taking this opportunity to reiterate my position.

When the act was last changed it included the provision that one could leave Canada and live abroad and still receive the old age pension. As a result of that many people who had come from Europe and the old country induced their parents to come here. Many of them, having spent only ten years in this country, went back home and still received pension cheques from Canada.

Honourable senators, I have never approved of that. I think it is wrong, and I would ask the leader if he can give the house information as to the number of cheques and the amount of money being sent abroad to people, some of whom have lived only ten years in Canada, and are getting their old age pension cheques from the Canadian people and will until the day they die.

Motion agreed to and bill read second time.

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

Hon. Mr. Gershaw moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. A. J. Brooks: Honourable senators, may I inquire of the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) whether he intends to have this house sit on Saturday? It is my understanding that the other house is sitting on Saturday, and some honourable senators would like to know whether the Senate also will meet on that day.

Hon. W. Ross Macdonald: Honourable senators, this will depend on what takes place in connection with the situation on the St. Lawrence River, but at the present time I do not anticipate that there will be a sitting of this house on Saturday. While I do not anticipate it, I cannot guarantee anything. I hope it will not be necessary to sit on Monday but honourable senators, I am sure, will realize that it is impossible for me to make any definite statement about it.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, October 11, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report on the operation of agreements with the provinces under the Hospital Insurance and Diagnostic Services Act, for the year ended March 31, 1963, pursuant to section 9 of the said act, chapter 28, Statutes of Canada, 1957. (English and French texts).

Report on the operations of the Farm Improvement Loans Act, for the year ended December 31, 1962, pursuant to section 13 of the said act, chapter 110, R.S.C., 1952. (English and French texts).

Report on the administration of the Small Businesses Loans Act, for the year ended December 31, 1962, pursuant to section 11 of the said act, chapter 5, Statutes of Canada, 1960-61. (English and French texts).

Canada Pension Plan Actuarial Report, dated August 30, 1963. (English and French texts).

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, with leave of the Senate, I move that when the Senate adjourns this afternoon it do stand adjourned until Tuesday afternoon next at 3 o'clock.

Honourable senators will recall that some time ago a resolution was passed authorizing His Honour the Speaker to reconvene the Senate at a time prior to that set in the motion for adjournment, if in the circumstances it was deemed necessary. I bring this to the attention of honourable senators because it is possible that circumstances may arise which would bring us back earlier than Tuesday afternoon.

It appears that the bill providing for the placing of maritime transportation unions under the management and control of trustees will probably be passed by the House of Commons before we reassemble. If it reaches us by Tuesday afternoon, is the house agreed that we commence consideration of it at that time?

Hon. Senators: Agreed.

Hon. Mr. Macdonald (Brantford): There are two other bills in connection with the Northwest Territories about which there may be some urgency. I would ask honourable senators to follow the proceedings in the other house with respect to those bills so that we will know something about them when they come before us.

Hon. Mr. Crerar: Have they received second reading in the other house yet?

Hon. Mr. Macdonald (Brantford): Not yet. I am hoping that the honourable Senator Crerar, who was at one time Minister of the Interior, and who has held several other portfolios and is familiar with the Northwest Territories, will present those bills to this house.

Hon. Mr. Choquette: I am sure it will be well done.

Hon. Mr. Macdonald (Brantford): It had been the intention of the Government to ask for royal assent this afternoon, but in view of the likelihood of an early royal assent next week there will not be one this afternoon.

Hon. Mr. Brooks: The three bills to which the Leader of the Government refers are, I understand, very important. I hope that there will not be any urgency or rush as to their passage in the Senate, with no opportunity given for debate here.

Hon. Mr. Macdonald (Brantford): I think I can assure the Leader of the Opposition that we will all unite in seeing that these bills, and in fact all bills that come to the Senate, are fully debated. Certainly, during my time in the Senate there never has been an effort by anyone to try to rush a bill through without full consideration.

Hon. Mr. Brooks: On that point, I was not referring to anyone in the Senate or to any honourable member trying to rush a bill through; but sometimes the circumstances of royal assent give the impression that a measure has to be rushed through. That is the only point.

Hon. Mr. Macdonald (Brantford): I do not recall such an incident ever having taken place and I cannot think of any circumstances at the present time which would occasion such a condition.

Hon. Mr. Brooks: Thank you.

Motion agreed to.

LAND USE

SPECIAL COMMITTEE APPOINTED

Hon. W. Ross Macdonald: Honourable senators, I move, seconded by the Leader of the Opposition (Hon. Mr. Brooks), the following motion standing in my name on the Order Paper:

That a special committee of the Senate be appointed to consider and report on

land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the committee be composed of the Honourable Senators Basha, Boucher, Buchanan, Cameron, Crerar, Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Hollett, Horner, Inman, Leonard, MacDonald (Queens), McGrand, Methot, Molson, Pearson, Power, Smith (Kamloops), Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Veniot and Welch;

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

That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the eight preceding sessions be referred to the committee.

Honourable senators, the first special committee on Land Use was set up a number of years ago, and each year since a similar committee has been set up by a motion in the same wording as this one, with a few changes in the membership. I have not the date before me when the committee was first set up, but it was back in the days of a former Liberal administration.

Over the years the Land Use Committee has done exceptionally fine work. Under the able chairmanship of Senator Power, and more recently Senator Pearson, the committee has had sound leadership and outstanding personnel.

Its reports have been widely circulated and its findings and recommendations, reported in many financial as well as farm publications, have been widely read. Indeed, its work has won the interest of a broad section of our community. It occurs to me that the work of the committee has perhaps been more highly regarded outside the Senate than within the Senate. I have been astonished to learn of the wide interest which has been shown in land use as a result of the work of this committee. Its work has received attention not only throughout Canada, but also in publications outside of Canada. Its reports have also been studied by committees of the United Nations.

I commend the Land Use Committee for the very important work it has done in the past, and I know that it will continue its useful and worthwhile work during the present session.

Honourable senators, I am happy to have the opportunity of moving this motion to set up the Land Use Committee once again.

Hon. A. J. Brooks: Honourable senators, I am very pleased to second the motion of the honourable Leader of the Government, and I am in full accord with everything he has said. As the honourable leader pointed out, the committee has been operating for some years and has become well known throughout Canada and beyond.

The honourable leader well stated that he thought it probable the work of the committee was more popular ouside of the Senate than in it. In this regard I would point out that there are more farmers outside of the Senate than within it. We have mostly lawyers and businessmen here. Nevertheless, I know the committee is popular in the Senate as well. I also feel that it is a good idea to continue a committee of this kind, which has done such excellent work. I think it is now more or less regarded as a standing committee on agriculture of the Senate. I know that people are extremely interested in the work that has been done, and from what I have heard I gather that the general public considers there is much more work that could be done by the committee.

The committee has had excellent guidance under the chairmanship of the honourable Senator Pearson and, as the honourable Leader of the Government has said, the personnel of the committee have been well qualified to do their work.

Many valuable suggestions were made by the committee, but I think the most important was the recommendation which led the federal Government to put through the Agricultural Rehabilitation and Development Act, known as ARDA. One of the first studies of this new committee might be an inquiry into how this act is working across the dominion. I have understood that it has been popular in most provinces. The provinces joined with the dominion in operating under this act. In my own province I know that they are continuing their development work under the act and various counties are taking up operations under it, but there is still much to be done.

The main problem of course arises from the fact that agriculture is changing. It is not necessary for me to point out that farming today is not what it was a few years ago. Farming today is a very costly operation. The big problem of the farmer today, as it has been over many years, is not in being able to produce what is necessary but in being able to sell what he can raise for a good and fair price.

I am very pleased to second this motion. I know this committee can do excellent work. I know there is work to be done and I am glad that the committee is being set up.

Hon. Austin C. Taylor: Honourable senators, I wish to say a few words in support of the motion now before us, and also to make some comments in relation to the operation of the committee, its activities in the past and the possibilities of some things that it might undertake in the future.

As one of the original members of the committee back in 1957, under the chairmanship of Senator Power, I have taken a very active interest in it ever since. I have been quite pleased with the result of many of our activities, but at other times I have had a feeling of frustration on many occasions when the committee was just getting into some of its important work and prorogation or dissolution intervened. As we all recognize, during the last few years the sessions have been short, and for that reason the time in which the committee has been able to function has been short.

However, I think it can be said that the recommendations of the committee by and large have been accepted by the people of Canada, and more particularly those engaged in agriculture.

I am a bit concerned over some of our recommendations by reason of changes taking place in economic conditions in relation to agriculture—changes in methods of production, in marketing and in markets. These factors require constant care and consideration in relation to the work of this committee.

While I may say a word about it on another occasion, I would like now to refer to one of the last recommendations we made, namely, that this be a continuing committee because, as I said, agriculture in Canada today is facing serious economic problems, probably more than any other industry. We recognize that prices of agricultural commodities have gone down while the cost of production—the cost of those things farmers have to buy—has been continually going up. This means that the farmer must be continually reorganizing his operation to take advantage of the latest information and advances in the technical aspects of agriculture.

I think it is quite true to say that one of the first recommendations made by the committee—made, I believe, on two occasions—was that consideration be given to a revision of the Canadian Farm Loan Act. As a result, this particular act was repealed and the Farm Credit Corporation was established to operate under a new act known as the Farm Credit Act.

There was also a recommendation in relation to soil surveys. I recall quite distinctly that when I was actively engaged in agricultural work in New Brunswick there was a co-operative program in every province—there certainly was in my own—in which the province and the dominion shared part of the cost of soil surveys that were going on at that time. That is one of the first recommendations. I am not sure how far it has gone. I believe in some provinces the soil survey has been completed, and I hope it will soon be completed in every province.

As early as 1958, in a few remarks I made in relation to the setting up of the committee, I made a recommendation to have a national agricultural act passed similar to the P.F.R.A. and the M.M.R.A., which would be broad enough in scope to deal with any problem that might arise in any part of Canada; and instead of passing individual acts to deal with individual problems in various areas of Canada, I strongly urged that legislation be passed to deal with national problems on a large scale. Some of those recommendations emanating from that committee were, I believe, the basis of what we now know as ARDA, to which the honourable Leader of the Opposition and the honourable Leader of the Government have already referred.

It is true that quite a number of projects are in operation—I believe, in every part of Canada. We have in New Brunswick, as the Leader of the Opposition has already said, several projects under way, particularly in relation to community pastures. There are one or two, and probably more, programs under way having as their purpose the economic survey of various areas of our province to determine the type of agriculture, if any, that can be developed and the feasibility of doing so. I think that is true right across Canada, and a great deal of good work has been done on it. You will also recall that in the other place the federal Minister of Agriculture, gave credit to the Special Committee on Land Use for the development of the idea, and I am quite proud of the work the committee did in that respect.

I am not going into the recommendations that have been made because I believe the chairman of the committee during the last session the committee sat intends at some time in the near future to make a full report on what it has accomplished over the years. However, I would like to refer briefly to the 1959 recommendations that were made by the committee, and to remind you of them because I think they are all important.

The first one, even at that late date, was

that the soil survey being co-operatively carried out by the federal Department of Agriculture, the provincial departments of agriculture and the colleges or universities where agriculture is taught, be speeded up and expanded not only in order to complete the soil mapping of the whole settled area of Canada but also of the unsettled areas as well.

I would also like to remind you that we called to the attention of the proper authorities the need for a systematic land use survey based upon appropriate factors to provide for an economic classification of the land according to its use suitability. In relation to that, I believe that through the program of ARDA, or through legislation, one of the essential things this committee could do would be to enlarge upon that and try, if possible, to set up an organization, probably under the federal authorities, to determine the suitability of areas for certain crops, or specific production areas across Canada.

The third recommendation was that the work of various agencies in the study and management of water resources be expanded, specifically in relation to drainage and erosion problems, irrigation, levels of water tables and present and likely future water requirements.

The fourth recommendation was that more emphasis be given to studies which designate requirements respecting farm size, organization and practices, according to the physical characteristics of the land and economic conditions which prevail. That relates to what I said just a moment ago.

I hope I was not misunderstood when I stated at the beginning that I was a little concerned about some of the recommendations we have made; but I think it is true, generally speaking, that it can be accepted that the small farm today cannot possibly exist under present conditions. At the same time I believe more care should be exercised by the committee and the agricultural authorities in the future, to ensure we do not go too far in relation to provincial activities in certain areas.

There have been a few instances in my own province where this theory of increased size of farms has been taken literally. They have gone out and rented more land, but not sufficient to warrant the equipment they have bought. For example, I have in mind a number of farmers who are buying combines, and probably with not more than 50 or 60 acres to combine. In my opinion this is not economical, and I think that anyone who has embarked on a program of that kind will find himself in difficulties. I have always been of the opinion, and I think it is the correct one, that before a farmer buys a combine he should have at least 100 acres of grain; otherwise he will be in trouble. This is something which must be considered and changed in considering our recommendations.

In addition to the recommendations which I have mentioned, the committee recommended that a special body be instituted to assemble, co-ordinate and arrange for the dissemination to farmers of agricultural research done by the federal and provincial departments of agriculture, universities and agricultural colleges, and other research organizations.

That emphasizes what I said at the outset, that because of the rapid changes in techniques of agriculture and because of the need for changes in techniques in order to compete with other countries, there must be a continuous dissemination of information to our farming community. I have stated on various occasions that one of the serious problems of the provincial departments of agriculture at the moment, because their field is one of education and extension, is the training of farmers to handle this type of operation at different levels. Another one is an expanded extension service to deal with active farm planning, with which I have dealt in the past, and that provision be made for an expanded program of vocational and technical training in rural areas.

Yet another recommendation was that governmental employment agencies improve and expand their services to facilitate employment of persons from low-income areas in off-farm jobs. Associated with this service we would urge a complete listing, categorizing, and reporting of the farm labour supply. A special counselling service should be instituted.

Another suggestion was that consideration be given to extension of resettlement assistance to any farmer on a small uneconomic farm wishing to move to another area of employment. I know that this is a delicate subject, for there are many people who will not be resettled anyway because they have a love in their hearts for a particular piece of land and do not want to move from it. Special consideration must be given to cases of that kind, in my opinion.

I come now to the last recommendation we made back in 1959, that this committee be constituted at the earliest possible date after the opening of the next session of Parliament, due to the great importance of proper land use in Canada.

By this I do not mean just land use agriculturally; I mean land use for every purpose. I have stated before on more than one occasion that it almost breaks my heart to see the best soil under heaven being used not for agriculture but for industry, when such

industrial projects could be developed in areas not suitable for agriculture.

The day may come, honourable senators, though we may not see it, when we will be short of good land for agriculture. If we in Canada are to compete with countries which have a longer planting season than ours and have no winter, then we must take advantage of our best soil. Until we do this, in my opinion, we will be in difficulties.

Honourable senators, I am not going to take any more time to discuss this motion. I am intensely interested in the committee. We decided last session we would go into the matter of rural taxation. I am not sure if all provinces have yet gone into this question. I do not know what the committee may decide, but I believe they will come forward with a recommendation in the future. I do not know how long this session will last, but I do hope that the committee will be set up and be given an opportunity to function in the best possible way and to make recommendations to Parliament which will be in the interest of all Canadians.

Hon. Arthur M. Pearson: Honourable senators, as chairman of the Land Use Committee over the past four or five years, I am very pleased to see that the committee is now being reconvened. It has done considerable work, but there is much still to be done. Before the sudden dissolution of Parliament in 1962 we had arranged with a number of the provinces to go ahead and make a study of rural taxation in those particular provinces. As a matter of fact we were prepared to go right across Canada and discuss with the various provinces the question of rural taxation and the possible solution of problems arising out of the incidence of taxation on all rural land.

We also expected to receive some briefs, one of which was to come from the Council of Churches. They had prepared a fine brief and were about to give it to us when the house was dissolved. We had also arranged with Dr. Davidson, manager of the ARDA program, to give us a brief on all the work that had been done to date under that program right across the country, and how this work affected the various provinces.

Then, too, Senator Cameron made a suggestion to the steering committee of the Land Use Committee that we consider the question of federal parks. He outlined a number of things he thought we should study. One of these was the National Parks Act in relation to modern needs and concepts of utilization and development of national park lands. Another was the relationship between the national and provincial parks. Yet another was the national park policy with respect to preservation of wilderness areas, provision for and development of tourist amenities, recreational and service facilities to bring holidays in national parks within the means of all Canadians. These are some of the matters we should consider in dealing with this subject.

There are a number of other things we should study in this committee. As Senator Taylor (Westmorland) has said, it almost seems that we should have a continuing committee rather than one that is disbanded at the end of each session and then reconvened, because in the interim we have lost contact with the people we have made arrangements to see and hear from. It seems to me that if we could have a continuing committee it could do a valuable job for the country.

If it had not been for the personnel of that committee and the work done, particularly by the steering committee, of which Senator Taylor (Westmorland) and Senator Vaillancourt were members, I personally could not have given the leadership necessary to carry on the work done by the committee.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I do not intend repeating what my honourable colleagues have just said. Senator Taylor, with his great competence and experience, has given us a real lecture. He showed us all what this committee could do.

However, there is a lesson, it seems, which may be drawn from the meetings of this committee, or rather an accomplishment.

Often committees are set up, and investigations are carried out here and there; then the committees and the investigators make recommendations. All that material is printed in books and then placed in the library. But this Committee on Land Use did more than that. It looked into the matter, and then made recommendations, with the result that today with the co-operation of the provinces, its recommendations are embodied in federal legislation. That is the legislation which was passed and is called ARDA.

We are sometimes told that the Senate is and old men's club where people spend their time dozing. Well, if people would come here and see what happens, or if newspapers would send just a few representatives to see what takes place in our committees, it seems to me that the senators would be judged differently.

In addition, ARDA enables many people, especially in the eastern provinces, such as New Brunswick and Quebec, to conduct surveys in particular areas where pilot projects are undertaken, thus enabling us to make on-the-spot studies and determine what should be done.

The situation is very serious throughout the world today, and people say that in the future it will become even more critical, because due to the population explosion, there will not be enough food to go around.

However, we find that some areas that were unproductive in the past now produce a large quantity of food products thanks to new methods, new means and new procedures. Now, this organization, ARDA, carries out on-the-spot studies in order to learn how to proceed in the future and to prevent, as has just been pointed out by the honourable Senator Taylor, the planting of unproductive crops in some areas. If the land becomes more productive, it will then be easier to keep our young people on the farm; indeed our young people are moving to the cities, with the result that our cities are over-crowded and are faced with serious social problems. Discontent is rife. Further, as everyone has become aware in the last few days, thousands of people in three seaports seem bent, by their actions, on ruining the farming interests of our country.

Those who love the land are serious-minded people who understand and are not motivated by selfishness.

This is the reason why I am pleased to say that during the past few years the Committee on Land Use has done considerable work for our country.

May I, before concluding my remarks, pay a tribute to the chairmen of those former committees and thank them, namely, Senator Power, Senator Bois and, during the past four years, I believe, Senator Pearson, a competent man who understands land matters. With the help of Senator Taylor, I am convinced that the Committee on Land Use will continue to perform some constructive and efficient work.

(Text):

Hon. Malcolm Hollett: Honourable senators, I only wish to say how happy I would be today if all the words that have been spoken with respect to land use in Canada had been spoken with respect to the use of the sea.

I come from an island. The water surrounding it is full of fish, and its people have lived for generations off the products of the sea. They have farms, but very small ones because the soil is not deep. But today we find—and I think this applies to Maritime provinces as well as the Atlantic provinces—that our young men are receiving little inducement to carry on the trade of their fathers, to catch fish and to sell and export fish.

Instead, we have the Russians coming over here with their huge fleets of fishing vessels accompanied by hospital ships. We have the Portuguese coming over in beautiful sailing vessels as well as powered vessels. The harbour of St. John's in the summertime is full of Portuguese and Spanish vessels, and the young men who make up the crews of those ships are a sight for sore eyes so far as the fishery is concerned. One cannot but admire the way in which they get around, their cleanliness and their good conduct while they are in our little harbour.

I am a member of the Special Committee on Land Use, and I am going to throw out the suggestion that a similar committee on the use of the sea be constituted. I suggest this because of the good work that has been done by the Special Committee on Land Use. I am wondering if it is possible to set up a similar committee which will have as its aim the idea of developing our fisheries to such an extent that the men who catch the fish, and also the Canadian economy will be benefited. I would like all honourable senators to give this suggestion some consideration, and I would like whoever has to do with the setting up of committees to consider forming a special committee devoted to the task of usefully exploiting the oceans that surround Canada.

The oceans are full of fish; they are full of wealth, but we Canadians do not seem to know how to properly develop them in order that the men who catch the fish can earn a decent livelihood. If this can be accomplished then many, many more of our young men will devote themselves to fishing and to exporting fish.

There are many places in Canada today where people are crying out for fresh fish from Newfoundland, but we have not developed a means by which the product can reach them at an economical rate. We should also be able better to dispose of our fish abroad. These are matters that should be taken up by this committee I have in mind, the setting up of which I hope the Senate will one day be asked to approve.

I have read most of the reports of the Special Committee on Land Use, and I feel that it has done wonderful work. If it does nothing more than bring these problems to the attention of our people then it will have done a worthwhile job. I want the same thing done with respect to the products of the sea, honourable senators, and I hope that somebody will see to the setting up of such a committee.

Motion agreed to.

OFFICIAL REPORT

CARRIAGE BY AIR BILL—SUPPLEMENTARY STATEMENT

On the Orders of the Day:

Hon. J. Campbell Haig: Honourable senators, for purposes of clarification I should

like to make a supplementary statement and to correct certain remarks I made on Wednesday, October 9, as reported at page 582 of the *Debates of the Senate.*

During the debate on second reading of the bill to amend the Carriage by Air Act I made reference to the case of *Johannesson v Rural Municipality of West St. Paul,* and I stated that the Manitoba Court of Appeal had upheld the right of the municipality to pass certain zoning regulations regarding airports.

That part of my statement was correct, but I find that this case went to the Supreme Court of Canada. The Supreme Court's decision is reported in (1952) Supreme Court Reports at page 292, and it held that the subject of aeronautics is within the exclusive jurisdiction of the Canadian Parliament and, consequently, section 921 of The Municipal Act of Manitoba and certain by-laws passed thereunder were *ultra vires.*

The first part of my reference was correct, but the second part was not. The effect of the Johannesson case is that municipalities have not the right to pass zoning regulations affecting airports. I want to make that correction, and I ask permission to have these words added to my remarks of last Wednesday.

Hon. Mr. Macdonald (Brantford): It strengthens your argument.

Hon. Mr. Haig: Thank you.

LABOUR CONDITIONS

SUGGESTED CHANGE IN METHOD OF CONCILIATION

On the Orders of the Day:

Hon. R. B. Horner: Honourable senators, before the Orders of the Day are called may I mention that I have been accused of not adapting to modern progress; that everything is changing, and that I refuse sometimes to change.

Today we have a strike that affects the peace, order and good government of Canada. It affects the whole of Canada. It is developing into a situation where it is affecting our relations with other countries. We have the spectacle of passengers on the *Empress of Canada* being refused permission to land.

What I am about to say is—and I have said this before—that we have made no progress at all with respect to the method used by organized labour to secure what it considers to be adequate wages. My suggestion is this, that if all other serious matters are to be settled in our courts, then the labour unions should have their grievances aired and settled in our courts. If a union has not sufficient funds to retain counsel then counsel should be appointed to act on its behalf. The matter can then be argued in court while the work goes on. This continual harassment of our economy is something that we should be able to avoid in this modern day. We should be able to find some new medium for settlement.

As in other cases of this sort, the wages and working conditions should be settled in a court of law. That would be preferable to this method of civil war, which creates bitterness that lasts for years and years between the shippers and the longshoremen. As in all cases of strikes, the bitterness lasts for a long time. There would be no need for that if justice were rendered in a court of law.

OLD AGE SECURITY ACT

BILL TO AMEND—THIRD READING

Hon. F. W. Gershaw moved the third reading of Bill C-98, to amend the Old Age Security Act.

Motion agreed to and bill read third time and passed.

The Senate adjourned until Tuesday, October 15, 1963, at 3 p.m.

THE SENATE

Tuesday, October 15, 1963

The Senate met at 3 p.m., Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

THE LATE SENATOR DROUIN

TRIBUTES

Hon. W. Ross Macdonald: Honourable senators, when the Senate adjourned last Friday and we left for our homes we looked forward to the enjoyment of a happy Thanksgiving day. Unfortunately, our joys were dimmed by the announcement of the passing of our colleague the Honourable Mark Robert Drouin, P.C., Q.C.

Notwithstanding this sadness there is, I feel, a happy association in the thought that he was summoned to the Great Beyond in the autumn season of the year. He loved beauty and splendour, and there is some consolation in the knowledge that as the autumn leaves with all their dazzling variety of colour were dropping from their boughs Senator Drouin was transcended to a better world.

The late Senator Drouin was a man of extraordinary talent and ability. He had an outstanding legal career. At the time of his passing he was Bâtonnier of the Quebec Bar. In addition, he gave generously of his time to a variety of activities, not the least of which was the performing arts. His interest in this field is revealed by his important role in the creation of Le Théâtre du Nouveau Monde, and in his association with the National Theatre School of Canada and the Dominion Drama Festival. The field of education also captured the late Senator Drouin's interest. He served as regent of the University of Ottawa and as a governor of the Collège de Saint-Laurent in Quebec.

Another and earlier interest was in the field of sports. In his youth he excelled as an amateur hockey player and for approximately 20 years he was associated with the Quebec hockey team.

Added to all these activities was a long career in politics, in which Senator Drouin served well the cause of the party of the honourable senators opposite. The culmination of his political career came with his being summoned to the Senate and being appointed its Speaker in 1957, an office which he held with great dignity and honour. We all recall with pride the gracious manner in which he presided when in 1957 Her Majesty Queen Elizabeth opened Parliament.

Honourable senators, our thoughts today must of necessity be with the family of the late Senator Drouin. To them and especially to his widow and daughter we extend our heartfelt sympathy and condolences on their loss.

Hon. A. J. Brooks: Honourable senators, I wish to join the Leader of the Government in paying tribute to one of our distinguished colleagues who has passed on.

For the past several weeks we had known that Senator Drouin had been seriously ill, suffering from an incurable disease. The last time I saw him was when he attended a reception given by Senator McCutcheon and myself, just before the summer recess.

Although very ill at the time, he felt it was his courteous duty to show appreciation by attending. This was so characteristic of Mark Drouin. He fully exemplified that type of kind and courtly gentleman one so often finds in the old Province of Quebec. Indeed, he had heritages in Canada's two cultures, being the son of a distinguished French-Canadian father and an outstanding English-Canadian mother. He was a true Canadian.

We all remember that shortly after he became Speaker of the Senate in 1957 Senator Drouin was called upon by Her Majesty the Queen to preside at the opening of Parliament, as already mentioned by the Leader of the Government. He fulfilled that role with great dignity. In the words of today's issue of the Montreal *Gazette*, referring to that occasion:

> The Parliament of Canada and the Canadian people could not have had a more gracious representative.

His was a remarkable career, as has been so well portrayed by the Leader of the Government. He was handsome, able, witty, courteous and athletic, and he made the most of all his talents. As a young man he was an outstanding athlete. As one gifted in dramatics he took an active part in organizing and developing amateur theatricals, not only in his own Province of Quebec, but also as a governor of the Dominion Drama Festival.

As a lawyer, Senator Drouin reached the top of his profession and was widely known for his prowess at the Bar. His outstanding success was in public life, for which he was so well suited, the highlight of which was his appointment as Speaker of the Senate and his subsequent appointment to the Privy Council.

He was among the first proponents of a World's Fair in Canada, to be held in Montreal, a fact recently noted by His Worship the Mayor of Montreal.

Honourable senators, I wish to join with the Leader of the Government in extending to Senator Drouin's widow and daughter and

to the other members of his family my profound sympathy. His loss to the Senate of Canada is great, and we on this side of the chamber particularly mourn in his absence.

Hon. Josie D. Quart: Honourable senators, may I join with my honourable colleagues in their expressions of sympathy upon the passing of Senator Mark Drouin.

It is fitting that one who has been a lifelong friend of Senator and Madame Drouin, and the other members of the Drouin family, should bear testimony to the value of the contribution which Senator Drouin made during his colourful career to the educational, cultural, charitable and political life of his native province, while at the same time carving for himself a very enviable career as a lawyer.

Senator Drouin was frequently held up as a shining example of perfect bilingualism, and because of it he was able to transcend all borders of geography and nationality, and by it to win a warm response from peoples of other countries and different races whom he met in connection with his official duties.

Senator Drouin loved life and all he did expressed the joy of living. A born optimist, his legendary good humour and his love of humanity were traits of character which enhanced his popularity.

At the time of his death Senator Drouin was Bâtonnier of the Quebec Bar. He was among the first public proponents for a World's Fair for Canada, to be held in Montreal.

He was president of Le Théâtre du Nouveau Monde, president of the National Theatre School and l'Union Culturelle Française, and a governor of the Dominion Drama Festival.

In his younger days Senator Drouin played hockey and other sports. Always a hockey enthusiast, he later became president of the Quebec Aces of the Quebec Senior Hockey League. It was very seldom he ever missed a hockey game in Quebec, and he even tried to attend many of the games in Montreal.

In politics he was a prominent Conservative figure for over 25 years, and in the 1949 federal elections he was a Progressive-Conservative candidate in the Liberal stronghold of Quebec East and was defeated by the Right Honourable Louis St-Laurent.

I have always admired the numerous talents of Senator Drouin, but, above all, his indomitable will to surmount all obstacles. To him, idleness and life were incompatible. There was always work to be done and challenges to be met. It makes one sad to think that his hand will never again be outstretched in friendly greeting, and to realize that he will no longer take his place with us in this chamber.

I believe it was Isaac Watts who said: "Time, like an ever-rolling stream, bears all its sons away".

Because I know the grief of sudden tragedy when loved ones have to part, I can fully sympathize with his sorrowing wife Jeanne, and his daughter Julie, and I extend to the members of Senator Drouin's family my most heartfelt sympathy.

His memory will long be cherished by all who knew him. Success crowned his life, and may his eternal reward be great.

Hon. Walter M. Aseltine: Honourable senators, I too wish to pay a well-deserved tribute to the memory of the late Mark Drouin. As you all know, I was very closely associated with him during the time he was Speaker of the Senate and I was Leader of the Government in the Senate. That was over a period of some four and a half years and, naturally, I got to know him intimately.

I consider, without fear of any contradiction, that Senator Mark Drouin was a good Speaker, one of the best. He had a gracious personality and served with great distinction. He had many good qualifications for that position. He was kindhearted, very friendly, co-operative and dignified at all times. Moreover, he was extremely fair and on that account he made a very popular Speaker of the Senate.

Mark Drouin was a many-sided and all-round man, as has been so well stated by other senators who have preceded me this afternoon. He was a distinguished athlete and a fine amateur hockey player. Having been a hockey player myself in western Canada, with more or less distinction, I had many interesting talks with Senator Drouin about his hockey career. He was not only a player, he was also a hockey executive, and after his playing days were over he carried on in that capacity. He also enjoyed hunting and fishing and, as has been so well stated, was a distinguished lawyer. As a politician he was a most effective speaker, being eloquent in both English and French. He was a patron of the theatre, the arts and letters, and was intensely interested in higher education.

Honourable senators, I share in the tributes expressed by others without repeating what has already been said. After relinquishing the Speakership, Senator Drouin was made a Privy Councillor and occupied a front seat on this side of the Senate. Frequently he told me he intended to play a prominent role in the activities of the Senate, but illness cut short his career at a comparatively early age.

We will miss him greatly in the Senate. I extend my deepest sympathy to Mrs. Drouin and her fine daughter.

Hon. F. Elsie Inman: Honourable senators, I wish to add a few words of tribute on behalf of the representatives in this chamber from the Maritime provinces.

We all loved and respected the late Senator Drouin. We appreciated his genuinely warm interest, his cordial manner and his faultless integrity. In every respect we regarded him as one of the outstanding Speakers of the Senate.

On behalf of the Maritime members of this chamber I express our deep sorrow on the passing of Senator Drouin and I extend to his widow and daughter our heartfelt sympathy.

Hon. T. A. Crerar: Honourable senators, perhaps you will permit me to join my voice to those who preceded me in paying tribute to our late colleague, Mark Drouin. I think it appropriate, coming as I do from the vast expanses of the prairie country, that a voice from that area, in addition to that of Senator Aseltine, should join in paying tribute to our late departed friend.

My first acquaintance with Senator Drouin was after he was called to the Senate, at the opening of the first session of Parliament following the change in government in 1957. Consequently, I knew him really only in his association with the Senate, but after a long period in Parliament I believe I may say that no other Speaker in either house ever presided with greater dignity, with greater clarity of mind and with, above all, a more saving sense of humour.

Mark Drouin was a most likeable man; he was a very friendly man; and it is not remarkable that in our personal associations we value those qualities in the people with whom we associate. He presided with fairness over our deliberations. I am not acquainted with his activities in earlier life, but I do know that he was interested in sports and that he was deeply interested in the arts and in literature, and these are the hallmarks of a cultivated mind.

We shall all miss him, and as a representative from Manitoba I wish to join with those who have preceded me in extending to his family our deepest sympathies.

(Translation):

Hon. Jean-François Pouliot: Mr. Speaker, as a lawyer whose name is inscribed on the list of lawyers of the Province of Quebec, I must join with all those who spoke of our lamented colleague in terms which, while they were most flattering, were not exaggerated.

Senator Mark Drouin was Bâtonnier, that is to say, president, of the Bar of the Province of Quebec and, for that reason, his death affects particularly the profession to which I have the honour of belonging.

(Text):

Honourable colleagues, I am very sorry to have to rise on such an occasion to join my distinguished colleagues in conveying a message of sympathy to Madame Drouin, the widow of our deceased colleague, to all members of his family, to his countless friends and to his party.

I knew the late Senator Drouin from the time he was a student of law and came to political meetings in my constituency. Although we did not agree on political matters, I found him most likeable and open-minded. Tolerance was one of his numerous qualities. He was well read, well informed and a very distinguished jurist. At the same time he was a sportsman and an artist. We all knew him as he presided over our deliberations with such tact, such gentleness, and such a high sense of British parliamentary traditions. Therefore I offer my sympathy also to the Leader of the Conservative party, who was a very close friend of the late senator, and to all those who have been associated with him in politics, in business and in law. His loss will be felt and he will be missed by all those who have known him.

Senator Drouin was to attain his great ambition when, after a visit to Europe, he returned with the good news that the 1967 World's Fair would take place in Montreal. This was due largely to his work, and had he been in good health when he returned from England he could have been the head of the organization of that fair. It is also sad to think that he was elected Bâtonnier of the Province of Quebec while he was still ill in bed and could not attend a single sitting of that association.

Senator Drouin's passing means a very, very great loss to us all. It is the third loss suffered recently by the Conservative party in this chamber. I miss all my three colleagues very much. They were friends of mine. Senator Higgins was also a barrister, and he was also very well informed in the law and other matters. He gave me most valuable information about Newfoundland, his native province that he loved so much.

The late Senator Clarence V. Emerson was friendship itself. He was an outstanding Canadian who accomplished a great deal for the sick by doing so much in the building of a 600-bed hospital in Saint John, which is an everlasting monument to his charity.

We have now to suffer the loss of Senator Drouin. I am very sorry. I am sincere when I say that. All honourable senators know that we will always miss him and that we will not forget him.

Hon. Allister Grosart: Honourable senators, as one who was associated with the late Mark Drouin over a period of some 20 years

in varying degrees of intimacy, I rise to join those who have expressed sorrow and regret at his untimely passing.

I concur in the tributes that have been paid to him, and I would add one more which arises from a personal knowledge of one part of his life that was not generally known.

Regardless of how busy he was or how many interests he had which kept him in the public eye, my memory of the late Mark Drouin will always be of a man who delighted in helping others. I may say that, as I knew him, his greatest delight in life was in "helping lame dogs over stiles".

Apart from those who will mourn his loss in public life and in politics, I know there are many in the field of the theatre and the performing arts who owe their success today to a helping hand given them by the late Senator Drouin. It was not only those who were deserving who received help, encouragement and advice from Mark Drouin. Many failures in life found in him a sympathetic and an understanding heart. I would say that in that respect, as in all others, his life was "full of good days and good deeds".

I know how great his loss will be to his devoted partner of the years, and to his daughter. I extend publicly to them on this occasion my deep sympathy in the loss of one who was to them a magnificent father and a dedicated and devoted husband.

MARITIME TRANSPORTATION UNIONS TRUSTEES BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-102, to provide for the placing of the Maritime Transportation Unions of Canada under the management and control of trustees.

Bill read first time.

Hon. W. Ross Macdonald moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

THE CANADIAN EQUITY INSURANCE COMPANY—SECOND READING

Hon. Duncan K. MacTavish moved the second reading of Bill S-42, respecting The Canadian Equity Insurance Company.

He said: Honourable senators, this bill has two purposes. In the first place it proposes to change the name The Canadian Equity Insurance Company to Guildhall Insurance Company of Canada and, having done that, to provide for the new name in the French language.

Guildhall Insurance Company, which is presently in existence, is an English company licenced to do business in Canada. It, in turn, is a subsidiary of a very ancient English company known as The London Assurance Company, which company was incorporated by Royal Charter in 1720. It has carried on business in Canada for over 100 years, having commenced business here in 1862.

In 1962 The London Assurance Company obtained power to write life insurance in addition to its powers to do business in the casualty field. Towards the end of 1962 Guildhall Insurance Company—the English company—obtained control of The Canadian Equity Insurance Company which was incorporated by an act of the Parliament of Canada in 1956 for the purpose of carrying on the business of fire, accident and casualty insurance.

If this bill is passed it is the intention of the English company, Guildhall Insurance Company, to withdraw from Canadian business, and its business will be carried on by the company whose name is to be changed from The Canadian Equity Insurance Company to Guildhall Insurance Company of Canada.

As I have indicated, the second purpose of the bill is to provide for a French name for Guildhall Insurance Company of Canada, and it is suggested that that be *Guildhall, Compagnie d'Assurance du Canada.*

If the bill passes second reading I propose to move that it be referred to the Standing Committee on Banking and Commerce so that, if necessary, witnesses may be called and the bill further examined.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

THE MANUFACTURERS LIFE INSURANCE COMPANY—SECOND READING

Hon. Duncan K. MacTavish moved the second reading of Bill S-43, an act respecting The Manufacturers Life Insurance Company.

He said: Honourable senators, the sole purpose of this bill, as of many others passed recently, is to provide a French equivalent for the name The Manufacturers Life Insurance Company. The suggested name is *Les Manufacturiers, Compagnie d'Assurance-Vie.*

I am sure honourable senators on both sides of the house will be interested to know that

the first president of this company was Sir John A. Macdonald, who occupied that position from the time the company was founded in 1887 until his death.

The company, immediately after it was founded, commenced business in both Toronto and Montreal, extending its business in the Province of Quebec five years later to Quebec City. It has continued over the years to be active not only in those two provinces but throughout Canada.

It is of course a Canadian-owned company. In 1958 it commenced the process of mutualization, which has now been virtually completed and all the shares have been taken into the ownership of the company. Like many other Canadian-owned insurance companies, it operates widely in most countries throughout the world.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

ADANAC GENERAL INSURANCE COMPANY OF CANADA—SECOND READING

Hon. Duncan K. MacTavish moved the second reading of Bill S-44, an act respecting Adanac General Insurance Company of Canada.

He said: Honourable senators, the sole purpose of this bill is to provide a French equivalent for the name of the company. The English name is Adanac General Insurance Company of Canada, and it is proposed that the French version shall be *La Compagnie Adanac d'Assurance Générale du Canada.*

If this bill receives second reading, I propose to move that it be referred to the Standing Committee on Banking and Commerce, where a more refined translation of the name may be found. I understand it has been indicated that the translation which is suggested, and which I have read, is not a felicitous one in the French language. I suggest that this may be corrected in committee.

The Adanac General is not an ancient company such as the one to which I referred a few moments ago. It was incorporated by Parliament in 1960 and commenced business in 1961.

The business of this company is that of physical damage, automobile insurance respecting financed automobiles and financed mobile units. Like other insurance companies in this field, it is extending its activities throughout Canada. It is doing business now in the west and also in the Province of Quebec.

The company is a fully-owned subsidiary of Delta Acceptance Corporation which is also a Canadian company. Delta Acceptance Corporation is 25 per cent owned in Canada, approximately 20 per cent in Europe and the balance is owned in the United States.

Honourable senators, if the bill receives second reading, it is proposed that it should go to the Standing Committee on Banking and Commerce where representatives of the company will appear if required.

Hon. Jean-François Pouliot: Honourable senators, all I wish to ask from the sponsor of these bills (Hon. Mr. MacTavish) is a short memorandum telling us how long each one of the three companies concerned has been operating under an English name before thinking of having a bilingual name; and also the reason why they are asking for a bilingual name instead of only an English name, and whether they are doing that to promote their business in the Province of Quebec and other French-speaking centres in Canada.

I hope that the honourable gentleman will have no objection to giving a memorandum to that effect to the members of the committee at the meeting at which the bills will be studied.

Hon. A. K. Hugessen: Honourable senators, we who come from the Province of Quebec, whether our native tongue be French or English, always pay particular attention to bills of this kind. We want to make sure that, when a company which has heretofore operated with an English name wishes to have an alternative name in French, the alternative name shall be strictly correct.

I was glad that my honourable friend said there might be some opportunity of discussing the proposed French name in Bill S-44, the English name being Adanac General Insurance Company of Canada and the French equivalent *La Compagnie Adanac d'Assurance Générale du Canada.*

I direct my honourable friend's attention to the fact that in the two preceding bills, which are of exactly similar character, the proposed French names are treated differently. In Bill S-42, the translation starts off with the word "Guildhall" and it is rendered *Guildhall, Compagnie d'Assurance du Canada.*

In the case of Bill S-43, the French equivalent starts off with the words "Les Manufacturiers", the title being *Les Manufacturiers, Compagnie d'Assurance-Vie.*

Honourable senators, if that is the correct translation in both those cases, I suggest to my honourable friend that in the case of Bill S-44 the French equivalent should be *"Adanac, Compagnie d'Assurance Générale du Canada".*

Hon. Mr. Choquette: All the other bills were treated similarly to the way now being suggested by honourable Senator Hugessen.

Hon. Mr. MacTavish: Honourable senators, I believe that the suggestion which has just been made is that which was in the mind of those interested in the bill. It was that sort of change we hoped to have made during the committee discussion.

Honourable senators, I should like to add a comment now on what honourable Senator Pouliot said. Undoubtedly, one of the main reasons why we are being asked to have a French version of the name is that the company is doing business now in the Province of Quebec and hopes to continue its business there and to enlarge its interests right through the country. There is no suggestion that the French name should be substituted for the English name. It will be in addition to the English name.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, the next item on the Order Paper is the second reading of Bill S-38, an act to provide for the establishment of harbour commissions. The sponsor of this bill, the honourable Senator Lambert, is prepared to proceed now; however, a number of senators who would like to speak on this bill were unable to be here this afternoon but will be present this evening. May I therefore suggest that the house rise now, to reassemble at the call of the bell at approximately 8 o'clock this evening.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

HARBOUR COMMISSIONS BILL

SECOND READING—DEBATE ADJOURNED

Hon. Norman P. Lambert moved the second reading of Bill S-38, to provide for the establishment of harbour commissions.

He said: Honourable senators, the rather all-embracing title of this bill, S-38, could suggest an application of its provisions which I do not believe was intended but might be rather misleading.

Under the heading "short title" section 1 of the bill says that this act, if passed, may be cited as the "Harbour Commissions Act".

It should be pointed out that, large and small, there are some 2,200 harbours in Canada which come within the jurisdiction of the federal Department of Transport. But this proposed legislation applies only to eleven harbours which are enumerated in the schedule published on page 10 of this bill. It has no direct reference to the National Harbours Board established in 1936 under the National Harbours Board Act, which board is directly responsible for the administration of operations at Halifax, Nova Scotia, and Saint John, New Brunswick, and at Chicoutimi, Quebec, Trois Rivières and Montreal in the Province of Quebec, and Churchill in Manitoba, and Vancouver in British Columbia. Nor does the bill apply to Port Arthur and Fort William which are subject to the provisions of the Lakehead Harbour Commissioners Act. Neither does it affect Port Colborne and Prescott, both of which, because of their special functions in the storing and trans-shipping of grain, come under the supervision of the National Harbours Board. In addition, there is a commission at St. John's, Newfoundland, set up under legislation of that province. Consideration, I believe, is being given to the establishment there of a commission under this statute to administer new facilities being constructed by the federal Department of Public Works.

It may be seen in the schedule to the bill that five of the eleven listed harbours were established with their own commissions in the years from 1911 to 1914, while the remaining six were set up between 1947 and 1960.

Substantial financial contributions have been made to these harbours by the federal Government through construction of facilities and dredging by the Department of Public Works.

I think the purpose of this bill is in reality an administrative one. In the course of trying to improve the control of these harbours the Department of Transport has found that considerable improvement in administration can be made over that provided for under the existing acts. In the case of the older acts, changed circumstances and lack of a consistent federal policy in dealing with the different commissions have resulted in a series of ad hoc arrangements which have meant different treatment being rendered in different parts of the country, with some confusion and misunderstanding arising in the management of these harbours. This bill suggests a more consistent policy in relation to the sharing of costs of work in proportion to the ability of an individual harbour commission to contribute to its own development.

Many of the existing acts, including all the more recent ones, prohibit the use of revenue for capital works, although the commissioners may borrow for this purpose with the approval of the Governor in Council. This often

makes awkward the carrying out of a policy for the sharing of the costs of capital works. Moreover, the extent of commission control over waterfront development, so I am advised, is not clearly defined in these old acts.

The bill contains provisions which would permit the Department of Transport to exercise a reasonable degree of control over these commissions while affording them, as far as possible, a degree of independence and local initiative which the local boards are expected to possess.

The Government hopes, first of all, to make the new act applicable on the Fraser River to replace the present New Westminster Harbour Commission. Originally this commission related to the immediate New Westminster area, but growth in the neighbouring municipalities has given rise to a desire for representation on an expanded commission by these new municipalities. The Government hopes, therefore, to reflect the expanded responsibilities and representation of this commission by changing its name from the New Westminster Harbour Commissioners to the Fraser River Harbour Commissioners.

It is not the Government's intention, as may be seen in section 30 of the bill, to bring any existing commissions under the proposed new act without the concurrence of a majority of the commissioners. Before any such changes are made, the request would have to come from those local boards. Obviously this provision has implications which might easily retard the operation of this legislation. Without going into the details with respect to that point, one may easily deduce that certain local influences have been exerted in the past in maintaining prestige within their own districts.

However, there is no intention, so I am advised, of compelling the existing eleven commissions cited in the schedule to embrace the provisions of this act. What this bill will do, by section 30, is to provide a more convenient and uniform legislative vehicle for these specified commissions, should they elect to come under this new act.

It will be seen that the provisions contained in nearly all of the sections of this bill emphasize the control of the Governor in Council in connection with the appointment of commissioners, financial expenditures, and the expansion of existing harbour areas as designated in section 108 of the B.N.A. Act.

The important sections of this bill may be outlined fairly briefly. The first twelve provide for the establishment of commissions, the appointment of members and their remuneration, and the general powers under this proposed act, such as jurisdictional provision within the harbour relating to Crown and municipal property, leasing of Crown lands, and construction of rail facilities.

Sections 14 to 18 deal with financial controls, all subject to the approval of the Governor in Council. Following sections refer to powers of expropriation, payment of rates, seizures, detention of vessels, sale of detained goods and evidence of harbour limits. Section 30, to which reference has been made, is a pivotal provision limiting the power of the Governor in Council in proclaiming the establishment of a commission pursuant to this act. By the words:

> ... with the consent of a majority of the members of a Commission established by any Act set out in the Schedule hereto ...

this so-called "transitional" section, suggesting the procedure for bringing any existing commission under this act, sets the pace, so to speak, at which the Department of Transport's desire for administrative reform may proceed. As to the future application of this legislation, officials of the department may be able to supply more enlightenment than I can indicate at this time.

In conclusion, if this bill is referred to the Standing Committee on Transport and Communications, I think certain information should be requested, as follows: Firstly, how many of the eleven harbour commissions referred to have been requested to come under the provisions of the new act? Secondly, how many of them have agreed to do so? Thirdly, a statement showing the present financial standing of each of these eleven harbours in relation to the profit or loss of its operation should be available.

I think, honourable senators, that covers the purpose of the bill. I hope I have not skipped over too many details in summarizing the contents of its various sections.

Hon. Salter A. Hayden: Honourable senators, I should like to make a few comments on this bill, the purpose of which is clear and simple. I think it is intended to provide, in respect of any harbours to be organized after this bill becomes law, a model or uniform organization which will make the terms of this bill as a master plan apply. In that way you will have an assurance of uniformity in management, uniformity in accounting, and uniformity in jurisdiction, powers and limitations. However, that is not what bothers me about this bill. I am certainly glad that the bill will go to committee because section 3 of the bill provides:

> (1) The Governor in Council may by proclamation establish a harbour commission for any harbour in Canada.

There are at the present time many harbours in Canada incorporated by special act. In my opinion there are more harbours in Canada incorporated by special act than there are specifically enumerated in the schedule to the bill. The eleven so mentioned may come under and have applied to them the provisions of this bill if a majority of the commissioners managing these harbours agree. In other words, we are giving a sort of local option to the eleven harbour boards created by special act and enumerated in the schedule to this bill.

But what is the significance of the authority given under section 3? I do not see any exclusion of any of the harbours presently incorporated. What is the position, for instance, of those harbours that are specifically covered by the National Harbours Board legislation? What is their position in relation to this power of the Governor in Council to establish a harbour commission?

I expect that when the bill becomes law it will be sensibly administered. But it would appear to me that there is need for some clarification of the authority given to establish a commission in relation to any harbour, because the harbours covered by the National Harbours Board already have that administration, and I do not think it is the intention of any person to disturb that situation. There are many harbours which are incorporated and are not enumerated in this bill. What is the effect of section 3 in relation to harbours so incorporated?

We know by section 3 of the bill that eleven of these harbours that are incorporated by special act may, if the majority of commissioners wish, come into the fold and be subject to the provisions of this bill when it becomes law. I do not think any person can quarrel with the purpose of the bill, it being to simplify and give more control over accounting procedures. I expect there are many places in Canada where harbours will in future be established and to which this bill would have general application.

I feel that the purpose of the bill is good. It would however have been better if we had had the bill earlier and avoided all this individual incorporation of harbours by this very expeditious way of having the Governor in Council make a proclamation. Now there is to be a ready set of rules providing jurisdiction, administrative powers and authorities, accounting procedures, and so on. In my opinion the bill, in essence, is good, but I think there may be some clarification needed and, therefore, it is a good idea that it should go before the committee.

Hon. Mr. Campbell: May I ask the honourable senator a question? Does he suggest that under section 3 the Governor in Council might in some way do something that would affect any of the harbour commissions incorporated by special acts and which are set forth in the schedule, or does he simply mean that the Governor in Council may establish a harbour commission where one is not already established by special act?

Hon. Mr. Hayden: No, I have not said either of those things. What I said was that under section 3 the Governor in Council is given authority to establish a harbour commission for any harbour and then that power is circumscribed in relation to the eleven harbour commissions which appear in the schedule, for there is certain machinery and no other by which they can be brought in. The way in which they are brought under the provisions of this bill is by a majority vote of the membership of the commission. That provision is to be found in section 30.

Hon. Mr. Campbell: Does section 30 say that?

Hon. Mr. Hayden: Well, section 30, as I read it, says:

> (1) The Governor in Council may, with the consent of a majority of the members of a Commission established by any Act set out in the Schedule hereto, by proclamation declare that Commission to be established pursuant to this Act as of the day fixed in the proclamation—

That is the interpretation I put on it.

May I go on and answer my friend's question further? I would say that in connection with any harbour that may hereafter seek to be established, clearly the Governor in Council would act under the provisions of this bill and then the so-called master plan provided for in this bill would apply. But what is the effect of section 3 on the great number of harbours that are presently incorporated and operating but not enumerated in the schedule and not covered by the National Harbours Board Act? Frankly, I would like to have some expansion on that.

Hon. Mr. Lambert: May I say to my honourable friend that I think the reference he has made to section 3 is a very pertinent one. As a matter of fact, this interest in the expansion of the administrative machinery in relation to the harbour boards in this country, especially those that are enumerated here, is connected with the development of the seaway and waterway through the Great Lakes. That development, I have no doubt, has caused many municipalities to look forward to the possibility of having a harbour in their own communities.

Perhaps I might make a comparison with the early days in western Canada when the railways were being constructed through the prairie country. At that time there were many ambitious people who thought they could establish a town of importance at various places along the railway, and the country developed accordingly. This is not without a certain amount of similarity to that phenomenon.

Undoubtedly, section 3 takes into consideration the possibility that new harbour boards which are not enumerated and which in fact are not known at this time might later be developed. If so, the thought is that they would come under the administration as set out in this bill.

That is my view of that clause, but so far as replacing the National Harbours Board group and those other subsidiary ports that I referred to, I think it is looking a little too far ahead to think that any of those would be brought under the provisions of this bill at the present time.

Hon. Mr. Hayden: I was not saying they would be replaced. I asked: Having regard to the way in which this bill is drawn, is not that something we might expect? Why give that authority?

Hon. Mr. Reid: May I ask the honourable sponsor of the bill (Hon. Mr. Lambert) what would be the position of a commission that did not make a request under section 30? If the New Westminster Harbour Commissioners make no move to come under the provisions of this act, what would be their status?

Hon. Mr. Hayden: They would just carry on as at present.

Hon. Mr. Lambert: In answer to my friend's question I think I should point out that section 30 protects the status of any existing harbour commission that is enumerated in the schedule. It is protection to the extent that they must be agreeable to changing their administration from that of the local board to that of the departmental machinery which will be set up.

I understand the Marine Works Branch of the Department of Transport anticipates that if all these eleven harbour commissions requested to come under this new arrangement, the addition of four people to a staff of seven would be required to administer the act. That statement was made to me in conversation with certain officials. I think a good deal more information on this point should be adduced when the bill is before the committee.

Hon. Mr. Burchill: Honourable senators, I should like to ask my honourable friend Senator Lambert if he knows whether there is any distinction or difference in the powers of the harbour commissions working under the National Harbours Board compared to those which come under this bill. In other words, are there any special advantages?

Hon. Mr. Lambert: There is a vast difference between the authority which is given to the National Harbours Board under the National Harbours Board Act and the power which is given to any one of these eleven harbour commissions scheduled in this bill.

The fact of the matter is that scarcely any two of them are alike. There is a diversification there. An average commission is composed of five members. In Toronto, for example, there are five members, three appointed by the local municipality and two by the federal Government. In Port Arthur and Fort William two are appointed by the municipalities and three by the federal Government. There is that divergence in the case of many of these harbour commissions. I think it is the desirability of overcoming some of the difficulties I have referred to which suggests this administrative reform in the department.

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

The Senate adjourned until tomorrow at 3 p.m.

28906-6—39½

THE SENATE

Wednesday, October 16, 1963

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa

October 16, 1963

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 16th October, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

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

The Honourable
The Speaker of the Senate.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, October 9, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

PRIVATE BILL

THE CANADIAN UNION CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS—REPORT OF COMMITTEE

Hon. A. K. Hugessen, Acting Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-36, respecting The Canadian Union Conference Corporation of Seventh-day Adventists, and had directed that the bill be reported with the following amendment:

Page 1, clause 1: Strike out clause 1 and substitute the following:

"1. (1) The name of the corporation is hereby changed to Seventh-Day Adventist Church in Canada.

(2) The corporation may use, in the transaction of its business and the conduct of its affairs, either the name Seventh-day Adventist Church in Canada or the name Église Adventiste du Septième Jour au Canada, or both of such names, as and when it so elects. It may sue or be sued in either or both of such names, and any transaction, contract or obligation heretofore entered into or incurred by the corporation in the name The Canadian Union Conference Corporation of Seventh-day Adventists, and any transaction, contract or obligation hereafter entered into or incurred by the corporation in either the name Seventh-day Adventist Church in Canada or the name Église Adventiste du Septième Jour au Canada, or both of such names, shall be valid and binding on the Corporation.

(3) Nothing contained in subsections (1) and (2) shall in any way impair, alter or affect the rights or liabilities of the corporation, except as therein expressly provided, or in any way affect any suit or proceeding now pending or judgment existing, either by or in favour of or against the corporation, which, notwithstanding the provisions of subsections (1) and (2), may be prosecuted, continued, completed and enforced as if this Act had not been passed."

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

Hon. Mr. Hugessen moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

ST. JOHN'S HARBOUR DEVELOPMENT

INQUIRY—ORDER STANDS

On the Notice of Inquiry by Hon. Mr. Hollett:

With reference to Harbour Development at St. John's, Newfoundland:

(1) What is the cost to date to the Federal Treasury?

(2) When is it expected said Development will be completed and at what extra cost to the said Treasury?

(3) Are provisions to be made to ensure a fresh-fish marketing centre in connec-

tion with said Development for the fishermen of the St. John's area?

Hon. Mr. Macdonald (Brantford): Stand.

Hon. Mr. Hollett: Honourable senators, may I be permitted to ask the honourable Leader of the Government if there is an answer in the offing to this inquiry which I made a couple of weeks ago.

Hon. Mr. Macdonald (Brantford): Yes, there is an answer in the offing. I regret that I have not got it today, but I shall get it as soon as possible.

Hon. Mr. Hollett: Thank you.

Order stands.

MISCELLANEOUS PRIVATE BILLS COMMITTEE

NOTICE OF MEETING

On the Orders of the Day:

Hon. Paul H. Bouffard: Before the Orders of the Day are called may I be permitted to notify honourable senators that the Standing Committee on Miscellaneous Private Bills will sit after the Senate rises today to start considering Bill S-32, to amend the Marriage and Divorce Act, respecting the status of married women, sponsored by honourable Senator Pouliot.

MARITIME TRANSPORTATION UNIONS TRUSTEES BILL

SECOND READING—DEBATE ADJOURNED

Hon. David A Croll moved the second reading of Bill C-102, to provide for the placing of the Maritime Transportation Unions of Canada under the management and control of trustees.

He said: Honourable senators, the principle of this bill is to place the Maritime Transportation Unions in Canada under the management and control of trustees. This is a bill that nobody wanted—the Government did not want it, Parliament did not want it, the trade unions did not want it and it was not wanted by a man named Hal C. Banks. Yet it has been dictated by circumstances and necessity.

The objectives of the bill, which are such that I think all Canadians can endorse, are the end of lawlessness on the Great Lakes, the end of a philosophy which places force above law and the use of intimidation and violence as instruments to destroy their rivals. But I emphasize now, and I will re-emphasize lest there be some misunderstanding, that nothing in this bill abridges the rights of labour; rather it ensures that these rights are protected.

I said earlier that this was a bill that nobody wanted. Well, that was in the yesterdays. Today the Government wants it, Parliament wants it, the trade unions want it and the people of Canada need it, but a man named Hal C. Banks does not want it.

The whole theory of labour relations is that nothing should be imposed from the top by government. Some years ago we laid down rules to avert labour strife; we established courts and we called them boards, and within the established law and procedure the parties were to work out their own salvation. That principle has worked for more than 30 years, sometimes well, sometimes not as well, but in the main it has brought us labour peace. To make a change now and to begin to impose by force of law a solution from above is foreign to Canada, foreign to the free democratic union concept, and I am sure it would be unacceptable.

The need for the present legislation is that we have labour strife in our ports which are under the control of a "character" named Hal Banks, resulting in the beating of people, dynamiting of ships and the possible closing of the St. Lawrence Seaway.

This measure becomes necessary because we are dealing with criminal acts. When the parties to a dispute start shooting at each other, endangering life and limb, when national economics and human interests are jeopardized, when the parties will not or cannot come to an agreement, and morever when they cannot propose an alternative to this act, then we are forced to take these extraordinary measures in this extraordinary situation. It is true that this is an unusually unique remedy, but so are the circumstances, and we must not forget that national interests are involved. So for this time and in these circumstances, but only in these circumstances, this is it.

The precedent of special legislation for special cases, instead of the general law for all cases, involves obvious risks which must be avoided. This bill appears to surmount these risks; and the great danger of introducing legislation into a limited field, for a limited time, with a limited objective, without doing harm to the concept and heritage of labour principles and fundamental rights, is avoided.

Parliament has no desire to intervene if a practical and fair alternative can be found. If any criticism can be made of Parliament it is that it has adopted the "go slow" policy in this very explosive situation.

The unions involved here were told to work out their own solution, to clean their own house under their own auspices. They have thrown up their hands and have failed to come up with a proposal. Thus it is left

to Parliament to take the course of action which it is now taking, and by this bill the Government is now doing what it wishes the unions would do for themselves.

The history of the trade union movement in Canada, its evolution from weakness to strength, is a story of frequently painful progress down through the years. As trade unions grew in strength their growth was accompanied by the creation of a pattern of legislation designed to assist labour to realize its legitimate aspirations. We have come too far and we have far too much to lose to permit even a single union to defy the laws and institute a reign of terror. Nor can we allow any individual or group of individuals to build a state within a state.

In our society we recognize the right of the workingman to control that part of his economic destiny embodied in the signed agreement, and we hesitate, as indeed we should to do anything that smacks of abridging labour rights. These rights did not come easily.

This bill is not a measure against trade unions; it is for the protection of free, democratic trade unions, Canadian-style. We would be unfair to decent law-abiding Canadians if we turned our backs on what is going on.

The whole shabby, shameful story is reported by Mr. Justice Norris in the thousands of words contained in his report—a story of racketeering, violence, intimidation, harassment and sabotage which shook this country. Mr. Justice Norris took the lid off the cesspool and exposed a man building for himself a private empire on the Great Lakes, and wielding power that out-mafiaed the Mafia concept to consolidate and strengthen his stranglehold on the vital aspect of our economic water transport.

Equally well known, as a result of the Norris Report, is the role of some of our shipping companies who lacked the guts to defy the criminal element and took the easy way out by making sweetheart deals and carrying on business as usual. There is blame to be attached to them.

It is quite obvious that this is the end of the road. Today we have reached the stage where Parliament must do what organized labour seems to be unable to do to bring peace to our ports, to safeguard the national economy. This we do now by applying the law both civil and criminal to all persons in such a way that the rule of law prevails to bring peace to our ports and the lakes by imposing a trusteeship. The decision to do so has been arrived at after much heart-searching. Yet as parliamentarians we have to face the moment of truth. Even now it is not too late. I feel sure that the Government would be happy to turn over the task of trusteeship to the unions themselves. But time is running out, and while the door is not closed, nevertheless it cannot continue to be a revolving door.

Under this bill labour relations, the hard-won rights of the workingman, the fundamental rights of labour and all rights that it ever possessed under our law, are retained. The unions do not become ciphers—Banks and his cohorts do.

This is a Canadian problem to be settled by Canadians for Canadians. We recognize our limitations, but we are also mindful of our responsibility. We do not intend to give comfort to those who are calling on workers to follow a line of action that could lead them to defy the Canadian Government, whether it be the president of the A.F.L.-C.I.O. or others who proclaim that Canada no longer controls its own destiny and that the economic ties that bind us to our southern neighbour are chains.

An interesting report appeared in the Montreal *Gazette* of October 9 which quoted George Meany, the president of the A.F.L.-C.I.O. It reads:

> George Meany, president of the A.F.L.-C.I.O., expressed strong opposition Tuesday to the Canadian Government's proposal that five maritime unions be placed under its trusteeship.
>
> "I am just as much opposed to government-controlled unions in Canada as I am to government-controlled unions in the Honduras, or anywhere else"—

That is a fine principle. It is a lofty ideal. However, Mr. Meany placed a price upon his principles in that he was willing to accept the trusteeship if two out of the three trustees were Americans.

I hope the country will not confuse or equate President Kennedy and the people of the United States with Mr. Meany, the president of the A.F.L.-C.I.O. I am satisfied that the United States will bend every effort to assist us, and will not countenance defiance of Canadian law by American citizens in so far as it is capable of preventing it. I think the Government of the United States will do everything it can to help us.

In my opinion there has been considerable misunderstanding of American actions. I think the Americans were trying to tell us that they had gone through such a trusteeship in almost similar circumstances which turned out to be unfortunate and almost catastrophic.

Hon. Mr. McCutcheon: You are being very generous, Senator.

Hon. Mr. Croll: No; I think what I said about the Americans expresses the view of the Canadian people.

Honourable senators, I have here the leading editorial in the New York *Times* of today

which I shall read in order to bring you up to date. It is one of the great newspapers of the world—not as great, perhaps, as that great thunderer in London, but it is the greatest on this continent. It is an influential newspaper. This editorial is a little lengthy but is worth reading and considering. Headed "Labor War on the Great Lakes," it reads as follows:

> Warfare between the maritime unions of the United States and Canada has put a graver strain on governmental relations between the two countries than any development in recent years. Despite attempts at conciliation by President Kennedy and Prime Minister Pearson, anti-American sentiment in Ottawa is strong—and getting stronger.
>
> The problem arises from the effort of the Canadian Labor Congress, strongly supported by the Canadian Government, to break the power of Hal C. Banks, strong man of the Seafarers International Union in Canada. The picture drawn of him in an exhaustive Government report makes the McClellan committee's depiction of James R. Hoffa an almost saint-like one by contrast.
>
> The Canadian Government now seeks to end Mr. Banks' dictatorial rule by pushing through Parliament a law that would put all five of Canada's maritime unions under Government trusteeship. Canadian labor welcomes the measure as a necessary step to restore democracy in the Banks' empire. But the A.F.L.-C.I.O., with which 70 per cent of all Canadian labor is affiliated, has denounced the bill as a threat to free labor.
>
> Passage of the pending legislation will undoubtedly cause intensification of the boycott that United States unions already are enforcing against Canadian ships in Great Lakes ports. The Canadian unions can be expected to retaliate by blocking the movement of United States ships through the Welland Canal. It is also probable that they will sever their ties with the A.F.L.-C.I.O. as a means of fortifying their own independence. Every phase of this interunion cannonading will mean a deeper involvement of the two Governments and a further deterioration in their relations.
>
> Manifestly, it is not the proper function of the United States Government or United States labor to decide what is best for Canadian labor or the Canadian economy. Neither the Taft-Hartley Act nor the Landrum-Griffin Act—

Those two acts had something to do with labour.

> —was cleared with Canada. If the A.F.L.-C.I.O. is concerned about the precedent that will be set by drastic Government intervention in the internal affairs of Canadian unions, the appropriate way to stop it would be through immediate voluntary action to clean house in the Canadian division of the Seafarers' Union. The man to take such action is the union's international president, Paul Hall, an A.F.L.-C.I.O. vice-president.
>
> Efforts to establish a voluntary trusteeship with the cooperation of the parent union broke down last week because United States labor would not go along with Canada's insistence that the impartial chairman of the trusteeship panel be a Canadian. This Canadian stipulation is reasonable in a situation that involves Canada's interests so directly. Certainly, it is not so unreasonable as to torpedo an arrangement that would make restrictive legislation unnecessary and restore the cordial relations that certainly ought to exist between this country and Canada.

I thought this editorial from today's New York *Times* was important and would better inform us on the American viewpoint.

Honourable senators, here today Parliament is making a hard decision, but it is demonstrating by this bill that economic penetration for better or for worse has no bearing on our decision to act within our legislative capacity.

I should like now to give a short rundown on the bill. I hope the honourable the Speaker will forgive me when I say that I read the House of Commons *Hansard* of last Friday and I believe that it was one of the Commons' finest days.

If you read the report of the debate in the committee, and particularly the discussions which took place on the sections of the bill, you will find that there were not very many Liberals or Conservatives or other party people there, but there were a lot of Canadians in the house that day.

Thus in accepting this bill you will appreciate that it has had some thorough consideration. Nevertheless, I must relate a few of the highlights contained in it.

The bill commences with a preamble which notes that the action contemplated was recommended by the Norris Report, and it recites that the aim of the legislation is to ensure that

> the danger to navigation and shipping on the St. Lawrence Seaway and the threat to the national and public interests may be removed and to enable the seamen of Canada to assume by peaceful means

the democratic management and control of their labour organizations.

The trusteeship will cover five maritime labour organizations which are described in schedule B on page 11 of the bill. The membership of these unions is as follows: First, the Canadian Maritime Union, consisting of one local with 500 members; second, the Seafarers' International Union of Canada, with two divisions consisting of 17,400 members; third, the National Association of Marine Engineers of Canada, with seven locals and 150 members; fourth, the Canadian Merchant Service Guild, with two divisions and 2,480 members; and finally, the Canadian Brotherhood of Railway, Transport and General Workers, consisting of 13 locals with a membership of 2,297 members.

The normal principles of free and democratic labour organizations and the normal employer-employee relationship through collective labour agreements, are emphasized in the bill; and while the trustees are empowered to manage and control each of the unions they are also asked to do everything necessary to return such management and control to duly elected and responsible officers of the unions at the earliest date consistent with the national interest.

The bill originally provided for a five-year expiry date but after discussion in committee of the whole in the other place, clause 24 was amended to read as follows:

> (1) This Act expires on the 31st day of December 1966 unless before that date this Act is extended to a later date which may be fixed by proclamation of the Governor in Council.
>
> (2) A proclamation under subsection (1) shall be laid before Parliament not later than fifteen days after its issue, or, if Parliament is not then sitting, within the first fifteen days next thereafter that Parliament is sitting.
>
> (3) Where a proclamation has been laid before Parliament pursuant to subsection (2), a notice of motion in either House signed by ten members thereof and made in accordance with the rules of that House within ten days of the day the proclamation was laid before Parliament, praying that the proclamation be revoked, shall be debated in that House at the first convenient opportunity within the four sitting days next after the day the motion in that House was made.
>
> (4) If both Houses of Parliament resolve that the proclamation be revoked, it shall cease to have effect and this Act shall cease to be in force but without prejudice to the previous operation of this Act or anything duly done or suffered thereunder or any offence committed or any punishment incurred.

In the meantime, the trustees are fastened with a heavy responsibility in a critical situation, and, accordingly, clause 7 will give them the necessary power and authority to deal with any situation with which they may be confronted. There are also penalty clauses to guard against any obstruction of the trustees or withholding of documents or other information.

All the funds and properties of the unions are, of course, taken over by the trustees, except property held by a trust company or insurance company for welfare, pension or insurance benefits for members of a Maritime union. Moreover, certain transactions, specified in subclause 1 of clause 13 are made voidable if entered into after July 6, 1963—the date of the filing of the Norris Report—on application to a judge of the Exchequer Court. This is to ensure that there has been no "give-away" program in respect of union assets since the filing of the Norris Report.

I should like now to give an even quicker rundown on the bill itself. I have already given you a general outline.

Clause 1 provides a short title.

Clause 2 is a definition section.

Clause 3 provides for the establishment of a three-man board of trustees appointed by the Governor in Council and holding office during pleasure.

Clause 4 provides for the remuneration of the trustees.

Clause 5 provides for professional, administrative and clerical help.

Clause 6 deals with vacancies on the board.

Clause 7 sets out the powers and duties of the trustees. These are very important and very wide.

Clause 8 provides for the management of the building corporation described in Schedule A. Honourable senators will note that Schedule A, which is on page 11, says:

> Canadian Seafarers' Building Corporation Ltd., being a body corporate incorporated under the Companies Act by Letters Patent issued by the Secretary of State of Canada and dated the 24th day of March, 1955.

It would appear that they have a building of their own; I presume that the Government does not know too much about it and that in order to deal with it they are able to take over the management of the building. It is part of the assets of the union.

Clause 9 exempts the trustees from personal liability for acts done in good faith in the exercise of their duties and powers.

Clause 10 provides penalties for obstruction.

Clause 11 vests union property in the trustees.

Clause 12 makes mandatory the delivery of records and documents to the trustees.

Clause 13 makes certain transactions voidable, as I mentioned earlier, in regard to a give-away program.

Clause 14 provides for the recovery of proceeds in respect of transactions declared void by clause 13.

Clause 15 provides for the exclusive jurisdiction of the Exchequer Court in disputed matters.

Clause 16 provides for a report to Parliament. I have already read that clause to you.

Clause 17 provides for the remuneration and expenses of the trustees.

Clause 18 empowers the Governor in Council to make regulations.

Clause 19 empowers the Governor in Council to add or subtract unions from Schedule B. Other unions may be formed which may have to come under this act; or some unions may be released from the control of the act in due course.

Clause 20 empowers the Governor in Council to exempt the building corporation from the operation of the act—if it is found that there is no hanky-panky going on in that, there will be no need to deal with it at all.

Clause 21 preserves existing rights and liabilities.

Clause 22 provides that the judges mentioned in the act are not *persona designata* but act as judges representative of the particular court indicated.

Clause 23 provides that the act shall come into force on proclamation.

I have already mentioned clause 24.

I invite honourable senators to deal with this unpleasant business expeditiously. Nobody likes this legislation and even less so the considerations which make its adoption imperative. A patient does not welcome the news that radical surgery is necessary, especially when there is no absolute guarantee that the operation will be successful. However, in the present instance, the patient is the body politic of Canada. There is general agreement that something radical must be done and that the present proposal is the most that can be done.

The door is not yet closed to alternative and more palatable solutions to these jurisdictional difficulties; nor indeed will the door be completely closed to settlement upon the passage of this bill.

This bill will not come into force until it is proclaimed by the Governor in Council. However, upon its passage we shall have armed the Government, so far as lies within our power, with the tools necessary to do the job which needs doing. This bill will set the machinery of change in motion. It has the overwhelming, almost unanimous, support of Parliament, as well as public support. Perhaps it is truer to say that the public is away ahead of us with respect to this matter. The public wants it, and it demands a clean sweep.

I take it that it would not be out of place if I said just one final word to Mr. Meany, to Mr. Banks and to their cohorts, that in this matter Canadians do not intend to be frustrated or denied.

Hon. Gunnar S. Thorvaldson: Honourable senators, I trust that my remarks on this bill will not be too repetitive of the speech just delivered by the honourable senator from Toronto-Spadina (Hon. Mr. Croll). However, I am presuming that we are all of the view that both sides of this house should place themselves clearly on the record of *Hansard* in regard to our respective positions on this important legislation. Anything else would be an abdication of our responsibility to the Canadian people as well as to this house.

The bill under consideration is, to say the least, an unusual chapter in the legislative history of this country. It is one that the Government was understandably reluctant to introduce. Indeed, it avoided action in this long drawn-out trouble that has existed on the Great Lakes and inland waterways transportation system of Canada. It took this final step only when opinion both inside and outside Parliament insisted that appropriate action be taken in the light of the facts contained in the Norris Commission Report, and also in the light of the recommendations made to Parliament by Mr. Justice Norris in that report.

In the debate on the bill in the other place, various members, perhaps naturally, vied with each other in attempting to ascribe where blame or responsibility resided for the turn of events which brings this legislation before us. I do not believe, however, that it will serve any good purpose in this house to ascribe to any individual or political party an undue share of praise or blame for the predicament that brings this bill here. Let me say, however, that the basic problem involved in this bill is a serious one. This legislation is unprecedented, in so far as it does something that has never to my knowledge been attempted here before. It is legislation that is distasteful to a high degree. It cuts across our fundamental principles in regard to free and untrammelled operation of an important sector of the trade union movement of Canada. Nevertheless, this bill, as I believe was stated by the previous speaker, has the overwhelming support of the people of Canada of all

classes, and I presume that is the reason the bill has commanded the nearly unanimous support of the members of the other place.

It should be noted particularly that the proposed legislation is likewise supported, as far as one can presently see, by a large majority of organized labour in this country; indeed, by a nearly unanimous majority of organized labour. That is something of essential importance. Indeed, the reason for support from this quarter is the fact that the bill attempts to apply a remedy to circumstances which ordinarily would have been the responsibility of organized labour itself, but where it has found itself paralyzed and unable to achieve order out of the chaos which has occurred in the maritime shipping industry of this country. However, in spite of this apparent unanimity, the basic reasons for this legislation should be carefully recorded in the *Hansard* of this house.

I should like now to review briefly the background of the problem, although that has been done to a certain extent by the honourable senator from Toronto-Spadina (Hon. Mr. Croll).

As is well known to honourable senators, for many decades there has been a great deal of labour strife associated with shipping on the inland water system of Canada, and specifically on the Great Lakes. Honourable senators may recall, for instance, the name of Pat Sullivan being very much in the news both during and immediately after World War II, and throughout the 1940's the Canadian Government was frequently called upon to mediate in strikes and otherwise guard against inland waterway shipping coming to a standstill in Canada as a result both of strikes, physical violence associated with them and jurisdictional union disputes.

The present maritime shipping troubles erupted into the lap of the Canadian Government in the months of May and June last year as a result of letters and telegrams sent to the then Prime Minister and Minister of Justice by prominent Canadian labour leaders, including Mr. Claude Jodoin, President of the Canadian Labour Congress. These communications drew the attention of the Government to the flagrant disregard for law and order which then existed, and which had been prevalent in the shipping industry on the Great Lakes and St. Lawrence River waterway system for many years. Mr. Jodoin's first letter, dated May 23, 1962 and addressed to the Prime Minister, listed no fewer than 14 crimes of violence against seamen and ships during the brief period from April 10 to May 22 in that year. All of these incidents were traceable to the undeclared war which obviously existed in the industry. Indeed, I might note here that the report of the Norris Commission lists no fewer than 70 incidents of intimidation and violence between the autumn of 1956 and the spring of 1962.

Hon. Mr. Reid: How many incidents?

Hon. Mr. Thorvaldson: Seventy. The story of the beatings and other crimes involved in these incidents reads like a movie thriller, and it is hard to conceive that most of them had been deliberately planned as part of gangster warfare within Canada.

Returning, however, to the steps preceding the appointment of Mr. Justice T. G. Norris as head of a commission of inquiry under the Industrial Disputes Investigation Act to investigate these affairs, to my mind one of the most revealing documents is the telegram sent to the Prime Minister on June 20, 1962 by Mr. Elroy Robson, National Vice-President of the Canadian Brotherhood of Railway, Transport and General Workers, which is set out in the Schedules to the Norris Report at page 408. I am reading it in order to specifically call to your attention the words therein contained:

> You will have been informed of the vicious assault upon John McNamara, President of the Welland Canal Employees' Local of the Canadian Brotherhood of Railway, Transport and General Workers and of our renewed request to the Minister of Labour for a judicial inquiry into gangsterism and organized criminal activity among maritime labour on the Great Lakes. The labour movement is unable to cope with the problem of mounting vicious personal attacks upon maritime workers on both sides of the Great Lakes but organized and controlled in Canada and we believe we have the right to expect Government action. As Canada's largest national union and as a union which has acted throughout the years according to the tenets of responsible citizenship we call upon you for that action.

Hon. Mr. Connolly (Ottawa West): May I ask who sent that telegram?

Hon. Mr. Thorvaldson: Mr. Elroy Robson, National Vice-President of the C.B.R.T. and G.W.

I would specifically call your attention to the words "the labour movement is unable to cope with the problem. . . . ".

As I see it, this is the very core and essence of why this bill is before us now, namely, that neither the regular law enforcement agencies of our country nor the legitimate and democratic unions have been able to cope with the gangsterism and organized criminal activity which has in recent months and

years been so prevalent within the Great Lakes and St. Lawrence River transportation system.

There is also the danger, of course, that both violence and disputes between the labour unions themselves, as well as disagreements among the shipping companies, both among themselves and in their warfare with certain labour unions, might at any time cause a total disruption of inland shipping within Canada. Clearly the national interest is very much involved in a situation of that kind, especially when one considers that the annual value of commodities shipped through the Great Lakes system is over 2.5 billion a year.

This affects every aspect of the economy of this country, namely, that this movement of goods should continue to go back and forth within the country and out of the country as well as into it.

One can well imagine what would happen to the Canadian economy if such a disruption occurred and lasted for any long period of time, as well it might under the circumstances as we know them today.

In the light of this proven record of intimidation and violence through union activity, and in the light of the fact that most of this violence is directly traceable to one Hal C. Banks and the Seafarers' International Union of Canada, commonly known as the S.I.U., it is more than amazing that an American labour leader, Mr. George Meany, who is president of the twelve and one-half million member American Federation of Labour—the A.F.L.-C.I.O.—should exhort, as he did last week, all of his affiliates in Canada to support the S.I.U. in what he calls "its fight against the destruction of free trade unionism in the Canadian Maritime industry." I will later have some remarks to make in regard to the S.I.U, and whether or not it is a "free" trade union.

Similarly on this point it should be recorded here that Canadians generally are very much concerned over the attitude adopted in this matter by Mr. Willard Wirtz, Secretary of Labour in the United States Government. That attitude, as honourable senators will recall, has been most hostile to the legislation before us. Mr. Wirtz seemingly fails to understand that the preservation of law and order in Canada, whether in the matter of union activity or otherwise, is one of fundamental importance to Canadians. He also seemingly fails to understand that although the problem of Great Lakes shipping has international ramifications, this particular problem is essentially a Canadian one and must be dealt with here under our own laws.

As I have said, this legislation has the wholehearted support of the C.L.C. and the maritime unions with the exception of the S.I.U. Indeed, the S.I.U. claims that this legislation is directed at them, and one must admit that to a certain extent it is. Consequently, I think it is important to place on record some of the facts recorded by Mr. Justice Norris in his report to the Canadian Government concerning this union.

The head of this union is, as is well known, one Hal C. Banks. Mr. Banks arrived in Canada from the United States in 1949; he organized the S.I.U., and now he and his chosen henchmen are in complete control of it. Mr. Banks has merely the status of a landed immigrant in Canada, his application for full citizenship having been refused by the appropriate authority. This union was formerly a member of the C.L.C., but was expelled from that organization two years ago. However, it is seemingly affiliated with an organization known as the Seafarers' International Union of North America, and it reports to this union at its biennial conventions held in the United States. The last report that was made to the international union was in Washington on May 6, 1963. I refer to this evidence of association with the American union because Mr. Justice Norris in his report says at page 103:

> The precise nature of the relationship between the S.I.U. of Canada and the S.I.U. of North America is difficult to pin down.

The membership of the S.I.U. is said to be about 15,000. As, in my opinion, the conclusions of the Norris Report in regard to the character of this union and of Mr. Banks is the main factor creating the need for this legislation, I will recount briefly some of these findings.

Hon. Mr. Reid: Did you say that he was a citizen of Canada?

Hon. Mr. Thorvaldson: No, he is not a citizen of Canada. He has the status of a landed immigrant.

Hon. Mr. Roebuck: He applied for Canadian citizenship.

Hon. Mr. Thorvaldson: As I said, he was refused the grant of Canadian citizenship by the appropriate authorities some years ago.

Honourable senators, here are some short excerpts or summaries of some of the findings of the Norris Commission in regard to the S.I.U. The first is taken from pages 106-7 of the report.

> Neither the S.I.U. of North America (Canadian District) nor the S.I.U. of Canada have ever held conventions of members... The salaries of the executive

officers have never been fixed or approved at any general meeting of the members.

I read from page 114 of the report:

> An international convention of the S.I.U. held in Montreal in 1959 with only 57 S.I.U. delegates, plus fraternal delegates, cost the S.I.U. of Canada $23,836.37, including a $5,000 banquet.

From pages 128-9:

> The issues of the *Canadian Sailor*—

That is the official organ of the S.I.U.

> —filed with the Commission show that it is a dishonest propaganda sheet—themes are repeated tirelessly—the technique of the 'big lie' is practised unendingly. Distortions of the truth seem unrestricted.

Hon. Mr. Connolly (Ottawa West): All this is Mr. Justice Norris speaking?

Hon. Mr. Thorvaldson: Yes. I will read a few other excerpts just to indicate to the house the general nature of the workings of this union. Here is a quotation from page 172:

> All the senior officers of the union (S.I.U.) are overpaid, having in mind the extent of their ability as indicated in their activities disclosed in evidence on examination and cross-examination.

The following is found on page 105 of the report:

> As is the case with every dictator he is lawless and is prepared to use any weapon to gain his ends... He is quite ruthless in his methods and has gathered around him a group of union officials—weak characters—to do his bidding. He has set up a facade of democracy where, it is found on close examination, in fact no real democracy exists.

Then there are certain quotations in regard to Mr. Banks' salary and on the financial affairs of the union which I will not quote because all honourable senators will recall these were fully disclosed in the press when the Norris Report was made public two or three months ago. Another excerpt from the commission report reads:

> Between 1959 and 1962 Banks received a total of 119 advances on expenses totalling $80,205.73. Of this amount only $8,220.45 was eventually accounted for by vouchers.
>
> In the years 1958-1962 new Cadillacs were provided to Banks each year. The union paid the difference which in this period totalled $15,994.30.

Honourable senators, so the story goes on, item after item, indicating the use of union funds by Mr. Banks and his henchmen, which funds of course had never been approved by the members of the union as such but were simply disbursed to these persons whenever demanded by them.

I might just read a few more quotations. At page 93 the commissioner states:

> The Banks code of violence—revived as it was in 1949-1950 and again during the last two or three years—is an uncivilized relic of deep-sea sailing conditions of over seventy-five years ago.

And then at pages 203 and 204 Mr. Justice Norris says this:

> Men and women were attacked and in most cases, the beatings were extremely brutal. They were cowardly, inasmuch as the attackers were either more numerous or stronger than those attacked, or were armed with weapons of one sort or another, or the attacks were made under such circumstances that those attacked could not defend themselves. In this generally law-abiding country where we boast of our culture and our freedom, decent citizens were afraid to walk the streets and were afraid to take a stand in support of their rights. Witnesses came to give evidence still bearing the marks of beatings—some were crippled or marked for life.

In the third paragraph on page 204 the commissioner says:

> . . . there was one factor common to all, viz: that the victims were either in active opposition to the S.I.U., or were associated with companies or unions that opposed the S.I.U., or were otherwise in disfavour with the S.I.U.

Then, of course, there is the story of the enormous fees charged the members of this union, fees three and four times larger in amount than those paid by members of the democratic and legitimate unions operating on our inland waterways. I am sure you have also read the story of the S.I.U. welfare plan and its wholly irresponsible mismanagement. Then there was the vacation pay plan and similarly irresponsible management. And so the story goes in regard to Banks. As I said a moment ago, it reads like a movie thriller.

With regard to Banks I would just like to quote briefly again from Mr. Justice Norris' report, where he summarizes his views in this regard, and I am reading from page 296, under the heading "Conclusions". At the very beginning Mr. Justice Norris says this:

> In the detail of the recent happenings, the real issue at this time is likely to be lost sight of. A proper perspective should

be maintained. It should always be remembered that this strife, all this lawlessness . . . is not an effort to right any wrong nor to assist seamen, but is part of an irresponsible campaign to maintain one rapacious and violent man, Banks, in power as a dictator.

Then he says:

Banks obtained his absolute control in his union through the misuse of union funds, the hiring halls, the D.N.S. and R.O.C. cards, and the Welfare Plan. This has been fully established. He and his union operated the Vacation Pay Plan unlawfully and contrary to the directions of the Minister of Labour. The Maritime Appeal Board set up by Banks is not useful for the purpose that it is alleged to serve.

Honourable senators, that is a brief summary of the record of Mr. Hal C. Banks.

There is one other factor of utmost importance that I would like to touch upon for a moment. That is the international involvement which is part and parcel of this whole maritime shipping situation. A moment ago I referred to Willard Wirtz and George Meany and their outspoken criticism of this measure, a criticism which is deemed by many of us, I am sure, an affront to Parliament and the Government of this country. But the fact is that owing to the common border with the United States of a large segment of our inland waterways, Canadian ships must of necessity call at and load and unload cargoes at United States ports. We are only too well aware of the difficulties that are confronting some Canadian ships in United States ports, involving boycotts, shootings and, recently, the dynamiting of a Canadian ship, the *Howard L. Shaw*, at the port of Chicago.

Although it is stated in the Norris report that the precise nature of the relationship between the S.I.U. of Canada and the S.I.U. of North America is difficult to pin down, nevertheless from evidence presented to the commission and from the facts that can be clearly seen there is no doubt whatsoever that the S.I.U. of America works hand in hand with this Canadian hoodlum empire and that it operates in much the same manner. It appears, therefore, that without the co-operation of the United States authorities this legislation will run into rough weather. In my judgment, American attitudes in this regard will be some measure of the co-operation we may expect to receive from our powerful southern neighbour in the many other fields of contact that exist between our two countries.

As a Canadian I cannot understand why our neighbours refuse to recognize that the bringing under control of this intolerable situation is basically Canada's problem, and that it would merely be a neighbourly act on their part to co-operate with us in our endeavours to cope with it rather than, as it appears likely now, to hinder us, perhaps to the point of completely subverting this legislation. I express the hope that there will be co-operation from our neighbours and not hindrance.

Some Hon. Senators: Hear, hear.

Hon. Mr. Thorvaldson: During these remarks I have frequently stated that this legislation has the unqualified support of the C.L.C. and most other labour organizations. I have here what is called a "policy statement" by the Canadian Brotherhood of Railway, Transport and General Workers, and for further emphasis I wish to quote a few paragraphs from this statement which is generally indicative of the attitude of the free trade unions of this country. I do this also because this is one of the unions that will come under the trusteeship proposed by this bill, and I might say it is in favour of it.

As I mentioned, this is a policy statement put out by the C.B.R.T. and G.W. Let me just read a few sentences from it, because it goes to the very root of this matter and indicates precisely the attitude of this responsible union as well as, I believe, that of practically all the other unions in this country with regard to this legislation.

It starts out with a question:

"Is government trusteeship of Canadian maritime unions necessary?"

"Why can't the violence-ridden conflict on the Great Lakes be settled within the ranks of organized labour?"

If trusteeship is unavoidable, why is it not confined to the Seafarers' International Union instead of being applied also to the four unions exonerated by the Norris Commission inquiry?

Why has the C.B.R.T. & G.W. welcomed government supervision (recommended by Justice Norris) as the only practicable method of breaking up Hal Banks' 'hoodlum empire'?

These questions are being asked, not only by people outside the labour movement, but also by many rank-and-file union members and even some union officers.

Their fears are understandable. An aversion to government interference of any kind is instinctive in most trade unionists. So is a distaste for trusteeship, or any other abridgement of a union's democratic functions.

Under the heading "No Alternative", there is this paragraph:

> No settlement is possible on the Great Lakes, however, other than through government action. There is no alternative that would not leave Canadian seamen helpless captives of an industry-wide company union run by racketeers.
>
> That is an accurate description of the S.I.U.—a description verified and established beyond doubt by the Norris Commission inquiry.

One sentence of great importance and which is of the essence of this whole matter says:

> The Canadian labour movement is not equipped to cope with hoodlums.

And so the statement goes. It proceeds to set out the reasons why this very respectable and genuine Canadian union has found it necessary to support this legislation.

Now I should like to make a few remarks in regard to the Norris inquiry. It held 108 sessions over a period of eight months, and heard 4½ million words of evidence. Its report was made public on July 15, 1963. Mr. Justice Norris came to certain conclusions and from these he made certain recommendations, the main one being the appointment of the trusteeship provided for in Bill C-102.

I have tried to give some of the background to the legislation now before us. I think there will be substantial agreement that even if it is unpalatable, it is necessary under the circumstances which appear to exist. We in Canada have always prided ourselves upon the manner in which the King's or Queen's writ runs in our land. We have now discovered an area where the rule of law has been consistently flouted, and violence and intimidation have been of such a diabolical nature that the usual channels of law enforcement have not been able to prevail. We are in a position where the great majority of those who have been involved in an effort to find a solution to the problem are now unable to find any alternative to the recommendations made by Mr. Justice Norris, namely, that there should be formed, with the sanction of law, a trusteeship of certain maritime unions in an effort to remedy the continuous lawlessness and disarray in our maritime transport facilities. As I have said before, shipping to the value of $2½ billion is involved. The livelihood of thousands of families is involved. Indeed, the national interest is at stake and could be severely jeopardized in the event of the failure of this proposed measure. I am sure we are all in favour of its being enacted by this house and becoming law.

Thereafter, I trust that we may have reason to feel that no interests, large or small, will deliberately attempt, either by violence or other methods, to subvert the law of this land.

Hon. John J. Kinley: Honourable senators, having heard the speech of the honourable Senator Croll, who moved second reading of this bill, and the exhaustive speech of my honourable friend Senator Thorvaldson, both of whom are outstanding legal men, I suppose that I as a plain businessman should be loath to say very much. But it has been said that this story should be put on the record of the house as being one of great interest. I quite agree it is interesting.

I have been connected with labour both as servant and in management for 60 years. We have had our troubles, as one always does when dealing with other people, and while at times there were difficulties we could always settle them ourselves. I must also say that so far as labour is concerned I found them as reasonable as any other class of people I had anything to do with in business endeavours.

You know, bigness brings trouble, particularly when people try to exploit it in the business scene. That is not good. Furthermore, it seems to me that this is a quarrel amongst labour, and Parliament should keep apart from the idea that there is something radically bad about it; we are always faced with situations of this kind, and we do not want to be too serious or too afraid of facing them.

As Senator Croll has said, this legislation is unique. That is so for two reasons; first, it is a new approach to a demanding situation. We all agree with that, and it is something we have to face. Secondly, this is a bill that comes to us with the almost unanimous consent of the other house. I think there were only four members of that house who voted against it. Certainly the leaders of all parties voted for it, and from what I saw of the speeches in the other house they were urging it on and felt there should be more speed. Now I am not that kind. I think when dealing with a matter such as this you have to give a little slack once in a while and deal with it very carefully.

This is not really a new approach to such matters. We have trust companies, we have trustees in business, and in both private and commercial life. Furthermore, we must remember that labour does not like arbitration. But it plays an important part in the business of this country, and it is accepted by the commercial people, and I do not see why this

trustee control, which we hope will be a strong control, should be offensive to anyone in this or any other country.

Now I do not know Mr. Banks, the man who seems to be creating all this trouble, but I have read parts of the Norris Report, and what it has to say is very bad. I am not surprised; I have been in business a long time, and I have dealt with a lot of people under a variety of labour conditions. During some of the war years we had 600 employees and now we have over 300, and we have trade unions. They have their place, and it requires judgment in labour relations and judgment on the part of management to keep the whole thing on an even keel.

The charge is that there has been injustice, cruelty and venal exploitation. I would expect something of that nature in a big union. At least I would expect most of it, because I know that such conditions do exist. However, this trusteeship is to protect the individual members of the union in their quarrel with each other, and it is also to salvage the union from bad leaders, and even bad practice in the Canadian marine industry. You know how it is in the marine industry—they are perhaps at times looking for an easy way out. Sometimes they are willing to pay for a privilege, and we must not forget that some people are not behind the door when such opportunities come around.

I think this is a splendid bill. The interests of the union have been carefully safeguarded. The courts and even Parliament are enrolled in the machinery for the purpose of settling disputes. Furthermore, the trusteeship can be terminated very easily if Parliament wants to do so at any time.

It can be seen that this bill has national and international implications. Coming from the Maritimes as I do, I do not like to see too much anti-Americanism in connection with this discussion. We in Nova Scotia regard highly our association with the United States, especially the New England states. Many of our people are over there and they are a strong force for good relations. A great many of those people still think of their home towns in Nova Scotia and the other Maritime provinces. We have a soft spot in our hearts for the New England states.

Quite recently we had a Nova Scotia fisheries exhibition in Lunenburg, my home town. There was a parade over a mile long. The Americans brought their navy ships to the ports, and their dory crews for the international dory races. They brought a school band of 115-strong from Gloucester. I do not think that the parade has been excelled in any part of the country east of Toronto. It was a splendid array.

The thought occurred to me at the time that while other countries are marching for their rights we were parading with banners and bands for the purpose of demonstrating to all that we are banded together in the interests of progress and stability in this country. That accounts for the success that we have had over the years—and we have had success in our part of the country. That has been due to the good co-operation of our people with, and their regard for, our neighbours, especially the Americans.

We are told that the American people are not acting very well in this matter. I did not quite like what Senator Thorvaldson said about American interference. This is not a matter as between governments. It is a matter as between labour leaders. Mr. Meany is the president of the A.F.L.-C.I.O., the biggest labour-controlling body in the United States of America.

Hon. Mr. Thorvaldson: I thought I had made that clear.

Hon. Mr. Kinley: Yes, but Meany is not the government of the United States. Senator Thorvaldson talked about the United States Secretary of Labour, Mr. Wirtz. Mr. Wirtz, I think, made a perfectly sound statement. What he said was this:

> It remains a matter of utmost importance that there still be found a way of resolving these difficulties which will result in strengthening the ties of common interest which link Canada and the United States, particularly in our common use of the waters which we both border. I have expressed through formal channels the continuing willingness of the United States government to seek an accord which will meet fully the public as well as the private interests which are involved here.

Those words of Mr. Wirtz were quoted in the House of Commons by the Minister of Labour. Incidentally, the Minister of Labour comes from the Province of Nova Scotia. I think he is to be congratulated. He has made an impression upon Parliament as being a man of resolute opinions, a man of judgment, a man who works carefully and well and who has so far done things that are in the interests of the peace and prosperity of the country.

We must remember that times are changing; the St. Lawrence waterway has changed the marine thinking of the people of Canada. We must work together. We are co-owners with the United States in the canal, and we must work to keep it going.

We have been negotiating for some time to amend the Commonwealth Merchant Shipping Agreement with our mother country. What

are we doing? We are going to reserve to our own coastal ships the right of navigation on the St. Lawrence waterway all the way down to the sea. We have heard some talk about that. The United Kingdom may not like it, but we have not heard as much discussion of it on the radio and television as we have heard on the subject before the house—and some of it has been provocative talk—about the Americans trying to do something which is detrimental to our country and which they have no right to do.

We are a free country, and we must recognize that the United States is also a free and independent country. The Americans have their own rights to look after. We must realize that we cannot take them too much for granted, nor can they take us too much for granted.

Some time ago we revoked the tolls on the Welland Canal. I wonder why that was done. That cost Canada a lot of money. I cannot quite see where that was in the business interests of Canada.

We are told also that the subsidy on shipbuilding which was granted to the Maritimes and eastern Canada has contributed much to the prosperity of that part of the country. I agree with that. It has done a great deal. Our heritage in the past has been in the sea and will be in the future. We will have to succeed by the sea. We welcome that subsidy and we hope that it will be continued.

The question is: How is this labour quarrel going to be stopped? What is this commission going to do? What power has it? I do not know, but it will have the power of the purse. Down through the years, as far back as the Magna Carta, the power of Parliament has been in its control of the purse—the power of supply. This commission will have the power of supply. We know that Mr. Banks and his friends are after all the money they can get out of this Canadian union. That is their ultimate object. When you put an end to that, such people immediately become less enthusiastic about making trouble.

We should go further with the United States. It is said that attack is the best defence, and I think we should now ask the United States for reciprocity in our coastal trade with them. They have the strongest economy in the world. They have the best standard of living. They pay the highest wages. On the St. Lawrence it is seen that the boats carrying the grain to Russia are boats from foreign countries; they pay low wages to their crews and do not feed them too well, and they are run on low standards. The United States does not do that. It protects its own nationals in the merchant marine. We should go to them and say that in the running of the St. Lawrence waterway, in which we have joint control, we do not think it can be run well unless we combine to the extent that we share on equal terms. If they agree to that then I think it will be a great thing for Canada. It will help us in our negotiations with the Americans and it will help us in our marine trade.

We should do well to remember that Canada and the United States are one in defence, in language, and in blood relations. They maintain the abundant life, the highest standard of living in the world, and laws for the liberty of the subject. They also have a high regard for the rights of other people. We should combine together in a way that would make for even better conditions in the northern hemisphere, in order to preserve what we have and to see to it that we do not fall down because we have troubles and trials.

Honourable senators, I support this bill.

Hon. Fred M. Blois: Honourable senators, my speech this afternoon will be brief. I had intended to speak at some length, but my friend Senator Thorvaldson covered most of the ground I intended covering, and he did it better than I would have done. However, I feel that I should add something to the debate because of the fact that we in the Maritime provinces, especially the ports of Halifax and Saint John, can be and will be very much affected during the coming winter if there is serious trouble on the Great Lakes and the St. Lawrence Seaway. I am referring to the present time before the freeze-up when grain is moved to the east.

It is fair to say, I think, that in the port of Halifax down through the years, with perhaps one exception, there has been wonderful co-operation from both the longshoremen and the stevedores. There have been troubles from time to time, but the longshoremen and the stevedores have been a most reasonable group of men who have got along exceptionally well with the shipowners. We are proud of that fact. Indeed, we are proud of the situation throughout the Maritimes generally. Our labour troubles, as is well known, are much fewer and less severe than those in other places.

My good friend Senator Kinley mentioned that he employs a number of men in his plant and that he employed an even larger number during the war years. I can say that my experience over 40 years has been similar to his. We never had any labour trouble in all that time because we co-operated with our employees, and we believe in their having a share in what is going on. I am not saying that we have to get together to discuss everything, but I am saying that in the Maritime

provinces, particularly in Nova Scotia, we have the feeling that we can sit down and talk to our people.

Honourable senators, as to the reason for Bill C-102, it reveals a grave situation between the American-controlled and the Canadian-controlled unions. Perhaps a major reason for the failure to resolve the Great Lakes labour controversy is the steadily worsening relationship between the labour federations of Canada and the labour federations of the United States. Also, there are grave fears that these threats may create a crisis in Canadian-American relationships. I think that has already been brought out.

I believe the situation as it now stands is much more than a dispute to be settled between the longshoremen and the steamship companies. While the issue in dispute between the parties may be important, the livelihood of those who depend on this trade is even more important. This affects the grain growers of the west, the employees of the railroads who haul the grain, the shipowners, the longshoremen themselves, and in fact almost every person in Canada directly and indirectly.

As I have stated on other occasions and I state again now, this amount of $500 million spent for grain in Canada is felt from the Atlantic to the Pacific. That is true of any economy. We are diversified in our manufacturing here, and the work in connection with the shipping of this grain is going to help every province in Canada.

I think most Canadians are not blaming the trouble so much on the general membership of the unions. Recently I talked with a member of one of the unions who told me that unfortunately it is the big leaders who are causing all the trouble. He went on to say that the branch of the union to which he belonged, which had a membership of over 300, very often had not more than 15 or 20 members present when an important vote was being taken. Therefore, apparently it resolves itself into a fight between the leaderships of these powerful men.

Of course, in the present dispute, as has been mentioned this afternoon, the man who is getting most of the blame, the man whom we believe responsible, is a character named Banks. As has also been brought out this afternoon, this man was refused Canadian citizenship in 1952 or about that time, and I believe in the same year it was ordered that he be deported. Then he made an appeal, and finally in 1954 by an order in council he was allowed to stay here with the status of landed immigrant.

It seems to me it would be very interesting if a royal commission or some other body were set up to investigate just how this man Banks was allowed to stay in this country. I firmly believe, from information that I have been able to gather, that things were not altogether aboveboard. I think that had this man been kicked out of the country, as he deserved to be at that time, we would not be facing the serious situation we are facing today.

I am not going to say much about Banks, except that it is rather unfortunate he was invited here originally. He came from San Francisco to Canada in 1949 as international representative of the Seafarers' International Union. As many honourable senators may recall, this was at the height of one of the most violent labour disputes in Canada's history. The Great Lakes had been headline news for several years, largely as a result of the militant and aggressively controlled Canadian Seamen's Union. As you know, at that time they controlled the Canadian Seamen's Union.

When Banks was invited here he evidently signed an agreement with the Shipping Federation of Canada. Honourable senators will also recall that about that time there were a number of wildcat strikes called by the C.S.U. which brought about a lot of the labour problems and which caused serious outbreaks of violence on both coasts and on the Great Lakes. It was hoped that this man Banks would come in here, and that with his ability —because he had ability—he would be able to straighten this out. But, as you know, he made the situation worse. His attempts to straighten it out made it very much worse than it was under the old regime.

I am not going into that further. I have a long record on Banks' regime on that situation, as far as I could gather it.

Senator Croll very ably referred to the report of Mr. Justice Norris. I think that most people across Canada are in favour of that report. Many people have read all or sections of it. Unfortunately, I believe, not a sufficient number of our Canadian citizens have read the report and understood it.

From my observation in speaking with people—and other honourable senators may get the same reports as I do from constituents—it seems that many do not understand the situation. If all of our people would really read this report, they would be wholeheartedly behind the Government in the setting up of this trusteeship in an effort to control the situation.

The report presented by Mr. Justice Norris to the Government has aroused the feelings of all Canadians. Certainly it is a serious indictment of Mr. Banks and the corrupt organization that he had built up. It sets out in clear and unequivocable language the events leading up to the appointment of the

royal commission. It unfolds a chronicle of terror the like of which has never been known in Canada and, as Senator Thorvaldson has said, it records incidents of violence and acts of brutality that defy the imagination. The summary of the recommendations of Mr. Justice Norris is to be found at page 249 of his report. It begins with this quotation:

> Where law ends tyranny begins.

Then the Commissioner refers to Banks as being:

> ... capable, decisive, egocentric, intolerant and ruthless. He is of the stuff of the Capones and the Hoffas of whom the dictators throughout history, from the earliest times to the totalitarians, Hitler and Stalin, are prototypes. He is a bully, cruel, dishonest, greedy, powerhungry, contemptuous of the law. In his mouth, the use of the word "democracy" is sheer blasphemy. For him the "big lie" and the failure to remember are ever-ready weapons and shields.

I think we will all agree that those are strong words, but in dealing with such a thoroughly unscrupulous and dishonourable person temperate language becomes difficult. On reading the report, one can only add "amen" to the words of Mr. Justice Norris.

I am not going into the recommendations of Mr. Justice Norris. They are in the report, and the summary commences at page 249. He goes on to give clearly his reasons for the setting up of this trusteeship. The principal recommendation calls for the setting up of the trusteeship under special legislation. He makes his recommendation for the trusteeship in these words:

> I therefore recommend that special federal legislation be passed as an immediate interim measure—

I should like to emphasize this word "immediate".

> —putting the maritime transportation unions in Canada or the maritime transportation sections of unions... under government trusteeship.

I know that many will not agree with me, but I feel that if the Government had taken immediate action after the report was received in July, perhaps we would not have the problem we have had in the St. Lawrence Seaway in the past couple of weeks. However, there is no use crying over spilt milk. It is an old situation now.

Mr. Justice Norris further recommended that the trustees be three in number and that they should be charged with certain duties. As you know, Mr. Justice Norris envisaged the trusteeship would have the widest possible powers, and in his report he set out these in detail.

He made this very important statement:

> The Commissioner is of the opinion that during the period of trusteeship, the matter of the harassment of Canadian vessels in U.S. ports might very well be referred to the International Joint Commission for study and report.

According to Mr. Justice Norris, this commission has sufficient powers under the treaty of 1911 to act in such a capacity.

The report further calls for Government legislation for the supervision and inspection of union welfare plans which at the present time are open to abuse. This point has already been dealt with here. It is a long report and I have no intention whatever of covering it in detail.

Honourable senators, I do not think any of us like the idea of government trusteeship. I am sure many members of the unions do not like it either, but neither do we like the idea of going under a surgical operation, though at times it is very necessary and often it means the difference between life and death.

The Canadian Labour Congress has decided that this situation today is almost a matter of life and death, particularly as far as the Canadian unions are concerned. At a meeting here in Ottawa a week or more ago the C.L.C. decided to inform the Government:

> That repeated efforts to effect a voluntary method of cleaning up the union situation on the Great Lakes and the St. Lawrence Seaway have been unsuccessful.

They go on:

> We are therefore unable to make any recommendation regarding a private trusteeship.

The recommendation goes on to say:

> We therefore recommend that special federal legislation be passed as an immediate interim measure putting the Maritime transportation unions in Canada or the Maritime transportation sections of unions under Government trusteeship.

It says further:

> The intolerable situation which currently exists has to be corrected. Everything humanly possible has been done by the Congress and its affiliates to resolve the problem without Government intervention. Unfortunately the other trade unions could not be convinced to cooperate. In view of this failure and the

> position of the affiliates involved, all four of which have indicated they are prepared to accept temporary Government trusteeship . . .

Honourable senators, I think we can all agree that the appointment of trustees will pose a real problem to the Government. I believe we have men in Canada who are capable of filling such positions, but I can scarcely envisage any of them looking for such a tough job as this. It is going to be a tremendous problem to straighten out the mess in Canada and at the same time not to go too far in antagonizing the United States maritime unions. As to whether the United States people are interfering too much in our situation here remains to be seen.

I was somewhat surprised to hear my good friend Senator Kinley more or less defend the statements made by the United States Secretary of Labor, Mr. Wirtz. If those statements are not unfavourable to the Canadian unions and to the Canadian people, I wonder why Prime Minister Pearson found it necessary to telephone President Kennedy to insist that Mr. Wirtz keep his nose out of Canadian business—that is exactly what it has amounted to.

Hon. Mr. Thorvaldson: Except that he quoted only one statement of Mr. Wirtz, and not the rest of what he said.

Hon. Mr. Blois: I realize that, but that was his privilege.

This brings me back to the meeting of Prime Minister Pearson with President Kennedy at Hyannis Port. In the light of the present situation, the following excerpts from the text of the joint United States-Canada communiqué on that conference make interesting reading:

> Their governments will continue to do everything possible to eliminate causes of dangerous tensions and to bring about peaceful solutions.

We are all in agreement with that. In another part it states:

> While it is essential that there should be respect for the common border which symbolizes the independence and national identity of two countries, it is also important that this border should not be a barrier to co-operation which could benefit both of them. Wise co-operation across the border can enhance rather than diminish the sovereignty of each country by making it stronger and more prosperous than before.

A little further on the same despatch says:

> On the great waters that separate and unite the two countries—the St. Lawrence River and the Great Lakes—it is essential that those who own and sail the ships should be free to go about their lawful business without impediment or harassment. The Prime Minister and President shared a common concern at the consequences which could result from industrial strife on this central waterway.

I did not take note of our American friends being very much interested in the Canadian ship that was dynamited not long ago.

> They urged those directly concerned to work strenuously for improvement in the situation, and to avoid incidents which could lead to further deterioration. To help bring about more satisfactory conditions they have arranged for a meeting to take place in the near future between the Canadian Minister of Labour, Allan J. MacEachen; the United States Secretary of Labour, W. Willard Wirtz; the president of the AFL-CIO, George Meany, and the president of the Canadian Labour Congress, Claude Jodoin.

Of course, that meeting has since taken place.

Again, the Prime Minister and the President of the United States indicate that the two countries will inevitably differ on national issues from time to time.

> The Prime Minister and the President stressed the importance of each country's showing regard for the view of the other where attitudes differ. For this purpose they are arranging for more frequent consultation at all levels in order that the intentions of each government may be fully appreciated by the other, and misunderstandings may be avoided.

I think that was the reason that our Prime Minister called the President of the United States the other day. It is well to remember these incidents, because now is the time not for words but for action; and, if the President of the United States and our own Prime Minister at their meeting at Hyannis Port were sincere in what they did at the time, now is the chance to show what can be done to improve relationships between the two countries.

Honourable senators, I firmly and solidly support the proposition to appoint a trusteeship. I see no other way. However, I believe, as Senator Croll said in effect, we must be master of our own destiny in Canadian maritime affairs. Certainly we all agree to that. However, we must go further. We should take the stand that we must have the co-operation of not only the unions, but the people of

Canada as a whole; because the unions, particularly some of the American unions, as well as the S.I.U. in Canada, can be controlled only by legislation. That is exactly why the House of Commons and the Senate of Canada are considering legislation at the present time. It is quite possible that the Canadian people, represented by the Government, will have to put pressure on the United States to take similar action. I believe the action we are now taking will win the wholehearted support of every Canadian.

Hon. Jean-François Pouliot: I move the adjournment of the debate.

Some Hon. Senators: No.

Hon. Mr. Robertson (Kenora-Rainy River): Honourable senators—

Hon. Mr. Pouliot: I have put a motion. I moved the adjournment of the debate.

The Hon. the Speaker: Honourable senators, it has been moved by the honourable Senator Pouliot, seconded by the honourable Senator Gershaw, that this debate be adjourned until the next sitting of the Senate. Is it your pleasure to adopt the motion?

Hon. Senators: No.

Hon. Mr. Pouliot: I have listened to this debate with great attention, and I appreciate the good work that has been done by Mr. Justice Norris. We have to take an unprecedented step. I appreciate also the steps taken by the Government to extend the olive branch in order to try to bring the matter to a satisfactory settlement. But here in this country we have a man who has been denounced by everybody as a troublemaker, and both Houses of Parliament have to take unprecedented, drastic action to restore order and peace in this country.

Who could believe that? And, what is the reason? It is that the Great Lakes labour unions are colonially inspired; they are colonials, and their mother house is in the United States. This is shocking. Is there any other country in the world whose labour unions are run from another country, except in Canada? Name me one if you can, honourable colleagues.

It is a matter of humiliation for all of us. It should be a matter of humiliation for every working man who belongs to a trade union, to think that his big boss is not in Canada but is across the border. Why is it like that? It is because of the trend to famous conventions in the southern states—San Francisco, Los Angeles, or some faraway place. These conventions are fascinating. The representatives of the unions go there to meet people from all over the country—representatives of other unions, and it is those people who decide that a large number of our fellow Canadians should be under the guidance of Americans.

I do not complain of Mr. Meany personally because once I had to appeal to him, and although he may be a good labour man, I find it absurd that we have to cross the border to ask for a decision.

And, what was the stand taken by the Secretary of Labour of the United States in trying to dictate to us what should be done with regard to labour unions? I appreciate the fact that the Prime Minister of Canada has spoken to the President of the United States because of the intrigues made by the leaders of those labour unions, creating confusion for the purpose of showing their mastery of Canadian labour. I do not belong to a labour union but as a Canadian I protest such a shameful setup, and I will vote with both hands and with the loudest voice I have for this bill.

But, honourable senators, it is time to go one step further to stop and to cut the association which exists between American labour and Canadian labour. I have no objection to a friendly association but I am strongly against dictation by American labour leaders to any Canadian labour union. That is my point of view. Hal Banks deserves no protection. He should have been expelled from this country a long time ago.

Now let us vote this bill as soon as possible in order to have something to restore order in this country, and let us in the not-too-distant future take some action to remove all this domination that exists from the United States over Canada in labour matters.

Hon. John A. Robertson: Honourable senators, in rising to take part in this debate may I say that it is the first time I have spoken since coming to this chamber. I feel called upon to do so now as a member of an international trade union for the past 23 years, and I may say that my father before me belonged to the same trade union movement.

The trade union to which I refer is known as the Brotherhood of Railroad Trainmen, and its president up until a year ago was a Canadian, Mr. W. P. Kennedy. He was an outstanding president, well liked throughout the whole of Canada and as well in the United States of America.

This union, with several other Canadian unions, represents nearly all railway workers across the Dominion of Canada. They have complete autonomy, as far as Canada is concerned, with a membership of some 100,000 to look after.

After listening to the debate here this afternoon and reading *Hansard* of the other place, I would like to say a few words, bearing in mind that the measure has been

well covered by all who have spoken on it. My intention is to place a few items on the record on the matter of trade unionism. First, may I read a statement made by Clarence Darrow, that famous American lawyer, some 50 years ago. These are his words:

> With all their faults, trade unions have done more for humanity than any other organization of men that ever existed. They have done more for decency, for honesty, for education, for the betterment of the race, for the development of character in man, than any other association of men.

With words of commendation coming from a man of that calibre, I can assure honourable senators it is quite an honour to be a member of a trade union.

I will now read a statement made by a prominent businessman named Paul J. Getty, reputed to be America's No. 1 businessman. He said:

> Businessmen, workers, the nation as a whole have become steadily more prosperous during the very period unions burgeoned, taxation increased, and government spread out... Free and honest —and I emphasize these words, 'free and honest'—labour unions not only helped us create this way of life, but they are among its strongest, most reliable bulwarks... Unions are here to stay. The smart businessman accepts, understands and respects them.

Honourable senators, this trusteeship legislation and its complications—and there will be many—is as unique as it is unprecedented in the history of Canada, of America, in fact throughout all the English-speaking world. It has never happened before. This legislation will give wide powers to the trustees who will be appointed to do the job that the bill provides for, and I wholeheartedly agree with the legislation.

I have read the Norris Report very carefully, and coming to page 311, where it deals with prosecutions, I wonder why something could not have been done in the provincial field by way of prosecuting this man Banks. However, that was not done and it is now quite some time since this report was circulated.

I would say, honourable senators, that when this trusteeship goes into operation it will not be a simple ship to sail. I myself have great fears for it. However, I do not think that there was any other course for the Government to follow than the one which it has taken. Therefore, I can only say that I support the bill in every respect, and I sincerely hope that the trusteeship proves successful.

Hon. Arthur W. Roebuck: Honourable senators, I expect to take only a few minutes of your time in connection with this bill, and that for two or three reasons. One is that it has been ably presented to us by my deskmate Senator Croll, and because, apparently, we are almost, if not entirely, unanimous in this chamber with regard to the bill itself. But, honourable senators, I cannot sit quietly here and let this bill pass without commenting that I do not like this bill, and in that I think I am joined by every member of this house. I do not like it for the precedent that it may set, perhaps not properly set because it will not be a precedent unless the circumstances are also similar in the future, which I hope will never be the case. I do not like it for the precedent that at some time in the future it may be claimed to have set; and in addition I cannot contemplate with equanimity the thought of the Government of Canada assuming the management of a labour union or labour unions. It leaves something to be desired.

Honourable senators, when I say I do not like the bill what I really mean is that I do not like the circumstances and conditions which have made this bill possible and necessary. It has been said in criticism, not in this house but elsewhere, that the purpose of the bill is the suppression of free unionism. Well, were that the fact I can assure the members of this house that it would not have been sponsored by Senator Croll and it would not have been supported by Senator Robertson (Kenora-Rainy River). I think I can say that the loyalty of these two members of our chamber is too long established and too thoroughly known to be even open to question. And it may be that someone would be nice enough to say that the same applies to me.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: I have represented the organization to which Senator Robertson (Kenora-Rainy River) belongs for very nearly as long as he has been a member of it, and I have always considered it a great honour to be called upon, year after year, to take part in the struggles that always attend the relationships between employees and employers. It may be, honourable senators, that you will be interested when I tell you that years ago—I cannot tell you the exact date from memory, but it was before the last great war and long before the Seafarers' International Union became communist dominated—I represented that union in the first strike called on the Great Lakes between the seamen and the employers. I want to pay tribute to Senator Campbell, who unfortunately is not here at the moment, who represented the employers on that occasion. It was

because of his skill, industry and enterprise that the various companies came together at that time. He and I hammered out the settlement in a period of some five hours one evening, and we settled the strike to the satisfaction of both sides. So I know something about the general subject which we are discussing this afternoon, and I can assure you that if I thought this bill, much as I dislike it, were an actual attack upon free unionism it would not have my support.

In my opinion, this legislation is necessary in order to maintain the freedom of unionism on the Great Lakes. The purpose of the bill is to defend the freedom both of the union membership and of its management, not to attack it.

Honourable senators, I would like you to consider this, that decent, democratic, law-abiding unions cannot exist in racket-ridden society.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: Organizations for the protection of workingmen and the promotion of their legal rights can survive only when their legal rights are respected and protected by the rule of law. I believe that is axiomatic.

I have read the Norris Report, as I suppose all of you have. It is long and it is detailed, and for the purposes of my few remarks I think it will suffice if I call your attention to a single paragraph on page 89. It reads:

> Almost since its entry into the Canadian scene, in addition to the matters last referred to—

It is unnecessary to refer to them here.

> —the S.I.U. has been guilty of unlawful acts against the persons and property of individuals who were opposed to it and, in particular in 1961 and 1962, against persons who were employed by or associated with the operation of Upper Lakes Shipping Ltd. and its subsidiaries. Evidence of these include some 32 attacks on, and beatings of, both men and women between the middle of the year 1961 and August 20th, 1962, 7 incidents of damage to property from April to August in 1962, numerous episodes of telephone harassment, repeated and continuing incidents of threats and intimidation, the harassing delivery of goods not ordered to personnel of Upper Lakes Shipping Ltd. or labour organizations in opposition to the S.I.U., the ransacking of property and thefts, three incidents in which Upper Lakes vessels were fired upon, an incident in which an Upper Lakes vessel was stoned while it was in a canal lock. In all the instances, the victims at the time of the incidents were, in one way or another, opposed to the S.I.U. or were associated with companies or unions that were opposed to the S.I.U.

That is a terrible situation. But reading that report in full, or very nearly so, I found no evidence generally that any perpetrator of these outrages was tracked down by the police or brought to trial by the officers of the attorney general's department of the province involved.

Honourable senators, I do not think I can continue now.

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

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, I understand that the Deputy of His Excellency the Governor General is to arrive here at a quarter to six. I suggest that we rise, to reassemble at the call of the bell.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bill:

> An Act to amend the Old Age Security Act.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, October 17, 1963

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

Prayers.

CARRIAGE BY AIR ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-37, to amend the Carriage by Air Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill S-37, to amend the Carriage by Air Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

LAND USE

REPORT OF COMMITTEE ADOPTED

Hon. Arthur M. Pearson, Chairman of the Special Committee on Land Use in Canada, presented the first report of the committee as follows:

> Your committee recommend:
>
> 1. That their quorum be reduced to five members.
>
> 2. That they be authorized to print 1,000 copies in English and 300 copies in French of their day-to-day proceedings.

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

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

Report adopted.

THE ESTIMATES

MOTION TO REFER VOTE 15 TO FINANCE COMMITTEE—DEBATE ADJOURNED

On the notice of motion by Hon. Mr. Pouliot:

> That Vote 15, Translation Bureau, in the Estimates of the Department of the Secretary of State and the Estimates of the Department of Public Printing and Stationery, contained in the Estimates for the fiscal year ending March 31, 1964, tabled in this House, be referred to the Standing Committee on Finance for inquiry and report.

Hon. Jean-François Pouliot: Honourable senators, I will ask you to please look at the motion which is on page i of the Routine Proceedings for today. The suggestion was that the estimates of the Translation Bureau and those of the Printing Bureau be referred to the Standing Committee on Finance for inquiry and report. There are two reasons why I cannot ask you to vote today on the motion, and I would ask you to let it stand; but it is my desire, if you give me leave to do so, to give you a foreword of the work that I intend to do for you with regard to these two estimates.

Let us start with the Translation Bureau. The report on it is contained in the last two pages of the report of the Secretary of State for the year ended March 31, 1963. There are only these two pages to inform us of the work of the Translation Bureau. Naturally, we have to read between the lines, and there is more between the lines than in the lines.

Twenty-nine years ago Mr. Mackenzie King asked me to sit with Mr. Edgar Chevrier, who was afterwards appointed a judge of the Supreme Court of Ontario, on a special committee on the Civil Service Act, and its first meeting was held on February 28, 1934. It is a long time ago, but history repeats itself, and in my humble view the Senate and the country should be reminded of what happened 29 years ago, when the Bureau for Translations was first established.

The committee was a small one, but with the exception of my humble self, its members were members of Parliament who were well known. In alphabetical order, there was Mr. Bowman the Conservative member for Dauphin, Manitoba, who was Speaker in the last year of Mr. Bennett's regime. There was Mr. Ernst of Queens-Lunenburg, Nova Scotia, who also became a cabinet minister. Both

have since died. There was Mr. Lawson, who was chairman and who was Minister of National Revenue. He too is gone. Then there were Mr. MacInnis of Vancouver South, who is still living but who has retired from politics, and Mr. Laurin the member for the county which is presently named Dollard. The proposal meant a complete change in the setup of the Translation Bureau. Before the adoption of that bill and the creation of the Translation Bureau the translators belonged to each department where they were doing translations of various kinds. In my view it was a better system—

The Hon. the Speaker: I am sorry to interrupt the honourable senator, but I think I should put the motion.

It is moved by the honourable Senator Pouliot, seconded by the honourable Senator Gershaw:

That Vote 15, Translation Bureau—

An Hon. Senator: Dispense.

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

Hon. Mr. Pouliot: I have always relied on His Honour the Speaker, and I must now make a confession: I have never read the rules of either the House of Commons or the Senate, and I rely on the sympathy, the good understanding and the tolerance of all members, and the good help of Mr. Speaker.

Hon. Mr. Aseltine: Now we know why the senator is out of order so often.

Hon. Mr. Pouliot: I say that because I must be honest with you.

Now I was telling you, honourable colleagues, that before the outfit, the Bureau for Translations, was set up, the translators belonged to each department under the authority of the cabinet minister who was the head of that particular department. That system had two advantages. It had one advantage for those who had to peruse the translations because, naturally, the technical language used in the Department of Public Works is not at all the same as that used in the Department of Agriculture or in the Department of External Affairs. Each department has its own scope and there are technical terms in each with which one must be familiar in order to give a satisfactory translation in technical matters. That was to the advantage of members of both houses and the public at large.

The second advantage was for the translators themselves, because a translator in a department could hope to become one day the technical head of that department, while at the present time all translators are confined to the Department of the Secretary of State, and a translator can hope for promotion only within that department. Chances of promotion to higher posts have been much reduced by that legislation.

That completes my preliminary explanations, and I should like now to tell you on whose instigation the whole matter arose.

The setup was created by a civil servant who was afraid of losing his job and who succeeded in convincing the late Mr. Cahan that it would be wonderful for the French-speaking people to have a bureau for translation.

Honourable senators, did you ever think of the enormous amount of printed matter that comes out of the Printing Bureau? For instance, in your desks you have the debates of both the Senate and the House of Commons. In your offices you have copies of bills and reports of various committees, and from each department there come special reports which are quite voluminous. In order to know the number of publications that are issued monthly in Canada you have only to write to the Queen's Printer to obtain a book entitled *Canadiana* in which are listed all of the publications that come out of the Printing Bureau.

I will not insist on that at the present time because I will have something to say about it on another occasion, and I do not want to take up too much of your time discussing the Printing Bureau itself and what is being done there.

Mr. Justice Chevrier and I represented the Liberal party on the committee and Mr. MacInnis represented the C.C.F. party. At that time there were no Social Crediters. This is not a very big report. It is comprised of seven booklets, some of them containing two reports. The whole thing was discussed in the House of Commons, but Mr. Cahan was adamant in wanting a bill establishing a translation bureau to be passed by all means.

We are not overpaid, but now that our indemnity is quite fair I want to do something for you, and I cannot proceed before the committee because, according to the latest information, there is no chairman. No successor to my friend the late Senator Emerson has been appointed. You may think of that, honourable senators. It is a matter which I consider to be of the greatest importance, and I shall try to treat it objectively. I bring to your attention the fact that several weeks have passed since the untimely death of Senator Emerson. I had so much confidence in him that I decided to have the matter referred with your consent to a committee of which he, a Conservative, was chairman. I trusted him. He was a friend of mine, but it was not for that reason that I proposed to refer this matter to his committee; it was because I had

a profound respect for him as a man, and relied on his good judgment and his fairness.

There is another reason why I cannot bring this matter before the Finance Committee. Although I have been appointed to the Standing Committee on Miscellaneous Private Bills—and I thank the honourable Leader of the Government for that—I have not yet been appointed to the Standing Committee on Finance which will study these estimates.

Therefore, to make it as short as I can, and if you have no objection, I shall ask written questions in order that I may know what is the business of the translators, what is the business of the Printing Bureau, and what work is being done there.

I do not chastise all of the translators indiscriminately. I know very well that it is a difficult job to put what is in the mind of somebody else into another language and to give it all the shades of thought. It is very difficult, and it has to be done in haste and with the help of dictionaries. But, I feel that the translators should be most competent in order to render justice to those who speak in this or the other house and to those who write official papers that come to your attention.

I have thought of it for a long time, and it seems to me that what I have said to you is fair. If I insist upon it, it is because one who considers what he says to be important must be able to rely on a record which is true and correct and not misleading.

Honourable senators, one must go back to the debate which preceded Confederation to try to understand what was the intention of the lawmakers at that time. Those reports seem to give a correct version of what was said at the time by the Fathers of Confederation and by those who did not agree with them, that is, the other members of the legislative council who did not agree with the members of the Taché-Macdonald and the Macdonald-Cartier governments.

Honourable senators, you may be interested to know how I will proceed. I will ask a second question, which will be in order; and from my question you will have some information about the work being done at the Translation Bureau. It will be a preliminary to committee sittings, if in due course you deem them to be necessary.

Honourable senators, I wonder how much of this large chamber would be filled by the publications which go out yearly from the Printing Bureau. They are in two parts—the English publications and the French publications.

The reason I say that the position of superintendent of the Translation Bureau is nonsense is that there is not a human being on earth who could control the translation from English to French and from French to English of all those publications, which must weigh several tons. Can you imagine that? It is nonsensical!

Moreover, it is an adverse thing for us that the translators for the Senate are not under the jurisdiction of the Senate—they are under the jurisdiction of the Secretary of State. The translators for the House of Commons are not under the jurisdiction of the Speaker of that house—they too are under the direction of a member of the cabinet, the Secretary of State. Therefore, if any honourable senator wishes to complain about a translation, he may rise on a question of privilege or may make a correction of what has been wrongly translated; but if he wishes to have some information he must go to the Secretary of State and ask for it. The Secretary of State would then get in touch with the Superintendent of Translations, the Superintendent of Translations would ask the translator, and the information would come all the way back from there by steps. I do not find that practical; there is too much red tape in it.

Honourable senators, I have told you all that I have in mind about this matter. I would ask you now to be kind enough to let the matter stand as a memorandum so that I do not forget to ask proper questions in due course.

The Hon. the Speaker: Is the honourable senator asking leave to withdraw his motion?

Hon. Mr. Pouliot: I am asking that it be allowed to stand.

The Hon. the Speaker: Does the honourable senator wish to adjourn the debate?

Hon. Mr. Pouliot: Let the motion stand from day to day.

The Hon. the Speaker: I am not too sure at this time as to the proper procedure.

Hon. Mr. Croll: Do you want the motion to be kept alive?

Hon. Mr. Pouliot: Yes.

Hon. Mr. Croll: Then I move the adjournment of the debate.

Motion agreed to.

MARITIME TRANSPORTATION UNIONS TRUSTEES BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of the honourable Senator Croll for the second reading of Bill C-102, to provide for the placing of the Maritime Transportation Unions of Canada under the management and control of trustees.

Hon. W. Ross Macdonald: Honourable senators, word has come to me that the honourable Senator Roebuck, who adjourned this debate yesterday afternoon, is not able to proceed at this time, but has left a message with Senator Croll who will give it to the House when he closes the debate.

Hon. M. Grattan O'Leary: Honourable senators, my first word must be to express my regret on the illness of Senator Roebuck. It is 40 years since I first heard him on a political platform. I have watched him and disagreed with him ever since, but I have always had great respect for his political integrity. I must say that one of the pleasures of sitting in this chamber is that it enables me occasionally to hear the rare and lucid magic with which he presents his case.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. O'Leary (Carleton): Honourable senators, I have to say to you at once that with respect to this bill I am sorry to have to break the extraordinary unanimity—a unanimity of almost fatalistic acceptance of something which everyone says is bad. Yesterday afternoon I heard speaker after speaker rise and say that this was a bad bill, that it was a bill which was going to leave a blot on the statute books of Canada, that it was something that was contrary to all that we believed in; but they went on to support it. Well, it is contrary to everything I have ever believed in. I think it is an evil bill. I think it is alien to the very genius of our Canadian people. I think it creates a dangerous precedent, and I am convinced that it holds perilous possibilities for this country.

This is the first time in modern history that a bill of this kind has been introduced in an English-speaking Parliament; and I would venture to say that the bill as it stands at the present time would not have one chance in a million of passing the Parliament of the United Kingdom, and I doubt very much that it would even pass the Congress of the United States.

This bill creates a precedent which can be used at any time in the future by a government as circumstances may dictate. This trusteeship, if we establish it, can be used in days to come, can be exercised over a bank, over insurance, over industry, and even over some newspapers which today are clamouring for its passage. I sometimes wonder how much they would clamour for its passage if this bill, or anything like it, were being imposed upon them.

Honourable senators, this legislation is dangerous. It has no place in the life of Canada; it has no place in the life of a free society; it smells too much of laws on unions in Salazar's Portugal and Franco's Spain for me to support it. I know what you are thinking. You are thinking, "Well, what is your alternative?" My alternative is that this country enforce the law, that our agencies of law enforcement do their job. It is a shocking thing to take up Mr. Justice Norris' Report and turn to Schedule 31 and see where he devotes actually 24 pages to assault and battery, to attacks on human beings, to maiming a man's body; and after each recitation the awful words, "No action taken".

I think in this country we have become too lax about enforcing law. The trouble is that nobody gets mad about anything any more. We had a shocking example of this only last week in the city of Montreal. The longshoremen in that city had a perfectly legal right to strike. They had no legal or other right to trespass upon property which belonged to the Government of Canada, and to use that trespass to deny to a ship or sailors the historic right of access to a port. Every civilized state in the world has respect for that right. Yet those men trespassed upon the property of the National Harbours Board and prevented a ship from docking, and that sort of conduct went on for three days or more before the Government of Canada at last decided to take out an injunction. Let me ask the distinguished lawyers sitting in front of me: Does it take three days to take out an injunction?

If you think I am talking in a partisan sense—and I am not going to speak in a partisan sense today—let me read to you what was written about this episode in the Montreal *Star* last Tuesday by one of the most distinguished Liberal editors in this country. This is what he wrote:

> In Quebec the strikers almost ran riot, and here, on one shocking day, they were as bad when they cut ship lines after forcing their way into the dock area. But the National Harbours Board, the federal government and some police agencies looked little better in their handling of a difficult situation. There simply was no police protection for people trying to do their jobs on restricted federal property. Even port officials and immigration officers were barred from local docks by picketers until an injunction was belatedly obtained.

I listened here yesterday to speaker after speaker saying that of course the trouble was to get the attorneys-general of the provinces to act. I think my friend Senator Croll advanced that argument, and it is true.

But, honourable senators, here we are, supposedly a group of grown men and women, and we tell ourselves that these crimes were committed on these docks and that no action was taken by provincial law enforcement

agencies. We could not get their co-operation. Yet we are telling ourselves that in enforcing this proposed act we are going to get the A.F.L.-C.I.O. in the United States to give us co-operation which we could not get from the attorneys-general of our own provinces. This is surely strange reasoning.

I sat here yesterday afternoon and listened to my colleague Senator Thorvaldson supporting this bill. But, in actual fact, he was not discussing the bill at all; he was discussing the Norris Report. He read, I thought, almost endlessly from it. Honourable senators, we are not being asked here to accept or reject the Norris Report; we are being asked to accept or reject the measures which the Government has deemed right to take, to accept this bill or to implement it.

Now, I agree that you are bound to read the Norris Report in order to discuss the bill; but I was astonished to find that my friend Senator Croll, in introducing this bill, scarcely discussed the bill at all. He read over some of the clauses, but he did not tell us what these clauses were about. Let me ask him this one question—and I do not expect him to answer it now. Before this measure was introduced in the House of Commons the Prime Minister was asked one day how long it was going to take him to bring on the bill, and he said quite properly that the Government had to look very carefully into the constitutional aspects of the bill. In the light of that, what is the significance of the words in the preamble of the bill, which say:

> ...it was indicated that within the shipping industry in Canada an emergency situation has developed that endangers navigation and shipping on the St. Lawrence Seaway...

What is the significance of words like that? Do they mean that the Government is intending to invoke section 91 of the British North America Act? If they mean that, why not say it to this house, and if they do not mean it, why not say what the words are there for.

There were other parts of this measure not discussed in this house at all yesterday. This bill gives to the trustees extensive and almost extraordinary powers—it empowers them to seize money, to seize papers, to seize documents, movable and immovable property, and more than that it gives them powers to delegate that authority to their agents.

Honourable senators, we have for the past 20 years been saying and protesting—and in particular the Canadian Bar Association, of which my friend Senator Thorvaldson was once a distinguished member—that there are too many boards and commissions in this country from whose decisions there is no appeal.

In the event of these trustees or their agents abusing these extraordinary powers placed in their hands, where is there a right of appeal so far as this bill is concerned? I cannot find it. These men can seize bank accounts, documents and papers, and the bill makes no provision for a reckoning and an accounting of the values of what is seized—no appeal to the Exchequer Court—no appeal to any court. The word of these men is absolute. Nothing more undemocratic could be devised in the most dictatorial state.

I have other objections to this bill. I object to the whole business, the whole mess. Yesterday, with all the unanimity in this house, no one giving this bill support thought it worth while to ask a few questions about the provisions of the bill. It is so much easier to denounce Mr. Meany and Mr. Wirtz. I don't think it matters or should matter a tinker's curse what Mr. Meany says; he is only a private citizen. However, that is not so with Mr. Wirtz and his supposed interference in the affairs of this country. He was invited to this country by the Government of Canada to help them with this measure or to prevent them from the folly of it.

Mr. Wirtz was asked to come to Ottawa and when he did we all but gave him a 21-gun salute; and more than that, that very able young man in the Government, the Minister of Labour—incidentally, we gave him part of his training at the Ottawa *Journal*—went to Washington. What did he go for? He went to consult with Mr. Wirtz. And that knight in shining armour Mr. Claude Jodoin, the once able sponsor of Mr. Hal Banks, took on a cloak and dagger part. He was going down to Washington to secretly consult. These are the gentlemen who are now denouncing Mr. Wirtz.

The other day in one branch of this Parliament we had the almost ridiculous spectacle of the Prime Minister of Canada and the Leader of Her Majesty's loyal Opposition marching together in shining armour to protect the ramparts of our sovereignty.

Is this country ever going to grow up internationally? Do we really behave as mature people should? And, do we know the political facts of life? Do we think that the co-operation which we could not get from the law agents of Canada is going to be forthcoming to us now from labour unions in the United States?

Where are those labour unions whose co-operation we are depending on for the successful operation of this legislation? They are in the State of Illinois and in the State of Michigan, two very sensitive states in the electoral college of the United States. There

will soon be an election in the United States —it is on now—and the President of the United States, that great and distinguished man, is also the leader of the Democratic party. And who supports the Democratic party in Michigan and in Illinois? Mr. Kennedy carried Illinois last time by getting a huge majority in Chicago and Cook county, a majority that he got from the labour unions.

Have we any right to think, are we naïve enough to think, that Mr. Kennedy is going to try to coax or to coerce these unions, with an election coming up, or to ask his supporters to support a bill like this? This is utter nonsense. This is wishful thinking of the worst kind. There is not a chance in the world of this bill being supported by those unions; and let us not delude ourselves into thinking that all the organized workers in Canada are supporting this bill, Mr. Jodoin notwithstanding.

I heard one senator say how proud he was to belong to a union. One young man on the Government side of the house, a very brilliant young man, pointed out to the house something that I am going to try to underline now—that not all members of the S.I.U. and not all members of the C.L.C. are supporting this bill. I am going to try to tell you why I think that is true.

I have never belonged to a union, but I think I do occupy the unique position in this chamber, perhaps in this Parliament, that although I never belonged to a union I did work for nearly two years as a seaman and later in life I had the experience of sitting opposite an international union and negotiating for the company of which I happened to be president.

I enlisted; I signed on a ship in 1906. I signed with the Interprovincial Navigation Company on the ship *Lady Eileen,* named after the daughter of the Governor General of Canada. I worked on that ship as a seaman; I fired in the boiler room, the stoke hole. I worked as an oiler—in Britain they call it a "greaser"—in the engine room. We sailed coastwise along the Gaspé coast to New Brunswick and in winter from Saint John to Fall River, Baltimore, Philadelphia and New York and took cargo, when we could get it, to the Caribbean. On that ship I received a wage of $15 a month. We slept in quarters unfit for human habitation. When we had cargo on we slept below the water level, something now prohibited in ships of British registry. There were no baths, there were no showers. If we wanted a bath we took it in salt water. Our fare consisted of hardtack—I am sure you gentlemen know what that is—tea and cold salt pork. Moreover, for the most part we worked sixteen hours a day at very hard labour. There was no workmen's compensation insurance; if a man were injured aboard ship he was dismissed and let go on his own resources.

When I look back on those years I can only in charity trust that the good Lord is more merciful than he is just. I know that conditions have changed. I have been on ships all over the world. I know now that these men live in comparative luxury. I know what their hours and wages were. But, honourable senators, the memory is there, and these men believe—and I am not sure that they aren't right—that these new and better conditions which they now have were won for them by trade unions. I think that is true. If you go back over the labour movement in North America, from the days of Powderly to Samuel Gompers, and on through the days of Altgeld and all the others, this story of endeavours for the betterment of human beings is one of the greatest in social enlightenment in the history of mankind.

I know there are some people in this country—I hear their voices every day—who see in this trouble we are now in an opportunity to kill international unions. I want to say to you that nothing worse could happen to the trade union movement in Canada than to kill off international trade unions, to which at least 60 per cent of our work people belong at the present time.

I heard one senator ask yesterday, "Why should these men in the United States boss our unions?" He had better ask: Why should massive aggregations of capital in the United States boss our industries? What is the sense of saying to ourselves that our own small, weak Canadian unions could bargain effectively with the subsidiaries of great, vast, wealthy and powerful organizations in the United States? We know this is not possible. Why on earth do we keep harping on it? We need international unionism in this country; we need it for the good of our workers: and he is an enemy of the trade union movement who argues or tries to argue otherwise.

Honourable senators, I had intended making more extensive remarks, but I have to confess to you that a personal circumstance outside this chamber, over which I have no control, has compelled me to cut short what I have to say. But I want to repeat that I have read Mr. Justice Norris' Report; I have listened carefully to the debates in the other place; I have read the reports of the speeches there, and I heard all that was said in this house yesterday. Despite it all, I am more than ever convinced we should not pass this law, that it is a blot on the fair name of Canada. I do not believe this bill is going to solve the difficulty it purports to solve. I think it is

going to create bad feeling, and goodness only knows there is enough bad feeling now, between our two countries. I believe it threatens a disruption of the labour movement in North America and, most of all, it is not going to end bloodshed and trouble on the docks.

I was glad to see this morning this thought is still lingering in the minds of the Government of Canada. This house yesterday accepted the bill with open arms, but it is not being embraced with closed arms by the Government. All day yesterday and even this morning the Government was still in telephonic communication with Washington, seeking a way out of the bill. I can only pray that with good sense and by the grace of God a way out of the bill. I can only pray that so that this blot will be kept from our statute books.

Hon. T. A. Crerar: Honourable senators, it is not my intention to take any prolonged part in this debate for the reason that my position might be misunderstood; but there are a few aspects of the question dealt with by some of the previous speakers in the debate that I believe should receive the consideration of the house before we pass final judgment upon it.

It is worth while to look back for a moment at the history of the labour situation on the Great Lakes. I shall for a moment take you back to the end of the second war. Following that time there was a series of disruptions in Great Lakes shipping. There were charges that unions were infiltrated with communists; and certainly within two years after the end of the war a communist threat, imaginary or otherwise, loomed large upon the horizon.

It was in these circumstances that the Seafarer's International Union of the United States, a powerful international union, was asked to organize a subsidiary in Canada; and in 1949 Mr. Harold Banks came to Canada for that purpose. He had been an officer of the Seafarer's International Union of the United States. I believe it is fair to say this, that at the time Banks came to Canada, if it was not at the request of the steamship companies then it certainly was without their opposition. However, I think it is also fair to say that Mr. Banks came to Canada with the full approval of the trades and labour congress of this country at that time. They were no more desirous of seeing communist influence grow in Canada than anyone else; and I may further add that the Government at that time did not raise any objection to his coming in. The purpose was to try to bring order out of chaos in the transportation situation on the Great Lakes.

What happened then? Mr. Banks got his union organized. He was ruthless in treating his opponents. His union was recognized by the trades and labour organization of Canada and was affiliated with the Canadian Labour Congress, and that affiliation continued until June of 1959. Mr. Banks' seafarers' organization was then suspended by the Labour Congress. Now, it is significant that it was not suspended because of any malpractice of Mr. Banks and his union. The reason for the suspension of Mr. Banks' organization was its raiding of other unions to try to increase its own membership, and that was particularly true of the engineers' union.

Hon. Mr. Thorvaldson: The National Association of Marine Engineers.

Hon. Mr. Crerar: I have forgotten its exact title, but it was the engineers' union on the Great Lakes. An effort was made to get Banks to abandon these raiding operations. It proved futile, and almost a year later Banks was expelled from the Labour Congress, and since then he has been on his own.

A few moments ago, in a speech with which I had a great deal of sympathy, Senator Grattan O'Leary said that no one liked this legislation. I certainly do not like it, but we may have reached a position in Canada today where there is no other way out. I know Senator O'Leary may disagree with that, but rightly or wrongly the methods of Banks, as revealed in the Norris Report, are certainly methods that cannot be supported in any free country which desires to remain free.

A large part of the difficulty in this has been the lack of enforcement of the existing law. I think it is an outrageous thing that members of a union could enter upon property of the National Harbours Board and deny a ship the right to berth on that property.

But, honourable senators, where does the fault for this lie? It lies with the lack of enforcement of law. That is where it lies, and this lack of law enforcement is far too common in this country today.

I remember the late Arthur Sifton, a member of Sir Robert Borden's Union Government, who before that had been a distinguished judge in Alberta and later became premier of that province, saying on one occasion, "Laws are made to be obeyed; they should be enforced. If they are bad laws, public opinion will change them and make better laws, but above all the law should be enforced." That lack of enforcement is certainly apparent in the present situation.

I thought that the speech of Senator Thorvaldson yesterday—and this applies to the speeches of some other honourable senators—was somewhat wide of the mark.

As far as I am concerned, it is not my business as a senator to say that the Seafarers' International Union in Canada cannot give Mr. Banks a Cadillac if they want to; it is not my concern to say they shall not approve of his going to Florida for a holiday. That is the internal business of the union and we have no right to interfere with it. I may not like union practices, and in fact there are many things in the exercise of the power of labour unions that annoy me. Nevertheless, I say that that is not part of our business.

I think there is one avenue by which some of these problems could be dealt with, but I am not going to refer to that today. In my view what a union does internally, what it pays its officers and the fees it charges its members, are all matters for the union itself and are not the concern of the Senate of Canada. However, when we reach the situation where the general principles of law, order and decency are being flouted, then we have the responsibility and the right to take the matter under consideration.

It is quite obvious that efforts have been made to find some other solution for this problem without resorting to this rather drastic treatment of setting up a government trustee board to regulate the unions on the Great Lakes. As I said a moment ago, I do not like this particular course; this is a situation which organized labour itself should have cleaned up. But, as I have said, efforts have been made to see if that could not be done, and so far without success. I should like to suggest, although I know that many honourable members of this house may not agree with me, that it might be advisable to have a further cooling-off period. That is a good phrase, you know. I borrowed it from the late Prime Minister of Canada who, after the election of 1962, in a speech made over television urged that we should have a cooling-off period, and we did have such a cooling-off period.

Hon. Mr. Aseltine: Sixty days.

Hon. Mr. Crerar: It was ten weeks or so. I am a firm believer in avoiding appeals to passion and prejudice, or stirring up emotions based on such feelings, but this is the atmosphere prevailing in this country today so far as this question is concerned.

If I had the responsibility of government today I would give serious consideration to passing this legislation now, and then saying to the unions, "We will give you three months to try and clean up this situation". I mention this for two reasons: first, because I think it is extremely important that this thing be cleaned up, if possible, without government intervention through this kind of legislation, although this legislation may be necessary in the event of failure of everything else. But if the unions were told today, "We will give you three months before we proclaim this bill, and we hope that in that time you will arrive at some amicable, satisfactory arrangement," it might well cure the evils which it is now sought to cure by this legislation.

Hon. Mr. Choquette: What if the delay in coming to some understanding and solving their problems causes us to lose our wheat contracts with other countries?

Hon. Mr. Crerar: My suggestion would, I think, avoid that because the ships would continue to operate.

Hon. Mr. Choquette: It is an urgent matter.

Hon. Mr. Crerar: It is an international union, and we have reported threats of what the international union may do. I should make it clear that I have little fear of these threats or that they will materialize, and it is not because of any such fear that I make the suggestion I have made. But I firmly believe that labour organizations themselves should try to clean up the situation if they can. If they cannot do so, then we have to resort to this legislation.

In a situation of this kind it is easy to make appeals to passions and prejudices; it is very easy for someone to wield a big stick and accuse the Government of cowardice if it does not act immediately. Such a charge may be made in the House of Commons on that very ground; but I have lived long enough, and have enough years of experience in Parliament to be convinced that you can never find a wise solution to a problem if you have to find it in the squalor of confusion raised by prejudices and emotions. The only solid ground on which to find a settlement is by an appeal to reason and common sense. I feel, rightly or wrongly, that my suggestion might afford an opportunity that reason and common sense might in the end prevail. I do not know whether it would but perhaps my inherent dislike of regulating unions in this way causes me to make the suggestion.

I think there are certain principles that we should embody in our labour laws based on the concept that the public interest comes first. Such a guiding principle is very important because there is a great need of keeping navigation as free and open as possible on the Great Lakes until navigation closes. Everyone knows we need to move as much wheat forward as we can, and coming as I do from western Canada I can inform honourable senators that there are today in western Canada and in eastern ports about a billion bushels of wheat. I mention this so that you may realize the importance of getting it out of the country as soon as possible before the navigation

season closes. I also mention it because of its importance to our economy and because its value to our foreign exchange situation is considerable.

I have made this suggestion not in the expectation that everyone will accept it. I have had no communication with anyone about it. It is my own suggestion, and whether or not it is worth consideration I leave to my colleagues in this house.

Hon. David A. Croll: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Croll speaks now it will have the effect of closing the debate.

Hon. Mr. Croll: Honourable senators, when Senator Roebuck found it necessary yesterday afternoon to close his remarks he had just stated that in his opinion this bill was for the purpose of defending the freedom of both union membership and management, and not of attacking it; that decent law-abiding unions cannot exist in a racket-ridden society; and that organizations for the protection of the legal rights of workingmen can survive only when fundamental rights are respected in a society governed by the rule of law. He then read from the Norris Report a summary of lawlessness occurring on the Great Lakes.

Senator O'Leary (Carleton) made a very kind reference to Senator Roebuck. I think this house knows how deeply Senator Roebuck feels on this subject, particularly as it affects working men and the rights of labour, which he has championed during the many years he has been in political life. He wanted his many friends to know where he stood on this particular issue, because it does affect labour and the interests of the country very vitally.

Had he continued, Senator Roebuck would have said:

> If the details of wrongdoing as revealed in the Norris Report are true even in part—fraudulent misuse of union funds; conspiracies to deprive individuals of the right to work by boycott and black-listing; numerous cases of physical violence and cruel beatings; intimidation of both employers and employees; and theft, threatening and the destruction of property—then they are a complete justification for this measure and, besides, a damning indictment of police administration on the Great Lakes and a demonstration of the utter failure of the departments of the attorneys-general of Ontario and Quebec where these criminal acts are alleged to have taken place.

In his remarks Senator Thorvaldson quoted a letter from the C.B.R.T. & G.W. union to the Minister of Justice of the Dominion of Canada stating that the maritime unions were unable to cope with the criminality existing on the Great Lakes and asking for governmental assistance. Why should the unions have to cope with such conditions? It is not their function to act as policemen. They have not the skill, the facilities or the authority to do so. The writer of the letter was barking up the wrong tree. He should have appealed to the attorneys-general of the two provinces.

Under the British North America Act the Parliament of Canada has jurisdiction over navigation and shipping. It is our duty to keep open the channels of navigation, and to govern navigation so as to protect the rights and bodily safety of those who use our waterways, of the men who "go down to the sea in ships", but we are not charged with the duty of enforcing the provisions of the Criminal Code. That is the duty of the provincial governments, and not the duty of the present Government of Canada or that which preceded it.

Without the long-sustained lawless conduct described in the Norris Report, the conditions which make this legislation necessary could not have arisen. The blame for the police neglect which permitted over long periods the criminality and brutality described in this report is clearly upon the attorneys general of Ontario and Quebec where the offences took place.

It is futile to blame the criminals; they should have been in jail. Where crime is rampant over long periods of time, and it goes unpunished and unrestrained, the persons to answer for such conditions are the law enforcement officers of the provinces. I place the responsibility for the conditions on the Great Lakes, which make necessary this regrettable legislation, squarely on the shoulders of the attorneys general of our two leading provinces. If there are any who wish to protest against the action proposed in this trusteeship bill, then it is to the provincial governments that they should make their representations and not to the federal authorities.

That is all I wish to say at the moment, except to bespeak the co-operation of all good men in the carrying out of the purposes of this legislation. I do not envy the new trustees, whoever they may be, in the tasks that they will undertake. They will need courage, determination, understanding and diplomacy. I wish

them success in their endeavours to restore the rule of law in respect to Great Lakes navigation, and, in conclusion, may I express the hope that their tenure of office may be as short as possible.

Honourable senators, let me say just a few words about some of the remarks made by Senator O'Leary and Senator Crerar. I am glad to know that the words "peace, order and good government" in the preamble were not lost on Senator O'Leary. He knows exactly why they were put there. Naturally, the Government is, by every legal means, strengthening the legislation so that if there is an appeal to the courts it can stand up.

I did say when I spoke yesterday that the trustees had very extensive powers. It is difficult to define them, but there is liability for misconduct. Whatever the trustees do they must do in good faith, and whatever is done by delegated authority must be done in good faith. There is nothing more that I can possibly say, because this legislation is not going to be easy to put into practice.

My honourable friend spoke about the Government looking for a way out. I do not think there is any question about that at all. What needs to be done, needs to be done. At this particular time we, as Parliament, need to pass this particular bill to show what we think of the present situation and to reflect the general and overwhelming feeling of the people of Canada.

It is my view—and others have expressed their views—that the passing of this bill will bring sense to the people who are involved faster than anything else. In time they will break themselves against the law. No one can win against law and order, and if Hal Banks and his cohorts want to try it they are welcome to do so.

Hon. Mr. Crerar: May I ask my honourable friend a question? If Mr. Banks' unions broke the law in various places, as I think they certainly did, whose business was it to enforce the law?

Hon. Mr. Croll: In that respect I think Senator O'Leary made the point; you, sir, made the point; Senator Roebuck made the point. I have just finished reading it. The provincial attorneys general should enforce the law. When we had maritime trouble in Ontario some time ago the attorney general just sat on his hands, or something else. The attorney general of the Province of Quebec also sat on his hands when there was maritime trouble there. Consequently, it becomes necessary for us in the dominion Parliament to act. Something has to be done.

Hon. Mr. O'Leary (Carleton): Might I ask a question of the honourable senator? If Mr. Banks' friends break the law in Chicago or Detroit, what law then will they be breaking?

Hon. Mr. Croll: I remember that on an occasion he did break the law in Chicago, and his organization came before a federal judge there who had the capability of imposing a fine of $3,000 a day. That fine was held in abeyance during good conduct. I am sure if there is bad conduct there the courts will enforce the law in the same way as our courts enforce the law.

Hon. Mr. O'Leary (Carleton): This trusteeship bill will make no difference whatsoever to it?

Hon. Mr. Croll: Of course this trusteeship will make a great deal of difference. There is more to this than enforcing the law. When my honourable friend speaks about not interfering with these unions as regards what they do internally, I say that what goes on internally affects them externally. What this trusteeship will probably do is look over their shoulders to bring some democracy into some of these unions, and into the Seafarers' International Union particularly. There was $200,000 or $300,000 lying there in the treasury for men who had their vacation paid by their employers and it was never turned over to them. Is that not something that you and I ought to take an interest in? It belongs to the men, but it was never passed on to them. There are other things there. The trusteeship will have a great deal to do.

Hon. Mr. McCutcheon: Would the honourable senator like to tell us why the companies did not pay the vacation pay directly to the men, as they should have done?

Hon. Mr. Croll: The agreement was between Banks and the employers that they would pay vacation pay into a fund. There was a trusteeship—I use the word trusteeship with hesitation; "board" would be better—three men from the union and three from the companies, and the companies never nominated the three men. As a result, the money just lay there. The companies had no interest in it once they paid over the money; they did not care whether it was paid out or not, as long as Banks got off their backs.

Hon. Mr. McCutcheon: My honourable friend has suggested that the companies may have some responsibility for the circumstances in which we find ourselves.

Hon. Mr. Croll: I said that yesterday and made no bones about it. I do not want to labour the point. The point was made by Mr. Justice Norris and he spoke very loudly in his report in connection with the companies' responsibility. I think he came very

close to saying that they were accessories. However, there were enough points to cover and one could not cover every conceivable point.

Let me say to the honourable gentleman who said we should pass this legislation and give them three more months—we gave them six months. The Norris Report came down in June. We waited and waited—and we are still waiting—hoping these people would come back to the right way and that we would not have to do what we are doing at the present time.

However, as I have said, there comes a time when you must make a decision. There is a time when we must face facts, and this is the time. There is no use in putting it off. It calls for boldness and determination and it calls for leadership. The Parliament of Canada has to give that leadership sometimes.

I have pointed out to you before that the Parliament of Canada has dealt with this matter as parliamentarians in the best sense. They discussed it thoroughly in the House of Commons, and if any suggestions were made they were picked up and incorporated. The bill was passed almost unanimously by that House. There were some who opposed it, as they have a right to do.

Once upon a time, when the first bill was passed by the House of Commons in the first railways strike we had here, I stood all alone in the House in opposing it. I never felt so lonesome in all my life.

As I have said, there comes a time to face up to the facts. I have said that the House of Commons did face up to them, and that we too have faced up to them. The discussion has been carried on today here, and the contributions from honourable Senator Grattan O'Leary and honourable Senator Crerar are most helpful.

Let me say that this business of going slowly has been practised by the Government to the point where there is quite a demand that the Government go ahead. It has gone slowly much too long. It is now having the effect of making these people think that we do not mean business.

Honourable senators, I therefore suggest to this Senate of the Parliament of Canada that, having given this bill consideration, we now endorse it in principle and give it second reading.

The Hon. the Speaker: It is moved by honourable Senator Croll, seconded by honourable Senator Burchill, that this bill be now read a second time. Is it your pleasure to adopt the motion?

Hon. Mr. Horner: On division.

Hon. Mr. O'Leary (Carleton): On division.

Motion agreed to and bill read second time, on division.

THIRD READING

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

Hon. Mr. Croll: With leave, I move third reading now.

Hon. Mr. Horner: May I be allowed to say a word?

Hon. Mr. Macdonald (Brantford): Certainly.

Hon. Mr. Horner: Honourable senators, I would like to move that the bill be not now read a third time but six months from today.

I am very fearful as to what will happen on the question of wheat coming down the Lakes, if this bill is passed. I think it will serve no useful purpose and I oppose it.

The Hon. the Speaker: Has the honourable Senator Horner a seconder to his motion?

Hon. Mr. Reid: What is the motion?

The Hon. the Speaker: The motion is that the bill be not now read a third time but six months from now.

Hon. Mr. Croll: That would kill the bill.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion that the bill be read a third time now?

Some Hon. Senators: Agreed.

The Hon. the Speaker: The motion is carried.

Motion was agreed to and bill read third time and passed.

PRIVATE BILL

THE CANADIAN UNION CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Miscellaneous Private Bills on Bill S-36, respecting The Canadian Union Conference Corporation of Seventh-day Adventists, which was presented yesterday.

Hon. David A. Croll moved adoption of the report.

Report adopted.

THIRD READING

Hon. Mr. Croll moved, with leave, that the bill be read a third time now.

Motion agreed to and bill read third time and passed.

The Senate adjourned until tomorrow at 3 p.m.

28906-6—41

THE SENATE

Friday, October 18, 1963

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

18th October, 1963

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 18th October, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

Esmond Butler
Secretary to the Governor General.

The Honourable
The Speaker of the Senate

INTERNAL ECONOMY

SIXTH REPORT OF COMMITTEE

Hon. John J. Connolly, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's sixth report:

> Your committee recommend, pursuant to the provisions of subsection (1) of section 44 of the Senate and House of Commons Act as enacted at the present session of Parliament, that, effective from October 1, 1963, for each session of Parliament, there be paid to the members of the Senate travelling expenses between their place of residence and Ottawa as may be required for the performance of their duties as members of the Senate, if such expenses shall have been incurred in travelling by common carrier and do not exceed the cost of air transportation economy fares and if the claims made are supported by receipted vouchers.

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

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

He said: Honourable senators, perhaps this is a convenient time for me to place on *Hansard* the provisions of the resolution passed in respect of this same matter in another place. I trust I am not out of order in doing so.

Hon. Mr. Macdonald (Brantford): No.

Hon. Mr. Connolly (Ottawa West): This is the wording of the resolution:

> Pursuant to the provisions of Subsection (1) of Section 44 of the Senate and House of Commons Act, as enacted at the present session of Parliament, the Commissioners of Internal Economy—

Let me pause here and say that that is a much more high-sounding name than members of the Internal Economy Committee of the Senate—they are Commissioners of Internal Economy.

> —recommend to the House of Commons that, effective as from the first day of October, 1963, for each session of Parliament there may be paid to the Members of the House of Commons travelling expenses between their place of residence or their constituency and Ottawa as may be required for the performance of their duties as Members of the House, if such expenses shall have been incurred in travelling by common carrier and do not exceed the cost of air transportation economy fares and if the claims made are supported by receipted vouchers.

This resolution appeared in the *Votes and Proceedings* of the other place under date of Thursday, October 10, and the record of approval by the other place appeared on Friday, October 11.

Hon. Mr. Reid: May I ask the honourable senator a question? Does the resolution he has read mean that those of us who travel first class to Ottawa for the opening of the session will have the difference between the first-class fare and the tourist-class fare deducted from our claims for travelling expenses? If that is so, it is not entirely fair because had we known of this in advance we would have travelled tourist class.

Hon. Mr. Connolly (Ottawa West): I can only tell honourable senators that what I read in the resolution was approved by the Standing Committee on Internal Economy and Contingent Accounts of this house yesterday,

which, in effect, means that so far as travelling expenses are concerned honourable senators are restricted to economy-class fare on the air lines.

Hon. Mr. Reid: I am not objecting to having to travel economy class but—

Hon. Mr. Connolly (Ottawa West): I should also tell honourable senators that the terms of the resolution, adjusted to meet the requirements of the Senate, are identical to those of the resolution passed by the other place.

Hon. Mr. Reid: I am still against it.

Hon. Mr. Macdonald (Brantford): I think the custom in this house has been to allow honourable senators to travel by air when returning to Ottawa after a recess. I think that has always been the provision.

Hon. Mr. Reid: Yes.

Hon. Mr. Macdonald (Brantford): Therefore, I think any senator could have returned to Ottawa for the resumption of this session under the same arrangement, because this resolution is only now before us for consideration. We did have a rule in this house to the effect that a senator could come by air, first-class, to the opening of a session. Apparently that is what the honourable senator from New Westminster did, and I do not suppose there will be any problem about it except that he will have to go back economy class.

Hon. Mr. Crerar: May I ask what would be the position of a senator from Winnipeg who motored to Ottawa to attend a session and returned home by motor?

Hon. Mr. Connolly (Ottawa West): So far as I know the resolution is restricted to travel by common carriers and to the expenses incurred in travelling by that means. The limitation is as I have read it.

Hon. Mr. Crerar: Such a senator would not be eligible for any claim for expenses?

Hon. Mr. Connolly (Ottawa West): I do not know that it would be proper to say he would not be eligible, honourable senators, but I think the general feeling in committee yesterday was one of uncertainty as the effect of this new rule. It is expected that there will have to be some experience in its use before we really know how it will work. However, I think the intention is to make travel facilities more convenient for members of both houses of Parliament, and to enable them to carry out their duties both here and at home in a proper fashion. I think we should try to apply this new rule—and I say this without any political connotation—in as liberal a way as we can.

Hon. Mr. Brooks: Apropos of what has been said regarding travel by car, I understood the honourable Leader of the Government to say that until this report is passed we will operate under the old regulations, by which a per diem amount is paid for travelling expenses. I came to Ottawa by car, as Senator Crerar did, and my opinion is that we would still have the per diem amount paid for travel by car, but that from now on we would come under the new regulation. That is my interpretation, though I may be wrong.

Hon. Mr. Lambert: Honourable senators, as a matter of detail, may I ask whether the amount paid for travel by car would include consideration for the passenger in the event of an accident en route? What if there should be a collision on the way here and the senator was delayed for a week in hospital or awaiting repairs to his car? I wonder if that situation has ever occurred.

Hon. Mr. Brooks: I would think the insurance companies would look after that matter.

Hon. Mr. Connolly (Ottawa West): I think it does look after that, as this would seem to be restricted to the cost of an economy fare.

Hon. Mr. Brooks: That is, from now on.

Hon. Mr. Macdonald (Brantford): May I ask the chairman of the committee if there is any difference. I could not follow the wording of the two resolutions.

Hon. Mr. Baird: What do you mean by difference?

Hon. Mr. Macdonald (Brantford): Are the two resolutions identical or is there a difference?

Hon. Mr. Connolly (Ottawa West): Well, they are identical in all practical respects, except where it is provided that these expenses be paid to members of the House of Commons travelling between their places of residence in their constituency and Ottawa. It is deemed appropriate not to use the word "constituency" in respect of honourable senators, although some may feel that they have constituencies.

Hon. Mr. Baird: May I ask a question? What would be the position if one wanted to go home for a weekend? Would the fare be paid?

Hon. Mr. Connolly (Ottawa West): I think the resolution is perfectly clear in that respect. It refers to senators travelling in connection with their work as senators.

Hon. Mr. Baird: That is the point. If it is not for the purpose of work, would the fare be paid?

Hon. Mr. Connolly (Ottawa West): I think if it is not for the purpose of the work, it would not be reasonable.

Hon. Mr. Reid: What is the position if you go home for a weekend, for a holiday?

Hon. Mr. Connolly (Ottawa West): If the travel is not done in connection with the work one does as a senator, I would think the claim would not be sustained.

Hon. Mr. Reid: We will settle that one.

Hon. Mr. Crerar: We can debate this question again.

On motion of Hon. Mr. Connolly (Ottawa West) report placed on the Orders of the Day for consideration at the next sitting.

SEVENTH REPORT

Hon. Mr. Connolly (Ottawa West) presented the seventh report of the Standing Committee on Internal Economy and Contingent Accounts:

> Your Committee recommend that the salary of the Executive Assistant to the Leader of the Government in the Senate and the salary of the Executive Assistant to the Leader of the Opposition in the Senate be increased to $9,000 per annum, effective August 1st, 1963.

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

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

Motion agreed to.

EIGHTH REPORT

Hon. Mr. Connolly (Ottawa West) presented the eighth report of the Standing Committee on Internal Economy and Contingent Accounts:

> Your committee recommend that Mr. A. Fortier be appointed to the position of Assistant Gentleman Usher of the Black Rod, effective October 7, 1963.

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

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

He said: Perhaps honourable senators would allow me to say that Major Fortier has been an official of the Senate in the Committees Branch for many years, and is well known to honourable senators. He has a long record of service in the armed forces of this country. In a temporary capacity he has already been discharging the duties of Assistant Gentleman Usher of the Black Rod, I think to the entire satisfaction of the Senate and, indeed, of all Parliament. I am sure this recommendation will meet with the wholehearted approval of honourable senators.

Motion agreed to.

LAND USE COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the name of the honourable Senator Burchill be substituted for that of the honourable Senator Veniot on the list of senators serving on the Special Committee of the Senate on Land Use in Canada.

Motion agreed to.

ST. JOHN'S HARBOUR DEVELOPMENT

INQUIRY ANSWERED

Hon. Malcolm Hollett inquired of the Government, pursuant to notice:

> With reference to the harbour development at St. John's, Newfoundland:
>
> (1) What is the cost to date to the Federal Treasury?
>
> (2) When is it expected said development will be completed and at what extra cost to the said Treasury?
>
> (3) Are provisions to be made to ensure a fresh-fish marketing centre in connection with said development for the fishermen of the St. John's area?

Hon. Mr. Macdonald (Brantford): The answer to the honourable gentleman's inquiry is as follows:

> (1) $15,935,195.84.
>
> (2) The development is expected to be completed by August 1964, at a further expenditure of $2,500,000.
>
> (3) A suitable area of the marginal wharf on the north side of St. John's Harbour can be provided as a site for a fresh-fish marketing centre for the fishermen of St. John's but actual development would be for provincial or civic action.

CARRIAGE BY AIR ACT

BILL TO AMEND—THIRD READING

Hon. W. Ross Macdonald moved the third reading of Bill S-37, to amend the Carriage by Air Act.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, that completes the business on the Order Paper for today. However, His Honour the Speaker has already informed the house that there will be the royal assent at approximately a quarter to six this afternoon. May I therefore suggest that the house now rise, to reassemble at the call of the bell at approximately twenty minutes to six.

ADJOURNMENT

Leave having been given to revert to the order for motions:

Hon. Mr. Macdonald (Brantford): Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, October 22, 1963, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bill:

> An Act to provide for the placing of the Maritime Transportation Unions of Canada under the management and control of trustees.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, October 22, 1963, at 8 p.m.

THE SENATE

Tuesday, October 22, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Copy of the Trade Agreement between Canada and the People's Republic of Bulgaria, signed at Ottawa, October 8, 1963, together with correspondence exchanged. (English and French texts).

Order in Council P.C. 1963-1501, dated October 10, 1963, authorizing a revision in payment terms originally approved by Order in Council P.C. 1962-123, dated January 30, 1962, made under section 21A of the Export Credits Insurance Act, whereby the Export Credits Insurance Corporation extended long-term financing for the purchase by the Republic of Liberia of telecommunication equipment and related services from RCA Victor Company, Ltd., of Montreal, Quebec, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Hon. A. J. Brooks: Does the trade agreement just tabled have to do with the purchase by Bulgaria of wheat from Canada?

Hon. Mr. Macdonald (Brantford): Yes. The agreement is being tabled, and my friend can ascertain the full details from it.

EMPLOYMENT

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM—SUPPLEMENTARY ANSWER TO INQUIRY

Hon. Allister Grosart: Honourable senators, some time ago I asked a number of questions regarding the audit of the winter works accounts. I have now received from the Auditor General an answer supplementary to that which the honourable Leader of the Government was good enough to give me earlier. I think it is of sufficient interest to honourable senators that I should read some parts of it, and I would ask permission to do so.

Some Hon. Senators: Agreed.

An Hon. Senator: Whom is it from?

Hon. Mr. Grosart: It is from Mr. A. M. Henderson, the Auditor General. It reads as follows:

I have been interested to note your remarks to the Senate on October 4, 1963 relating to the municipal winter works incentive program. You had been seeking to establish whether the Department of Labour had taken steps to satisfy itself that employment thereunder was being provided to persons who, but for the program, would have been unemployed. You had, I believe (on the basis of the answers tabled in reply to your questions) come to the conclusion that the Department did not appear to have taken adequate steps to ensure that this condition in the covering agreement was being complied with and had expressed some surprise that the Auditor General had not made reference to this situation.

Perhaps I should refer you to paragraph 65 of my 1961 Report and to paragraph 70 of my 1962 Report to the House of Commons where attention was drawn to the fact that the agreements with the provinces covering the winter works program contained no specific provision for examination by federal officers of provincial or municipal records supporting claims made under these agreements. The comments arose out of our right to access to these records being questioned by provincial officers and pending formal clarification of our position no audit of these records was being made by members of my staff. Late in 1962 the Department of Labour requested the provincial governments to make available for examination by my representatives records pertaining to the 1962-63 program; however, since the majority of provincial claims in respect of that fiscal year do not become finalized until well into 1963 and it is not practical to undertake their audit beforehand, only now are some of these assignments coming due.

The agreements with the provinces have now been amended and in respect of the 1963-64 program permit access and examination by authorized officials of Canada to provincial and municipal records pertaining to the program. Accordingly, an audit of these records in each of the provinces by this Office has been scheduled for the coming year and you may be assured that all the terms of the agreements will receive our close attention when these examinations are undertaken. However, as you may have noted from my 1962 Report to the House, we are suffering from a serious staff shortage in the Audit Office. This is a situation which, I regret to say, still exists.

Honourable senators, I shall make two very brief comments. First, I thank the Auditor General for this full and satisfying answer

to my question. Secondly, I bring to the attention of the Leader of the Government the last two sentences of the letter, because I consider it to be a serious situation if this official, having regard to his important duties, is understaffed and unable to do anything about it. I am not sure that that is the responsibility of the Government, but perhaps the honourable Leader of the Government would pass it on if he sees fit.

Hon. Mr. Macdonald (Brantford): I will be pleased to pass on a copy of today's *Hansard* properly marked to the Minister of Labour.

INTERNAL ECONOMY

REPORTS OF COMMITTEE

The Senate proceeded to consideration of the sixth, seventh and eighth reports of the Standing Committee on Internal Economy and Contingent Accounts.

SIXTH REPORT ADOPTED

Hon. John J. Connolly moved that the sixth report of the committee be adopted.

Hon. Mr. Brooks: I understood on Friday there were certain clarifications which the honourable senator wished to make today in connection with this report. I wonder if he is prepared to do so.

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I say I did not think I had left the impression that I was going to make any further observations in connection with the subject matter of the sixth report.

I might repeat what I said on the earlier occasion, that the purpose of the provision is to permit members of Parliament—that is, members of both houses—adequate opportunities and facilities to carry out their duties not only in Ottawa but in the constituencies from which they come.

As I said on Friday, these provisions put certain limitations on the amount of travel which is to be done, particularly air travel, and they also require the submission of vouchers for any expenses incurred in connection with this travel.

Hon. Mr. Farris: What are the limitations put on them? I am rather interested in that aspect.

Hon. Mr. Connolly (Ottawa West): In the *Minutes of the Proceedings* given to us as we came into the chamber this evening, the honourable senator will see at page 562 the terms of the resolution. The general limitations are that the expenses must have been incurred in travelling by common carrier, that the amount expended shall not be more than the cost of air travel economy fare between the member's home and Ottawa, and the expenses incurred must be supported by vouchers when an application for reimbursement is made.

As I said on Friday, we in the committee were not quite sure how the details would work out. We felt we should make the same provision for the members of this house as was made for the members of the other house. It is probable that with a little experience we will find that the new arrangements are not only satisfactory but are an improvement over the previous arrangements.

Hon. Mr. Brooks: One point was brought up, but I do not wish to labour it. Senator Crerar asked how we could reconcile section 44(1) of the Senate and House of Commons Act with the recommendation. That subsection reads in part as follows:

> For each session of Parliament, there shall be allowed to each member of the Senate and House of Commons such actual moving or transportation and travelling expenses between his place of residence or his constituency and Ottawa...

Senator Crerar's point was that he had travelled to Ottawa, as many others do, by car. In the recommendation the words "by common carrier" are used. Senator Crerar asks how we could reconcile that with the provisions of section 44(1) of the act. I think that was the point which we thought might be cleared up now.

Hon. Mr. Connolly (Ottawa West): Honourable senators, perhaps I should have adverted to that. I confess that I have not read the Friday issue of *Hansard*. However, I repeat what I said earlier about the feeling of the committee. I do not think any member of the committee felt that if a senator chooses to drive here by automobile himself, the expense incurred in doing so should not be recognized. However, we will have to observe the other limitations that are contained in the resolution, and perhaps they could be considered as a ceiling upon the expense incurred. When travel is by motorcar the question of vouchers may present a problem, but I would think that with the co-operation of the people concerned—and I am sure with the good will of the officials who have to administer this matter—it should present no difficulty.

Hon. Mr. Davies: May I ask the honourable senator if the Internal Economy Committee felt it was right to ask senators and members of the House of Commons to travel second class? They are all first-class people, so why should they not travel first class?

Hon. Mr. Connolly (Ottawa West): I do not know much about first-class travel.

Hon. T. A. Crerar: Honourable senators, before this report is approved, I should like to make a few observations.

If, for instance, a person travels by train on a railway pass, his expenses are much less than when travelling by air, but he is under the necessity of obtaining vouchers for his taxi fare to the station, his sleeping car ticket and all his meals; then he has to gather these together and present them to the treasury officer. That is my understanding. I think that on the whole, the old arrangement by which a per diem amount was allowed worked quite satisfactorily. It is true that the per diem allowance, which has been in effect for the past few years, and was probably based on conditions which existed 40 years ago, was inadequate. Conditions and costs have changed, but in effect that system put the member on his honour not to claim for more days than he was rightfully entitled to. There is much to be said for such a method. I do not expect to travel by air from Winnipeg to Ottawa. In the first place, it would be too costly to transport the baggage one needs to stay in Ottawa for as long as three or four months. One cannot travel by air and carry all the baggage required.

Hon. Mr. Macdonald (Brantford): But you travel by motorcar; at least that is what the Leader of the Opposition said.

Hon. Mr. Crerar: No, I do not travel by motorcar. I just made my observation for the purposes of enlightenment.

Hon. Mr. Choquette: You gave that as an example.

Hon. Mr. Macdonald (Brantford): Then I misunderstood.

Hon. Mr. Crerar: A man of my age would need at least one chauffeur, and probably two, if each was confined to an 8-hour day. That would be out of the question.

Honourable senators, I seriously think we should give this matter a little more consideration rather than approve the report this evening. Personally, I do not feel that it should be difficult to work out a system. I understand that this proposal was adopted in the House of Commons. That may be so, but it should not necessarily constitute a good reason for our adopting it here. I suggest to the Leader of the Government (Hon. Mr. Macdonald) that this matter be allowed to stand for further consideration. It might be worth while to consider the matter in committee of the whole. Certainly many of us here feel that the per diem allowance for those who travel long distances by train—and most of us do—is better than what is proposed here.

I would like to ask another question: How many trips is a senator, say, from Calgary or Regina or Winnipeg entitled to under this plan of living within economy fares? Does that apply only to one trip or to more? I would like to have some information in that respect. Ordinarily, when we have an Easter recess we get expenses both ways and I presume that might apply under this arrangement. But I do not think the matter has been well thought out and I am bound to say that I think we should have another look at it.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I have listened carefully to what the honourable senator from Churchill (Hon. Mr. Crerar) has said, and I think most of the matters that he raises were discussed in committee. The Senate is of course master of its own procedure in matters of this kind, and if this resolution, which is identical with that passed in the other place, does not work out to the satisfaction of honourable senators, the matter can again be brought forward and the resolution made clear.

The members of the committee felt that it was preferable to adopt the same resolution as was adopted in the other place; they also felt that it would work to the convenience of all honourable senators. However, there was one rider which was a suggestion made by the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), that if it does not work satisfactorily we should review the position in a year's time. That does not mean the committee cannot be asked to review the position at any time any member of this house desires to have it reviewed.

Frankly, I feel it would be much better for honourable senators, and indeed much better for the Senate, that we try to work under the terms of the resolution as it is. If we find it is not satisfactory then the Internal Economy Committee can be asked to review the whole situation.

Hon. Mr. Crerar: May I ask one further question? Instead of having to collect a lot of vouchers for taxi fares, meals and sleeping accommodation, would it be possible for us to simply keep a total of those items and submit it and sign a declaration that it is a correct statement?

Hon. Mr. Connolly (Ottawa West): That would be a different arrangement from that provided for in the other place, but it is a detail which I think can be worked out with the officers of the Senate who do this work.

Report adopted.

SEVENTH REPORT ADOPTED

Hon. Mr. Connolly (Ottawa West): moved that the seventh report of the committee be adopted.

Report adopted.

EIGHTH REPORT ADOPTED

Hon. Mr. Connolly (Ottawa West) moved that the eighth report of the committee be adopted.

Report adopted.

HARBOUR COMMISSIONS BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, October 15, the adjourned debate on the motion of Hon. Mr. Lambert for the second reading of Bill S-38, to provide for the establishment of harbour commissions.

Hon. Thomas Reid: Honourable senators, in rising to speak on Bill S-38 I would like first of all to ask your indulgence to allow me time to outline the geography of the Port of New Westminster on the Fraser River, which is mentioned in the bill before us.

There are three harbour boards in the Vancouver and New Westminster area: the Vancouver Harbour Board under the National Harbours Board; the North Fraser Harbours Board under the dominion Government, a board of five; and the New Westminster Harbour Board, consisting of three appointees, one appointed by the city council and two by the Government.

In describing the Fraser River may I point out that it is 850 miles long, rises in the mountains, and has a peculiarity over all other rivers in Canada in that it floods in the summer time. The great floods take place not in the spring, autumn or fall, but right in the middle of summer. The reason for that is the river rises in the mountains, and as the snow melts with the heat of the sun in June or July down come great volumes of water. In 1948 a flood took place which separated the lower part of the province from the eastern part, and cost the governments $20 million.

The lands above New Westminster are protected by dykes; there are some 160 acres of dyke land and 30 organized dyking districts. From the city of New Westminster to the sea, and on the fresh water of the Fraser, it is 23 miles. The tide on the Fraser reaches 10 miles beyond the city, which makes it 33 miles from the Gulf of Georgia to the uppermost limits of the tide.

As I say, the flooding takes place in the heat of summer; with it the waters bring down millions of tons of sand or silt, and it is correct to say the Government has incurred quite an expense in endeavouring to keep the ship channels clear. It has been said that if you put one pole in the Fraser River it has the effect of changing the current of the river.

When the port started many years ago there was only a shallow channel out to the open sea. With all the dredging and dyking that has been carried out by the federal Government over the years, there is now a ship channel 28 feet deep. We are endeavouring to have the Government increase it to 30 feet because there are certain large vessels that cannot come up on the 28-foot depth, whereas a 30-foot depth would allow all ocean-going vessels to come up to our port and to the City of New Westminster.

After many trials and errors in the building up of the port for shipping by deepening the water, changing its course and protecting the lands, someone suggested that a model of the Fraser River be constructed, and for many years the model was operated in Ottawa. Here they endeavoured to find out just how best to protect the banks and evolve methods of guiding the water so that the river itself might be able to cut a deeper ship channel by narrowing it in certain places.

The proposed new plan and the idea of the model was to work towards a 30-foot draft. I mention this because I believe it should be mentioned on behalf of the people of New Westminster. A recommendation was made to introduce what is called a trifurcation plan —that is a three-way plan—at an estimated cost of some $2 million. For the time being that has been held up by the Government, and I am taking this opportunity on behalf of the people in that area to recommend to the Government that they give serious consideration to carrying out that trifurcation plan so we may receive larger ships with the 30-foot channel.

There is an important factor involved in having ships come up the Fraser River as against going to Vancouver or some other seaport. Being loaded in fresh water, the fresh water has the effect of removing the barnacles on the ship's hull, thus saving the shipowners considerable sums of money, and if the ship stays long enough in the river, as sometimes happens, it will go to sea free of barnacles, thereby increasing the speed of the vessel.

Now just a few words regarding the history of the port, and I shall try not to be too long. After giving a brief history, I shall come to consider the bill itself and explain what I believe is wrong with it.

In 1904—and that is a long way back—the City of New Westminster spent $10,000 on pilotage fees. It does not seem much now, but in 1904 it was quite a sum of money. Then in 1910, 1911 and 1912 the City of New Westminster spent $500,000 for docks and harbour improvements. In 1913 the New Westminster Harbour Commission was formed, one

member to be proposed by the City of New Westminster and the other two by the Government. In the charter of 1913 it was stipulated by sections 14 and 16 that any surplus profits had to go to the City of New Westminster. I want to be frank. It is true that profits have never been given to the city and for this reason: the board is naturally in need of funds and any spare money they could obtain has been used for works, in the building of docks and making improvements, with the result that no money has so changed hands over the years. Nevertheless, this provision is contained in the bill. I have a copy of it here, but I am not going to detain you with the details. However, it is stipulated that all surplus moneys are to be paid to the City of New Westminster. I believe I can say without fear of successful contradiction that New Westminster is one of the few cities that have co-operated in matters of this kind. The proposed bill wipes out that clause; it makes no mention of it.

I come now to my remarks regarding the bill itself. No doubt every senator received a copy of the letter from the mayor of the City of Toronto, as I did. I am pleased to know that Toronto is endeavouring to make the same appeal as I am, because the mayor's protests are somewhat similar to the protests I am about to make on behalf of the City of New Westminster.

First of all, regarding the statement made by the honourable Senator Lambert, at page 609 of Senate *Hansard*, he singles us out in this way:

> The Government hopes, first of all, to make the new act applicable on the Fraser River to replace the present New Westminster Harbour Commission. Originally this commission related to the immediate New Westminster area, but growth in the neighbouring municipalities has given rise to a natural desire for representation on an expanded commission by these new municipalities. The Government hopes, therefore, to reflect the expanded responsibilities and representation of this commission by changing its name from the New Westminster Harbour Commissioners to the Fraser River Harbour Commissioners.

I believe the change of name would be a good thing. In the early days it was all very well to call the harbour commission the New Westminster Harbour Commission, but the municipalities surrounding New Westminster itself, on both sides of the river, have greatly expanded, and some of them feel they are left out under that name. I am in favour of calling it the Fraser River Harbour Commission.

The two changes I have suggested could be implemented by a simple bill rather than by the complicated one which has been placed before us. All the Government would have to do would be to change the number of commissioners from three to four or five, and change the name, as I suggested a moment ago. I have read carefully the brief of the City of Toronto, and what they propose is much along the lines we would like to see.

Coming now to the bill itself, I would like you to look at section 2 for a moment. I wonder what is meant by the words "floating elevator". This is the first time I have ever heard of a floating elevator, and perhaps some honourable senator can explain what this is.

Section 5 of the bill is certainly something new. It is the first time to my knowledge that power is given to a Lieutenant Governor in Council to name a commissioner. I do not know of any harbour board act where the provincial governor is given the right to make an appointment to the harbour board. Yet it is so stipulated in this present bill. I refer particularly to section 5, subsection (1) (c):

> The Lieutenant Governor in Council of the province in which is located the harbour for which the Commission is established—

Hon. Mr. Hayden: He has the right only if the Governor in Council designates him to make the appointment.

Hon. Mr. Reid: But that brings the provincial government into the picture.

Hon. Mr. Hayden: No; that is the federal Government.

Hon. Mr. Reid: We may get the answer to this when we meet in committee. We may be told why this is in the bill.

Hon. Mr. McCutcheon: The Governor in Council controls the whole act.

Hon. Mr. Reid: Not the Lieutenant Governor?

Hon. Mr. Macdonald (Brantford): He does not control that appointment. The Governor in Council under section 5 (1) (c) can empower the Lieutenant Governor of a province to make an appointment.

Hon. Mr. McCutcheon: If he so designates the Lieutenant Governor to make the appointment.

Hon. Mr. Reid: By section 16 of the New Westminster Harbour Act passed in 1913 it is stipulated that surplus profits are to go to the city. That provision is left completely out of the present bill. If they had wished to do so they could have made two small

amendments and thus avoided the necessity of bringing forward this bill to cover all the subjects it does.

However, I trust that in committee we shall be able to get the answers to these questions: first, as to what a floating elevator is and, secondly, as to the powers of the Lieutenant Governor in Council.

At this stage I should like to mention that the City of New Westminster is clear of debt, but the commission has not passed over any money to the city because they have used any surplus in making improvements on the river.

One thing which alarms me about the present bill is the fact that the Government may take the power under the bill to do away with the commission. That has not been in other bills that I know of. I wonder what exactly they have in mind because, if one reads a bill of this kind through, one cannot help but come to the conclusion that the whole story has not been told, that the reasons for it have not been fully given. Until a satisfactory explanation is given I intend to continue my opposition to the bill. So far there is no explanation of the various clauses I have mentioned, and until such explanations are given I must voice strong opposition to the bill.

Hon. David J. Walker: Honourable senators, I want to thank the honourable senator for his remarks on this bill. It is readily observable that the bill is purely a departmental bill and is intended, by setting up a standard procedure, to bring some uniformity into the tremendously complicated administration of harbours in Canada. Any criticism I have of the draft bill is not made in a political way, and I have no doubt that when this bill goes before the Standing Committee on Transport and Communications, under the able chairmanship of Senator Hugessen, many of these problems can be straightened out.

Of course the bill itself provides for the formation of harbour commissions across Canada and, secondly, what we are interested in in Toronto and in the other large centres is the giving of special powers to harbour commissions already existing.

Section 30 of the bill, to which the honourable senator referred, is entitled "Transitional" and makes provision for the majority of any of the bodies set out in the schedule to disestablish themselves under the act which created them, and to adopt the present terms of this bill as they can do by proclamation declaring themselves to be established pursuant to this act. This gives a tremendous power to the majority of any harbour commission, and particularly in the City of Toronto for reasons which I am about to deal with. Supposing that the majority of a harbour commission takes advantage of this bill and becomes a commission established pursuant to this act. What special powers does it have? In the first place I ask honourable senators to look at section 5, which is the section setting out the composition of the commission, and it states as follows:

> A majority of the members of a Commission shall be appointed by the Governor in Council and the remainder shall be appointed by such of the following bodies as the Governor in Council may designate:

In other words, the federal Government will, for the commissions operating under this act, appoint its nominees to three of the five positions, if there are five on the commission, or to two of the positions if there are three, and may also designate the other appointing bodies. It will be seen that a very wide power is given to the federal Government in section 5.

The present Toronto Harbour Commissioners' Act, 1911, is referred to in the schedule. It is contained in chapter 26 of the Statutes of Canada, 1911. This contains the very important provision that the majority of the commission, that is to say three out of the five, shall be appointed by the city. One may be designated by the Governor in Council, and one may be appointed by the Governor in Council on the recommendation of the Toronto Board of Trade. Thus you can see the tremendous difference between the present act and the bill now before the house.

Hon. Mr. Macdonald (Brantford): But Toronto is not forced in under the provisions of this bill.

Hon. Mr. Walker: The honourable Leader of the Government makes a point. There is no question about that. There is nothing compulsory about it, but the point is that there is the power. The Toronto Harbour Commission itself could take advantage of section 30 of this bill and say: "We are henceforth to be considered under the terms of this act."

The honourable Leader of the Government says that that is not compulsory, but if he knew of some of the battles there have been between the Toronto City Council and the Toronto Harbour Commission he would realize it is not beyond the realm of possibility that at some time, when the situation gets a little heated, three of the five members of the commission would take advantage of this section. That is quite possible. By doing that they would, of course, destroy the control the City of Toronto has over its own harbour commission.

Hon. Mr. Hayden: You would need only one of the city appointees to decide that.

Hon. Mr. Walker: The honourable senator is quite right. It would take only the vote of one city appointee, and in the heat of battle this could easily happen.

We are discussing this bill as it affects Toronto, and I suggest to honourable senators that this special situation is applicable only to Toronto. In the first place, if this bill is passed and if advantage is taken of section 30, then because the federal Government appoints three of the five commissioners, administrative control of the Toronto Harbour Commission would be transferred from the City of Toronto to the federal Government. Secondly, section 15 of the act, which is to be found at the top of page 6 of the bill, provides that the revenues of a commission shall be charged in certain ways, and under this section the surplus of revenues remaining at the end of each fiscal year would be paid by the commission to the Receiver General.

At the present time under the Toronto Harbour Commissioners' Act any surplus is quite properly payable to the treasury of the City of Toronto. Honourable senators will realize that there would be quite a conflict if the surplus from the Toronto Harbour Commission, which has been built up by money from the taxpayers of Toronto, was ever handed over to the Receiver General of Canada. That would be the effect of this bill if, as my honourable friend says, its provisions should be adopted by a majority of the Toronto Harbour Commission. We would have a transference of control from the municipality of Toronto to the federal Government, and any surplus that now goes to the treasury of the City of Toronto would go to the Receiver General of Canada.

I concede that this is a unique situation. That is because the act of 1911 is also unique. As a result of that act and the co-operation that Toronto has always received from the federal Government a tremendous port has been built. Toronto has poured $17 million of the taxpayers' money into the port. There are huge real estate holdings there. As a matter of fact, the value of the property under the administration of the Toronto Harbour Commission at the present time is between $70 million and $80 million.

Honourable senators will appreciate, therefore, why His Worship Mayor Summerville is somewhat disturbed by this bill. I know it will go before Senator Hugessen's committee in due course. However, I do point out that if the bill is passed in its present form, then as Senator Hayden has remarked, one of the appointees of the city council could vote with the other two to take advantage of section 30.

Hon. Mr. Macdonald (Brantford): It would need one representative appointed by the city council together with the representative of the Toronto Board of Trade.

Hon. Mr. Walker: Quite so.

Hon. Mr. Macdonald (Brantford): And also the representatives of the dominion Government. To me it is inconceivable that those three would join together to defeat the two representatives of the City of Toronto.

Hon. Mr. Hayden: There is a possibility.

Hon. Mr. McCutcheon: Nothing is impossible in Toronto.

Hon. Mr. Walker: I am glad that it is inconceivable to the honourable Leader of the Government, but he comes from the quietude of Brantford where things are a little different.

Hon. Mr. Macdonald (Brantford): We have no such problems.

Hon. Mr. Walker: The honourable Leader of the Government may think this is not possible, but the mayor and the city council of Toronto are very much concerned about it, as I am sure are all honourable senators from the Toronto area. It could result in the administrative control of the harbour passing from the City of Toronto to the federal Government, also the passing of the profits from the City of Toronto to the federal Government. What was bought and paid for by Torontonians would then come under the control of the federal Government.

Honourable senators, I am not objecting to the principle of this bill as such. I am sure it has great merit. It will cause a certain unification of procedure in the many harbours we have throughout Canada, but Toronto objects to its harbour commission being included in the schedule.

Perhaps Senator Campbell and others have a solution to offer, but that is not for me tonight. That will come up in committee. I would be happy to demonstrate how the bill could be amended so that its impact on the City of Toronto is removed, but I do ask that the committee consider this matter.

The wonderful harbour of the metropolis of Montreal comes under the National Harbours Board as do the harbours of Saint John and Quebec, and so on. At the time of the passing of that act Toronto was not the great deep seaport it is today. We are satisfied with the Toronto Harbour Commissioners' Act just as Montreal, I am sure, is satisfied with the National Harbours Board Act. They are both very effective acts. We in Toronto

are unique in respect of the operation of our harbour, and the money that the citizens of Toronto put into the harbour lessens the contribution of the federal Government. Naturally, no attempt has been made to bring the harbour of Montreal under this bill, and it is respectfully suggested that the bill be amended so that Toronto, like Montreal, may remain aloof from it.

There will be no situation such as I have described unless, of course, the majority of the members of the Toronto Harbour Commission vote for it, but who can say that they will not? It would be a great pity to put so much power into the hands of the Toronto Harbour Commission and so enable it at any time to hold the threat of availing themselves of these powers over the Toronto City Council at any time a contentious matter comes up between them.

I offer these few observations in a spirit of co-operation. This bill should, of course, receive second reading so that it may go before the Standing Committee on Transport and Communications. I do think, however, that before it goes to that committee we should between us work out some solution satisfactory to the Government and to the City of Toronto. I know that Mayor Summerville is anxious to give evidence before the committee. I have assured him that before the committees of the Senate everyone gets a very fair hearing.

Hon. G. Peter Campbell: Honourable senators, I would like to make one or two observations in connection with this bill. In substance it is a very constrictive piece of legislation which, in a general way, provides machinery for the setting up of harbour commissions in places where harbour commissions do not now exist.

The drafting of legislation of this kind is bound to have certain effects upon specific harbour commissions already in existence, and I think the draftsmen of the bill were inclined to protect such harbour commissions by excluding them from section 3, and providing section 30 under which, if they wished, they could also be taken over and brought within the provisions of this bill.

I cannot speak on behalf of all the harbours named in the schedule of the bill, but I do know something about the situation in Toronto and Hamilton. Those two harbours were established by special acts of incorporation and have been in existence for a long time. The acts incorporating those commissions were passed by Parliament and most careful provisions were written into them. They have worked extremely well. I think all honourable senators realize that the commissions constituted under those two acts have carried on excellent work in the development of the harbours in Toronto and Hamilton.

What concerns me about this proposed legislation is that it attempts to amend those acts by a provision whereby the majority of those commissions could request that they be taken over and brought under a new commission entirely. That in effect is what it does. It does amend the acts relating to commissions which have already been incorporated, by changing the power of the commissioners under those acts. I do not think that any such amendment should be made or any such powers granted under a general piece of legislation until all problems have been carefully considered.

It seemed to me to be quite right to exclude from the provisions of the take-over the harbours which exist under separate commissions and which have special situations. In fact, I would think it would be rather difficult to make out a case for writing any new provisions into the acts of incorporation referred to in the schedule to this bill.

It seems to me that in each of those cases the rights given by each specific act should have been preserved, and if any changes are to be made by the general legislation to take away powers or grant further powers, those particular commissions should be consulted before that is done.

It would not be difficult for the promoters of the bill, or in this case the body in charge of harbours in Canada, to pass specific legislation to take over any of those harbours if they wish to do so.

In the case of the City of Toronto it is not only the ordinary harbour development that we are concerned with, but a great real estate development on the borders of the harbour, on lands which have been conveyed by the City of Toronto to the harbour commission and financed by the City of Toronto by guaranteed securities and other means.

The airport is operated by the Harbour Commission for the City of Toronto. There are serious real estate problems involved in the development, and the best of co-operation exists at all times between the harbour commission, the Board of Trade of the City of Toronto and the city council. The financing of the Toronto harbour could not possibly have taken place without the assistance of the City of Toronto.

I suggest that, when the representatives of the department appear before the committee, we ascertain if there is not some other way of dealing with those particular commissions referred to in the schedule. It seems to me that if their powers are to be changed,

or if by some general legislation some of their powers are to be taken away, that should be carefully investigated before it is done.

Hon. R. B. Horner: Honourable senators, while it is true that we have no harbour within the boundaries of Saskatchewan, we have a harbour in which we are very interested, and I wonder if I might not take advantage of this opportunity to pass a few remarks about it. It is the harbour at Churchill.

I noticed recently that there is no ice there. Apparently the last boat available has gone. There is wheat there and I don't know whether they miscalculated the storage or the number of boats, but it will have to be drawn back.

It appears to me that the whole action in setting up a precise date in connection with that harbour is wrong. By our modern methods of forecasting weather it should be quite possible to keep the harbour operating for 90 days. A great many people argue it should be 120 days. There is also a feeling that it should be 150 days. There may be clear sailing there for another month. That has been the case before.

I urge the Leader of the Government to see if something can be done immediately to turn some further ships to Churchill where they could be loaded immediately. It is the shortest route and it has the shortest rail haul for us; naturally we are interested.

Hon. Mr. Macdonald (Brantford): It has the heaviest insurance rate, I suppose.

Hon. Mr. Horner: In regard to insurance, we are providing a large fund to guarantee traders for export purposes. Surely it would not be a bad idea—and perhaps the Liberal Government might consider it—to take some of the risk at Churchill. Indeed, there may not be any risk at all. No ship has been lost by reason of ice there at any time, and ships have been going in and out of Churchill for 400 years. Therefore, I think something further should be done. They should be shipping 100 million or 200 million bushels out of there every season.

Hon. Gordon B. Isnor: Honourable senators I always hesitate to speak after lawyers from Toronto. I recall how nervous I was on another occasion in following Senator Hayden from Toronto, and I am somewhat in the same position this evening, having listened to Senator Walker and Senator Campbell.

I should like to refer to the brief presented by His Worship Mayor Summerville of Toronto. No doubt he sent a copy to all senators. I received a copy and I read it with very much interest.

Toronto certainly should be proud of the way they have gone ahead with their investment—not an expenditure, but an investment—in regard to harbour facilities. It is certainly netting them a very handsome return at the present time. I quite understand why Senator Walker and Senator Campbell are concerned about passing over this revenue to the federal Government.

I was in somewhat the same position and had the same concern about what was going to happen to the harbour at the port of Halifax, away back when that brilliant man the Honourable C. D. Howe introduced the National Harbour Boards bill. I was worried about it at that time, and I am now worried about the effects on the port of Halifax, by reason of improvements made through the St. Lawrence Seaway development. The tax revenue to be derived in 1963 from the harbour of Toronto will exceed $2 million, but at Halifax the revenue and the employment situation is declining. We are concerned about that.

The unions in Halifax, consisting of the longshoremen, the freight and steamship checkers, and others, have sent out a brief, as did His Worship Mayor Summerville, perhaps not to all senators, but to those whom they thought would be interested in conditions existing in the Port of Halifax.

That brief was presented recently. It was approved by following locals: the Halifax Longshoremen's Association, the Freight and Steamship Checkers, the Cargo Repairmen, the Watchmen, the Gear Repair and Maintenance Men, the Cold Storage, Grain Elevator and Outside Men, the Brotherhood of Railway and Steamship Clerks, Freight Handlers, and Express and Station Employees.

Honourable senators, I selected a few items which I thought would be of interest to you and that might bring a clearer picture as to our position under the National Harbours Board because of the improvements and the amount of money being spent on ports in the St. Lawrence Seaway.

For instance, in 1957 the foreign tonnage in Montreal amounted to 8,722,262 tons. By 1961 it had increased to 13,435,108. That was an increase in Montreal tonnage, due largely I think to the way in which it has been handled and boosted by the National Harbours Board, of 4,712,846 tons.

Now let me make a comparison in regard to the condition in the Port of Halifax, certainly the finest harbour in Canada and perhaps the finest in the world, which is free of ice all year round. In Halifax the foreign traffic in 1957 amounted to 5,373,631 tons, while in 1961 it was 5,703,832 tons, an increase of 330,201 tons.

I give now a comparative statement concerning deep-sea or ocean-going commercial vessels from the National Harbours Board Report:

	1961	1957	Increase
Port of Montreal ..	3,605	2,253	1,352
Port of Halifax ...	1,576	1,571	5

That is on account of the many increased facilities and the advertising material put forward, largely because of the seaway.

Honourable senators, the number of man hours worked is an important matter so far as the Maritimes are concerned. These are as follows:

	1961	1957
Man hours worked in Halifax	1,401,117	1,615,943

Decrease in hours—214,826

Those are factors that enter into our reason for bringing the activities of the Port of Halifax before you from time to time.

I was rather surprised when the honourable senator from Blaine Lake (Hon. Mr. Horner) said there were no ice conditions in Churchill. I was under the impression that the Port of Churchill was open for about two weeks in the entire year. Certainly the increase in insurance rates has made it prohibitive to use the port.

Hon. Mr. Horner: You should make a trip up there.

Hon. Mr. Isnor: I have been up to Churchill before. It is frozen over now, is it not?

Hon. Mr. Horner: No.

Hon. Mr. Isnor: Perhaps honourable senators will be interested in knowing the types and number of men employed in the Port of Halifax. They are as follows:

International Longshoremen's Association:		
Stevedores	2450	
Checkers	275	
Ship liners	225	
Watchmen	150	
Elevator	175	
Others	100	3375
C.N.R. Employees—Non-operating:		
Freight handlers	1850	
Clerical staff	225	
Elevator	175	
Others	100	2350
C.N.R.—Operating, etc.:		
Yard crews	175	
Extra main line crews ..	30	
Others	50	255
Total men employed		5980

We should also take into account the steamship companies and their staffs, the C.N.R. and harbour board police, maintenance men, and a large number of other types, involving about 5,000 persons.

It is clear, therefore, why we are gravely concerned about this bill, and particularly section 30, which was mentioned by His Worship the Mayor of Toronto and also referred to by the two senators from Toronto. It is a matter of great concern to us what might happen under this bill if it is decided to change over from the present system to a commission.

The figures I have given are important. Senator Reid spoke as representing the west coast, and the two senators from Toronto spoke as representing central Canada. Our concern was that something like this might happen and that our export and import business would centre around the ports of the central provinces, and indeed it looks very much as if it is working out that way.

While I am on my feet I should emphasize the fact we were able to speedily handle the shipment of grain to Russia, but we still need another marine leg for our Halifax grain elevator, so that in case anything happens to the one we shall have the other to fall back on. I bring that to the attention of the Leader of the Government and the chairman of the Committee on Transport and Communications so that, if for any reason I am unable to be present when the committee meets, it may be brought to the attention of the officials of the National Harbours Commission who are asked to attend.

I return to what I have often stressed, that we need a definite closing date on the St. Lawrence Seaway so that ship captains and companies can plan for the continued use of Atlantic ports. A lot of money is being spent on the St. Lawrence under one guise or another. Recently I placed an inquiry on the Order Paper concerning the removal of tolls on the Welland Canal. The answer given by the present Leader of the Opposition (Hon. Mr. Brooks), then Leader of the Government, gave the amount of tolls over a 3-year period as follows:

1959	$1,224,062
1960	1,326,497
1961	1,400,000

Those figures show a steady increase, which makes it much more attractive to ships going through the Welland Canal, and to that extent it is a bonus or subsidy to the canal.

I placed a further inquiry on the Order Paper, asking to which department of the Government the reported construction of an

ice boom at Montreal, estimated at $5½ million, would be charged. This project was largely in connection with the World's Fair which will take place in 1967. The answer, given by the Leader of the Government (Hon. Mr. Macdonald, Brantford) was that the amount will be charged to the Department of Public Works. It has not yet been decided to which department the maintenance will be charged. All these expenditures will have to be borne by the taxpayers, and we in the Maritimes are paying our share.

Honourable senators, I have brought these matters before you so that they will be on record for consideration when this bill is discussed in committee.

Hon. Malcolm Hollett: Honourable senators, I have only a few words to say. I have read the bill very carefully, and also the submission which has been made by His Worship the Mayor of Toronto. If I were a resident of Toronto I would oppose this bill, and on the submission which has been made I would also feel it to be my duty to oppose it by supporting an amendment to correct what appears to be a great steal from the City of Toronto. I do not say that has happened but it seems to me a possibility. I do not think we in the Senate should be guilty of allowing any such thing to be perpetrated.

Hon. Mr. Macdonald (Brantford): How could it be a steal? It would be at the request of the commissioners.

Hon. Mr. Hollett: As was already pointed out by honourable Senator Walker, that can happen so easily with a commission of five or seven members who agree or differ on matters, as the case might be.

Hon. Mr. Macdonald (Brantford): That is a pretty low opinion of the citizens of Toronto.

Hon. Mr. Hollett: I am sorry, but I did not hear that remark.

Hon. Mr. Macdonald (Brantford): I said I did not think that was a very high opinion of the members of the harbour commission of Toronto.

Hon. Mr. Hollett: I am not acquainted with them at all, and therefore I cannot have as high an opinion of them as I have of the honourable Leader of the Opposition. Since I know him very well, I have a very high opinion of him.

Hon. Mr. Macdonald (Brantford): I share that opinion—the Leader of the Opposition is a very fine man.

Hon. Mr. Brooks: I don't come from Toronto.

Hon. Mr. Hollett: I beg your pardon, the Leader of the Government.

Hon. Mr. Grosart: You were right both times.

Hon. Mr. Hollett: Having read the brief from the Mayor of Toronto, I gather it is estimated that the value of the works which have been performed by the harbours commission since 1921 is estimated at about $75 million; and I do not think any council, including the mayor, would be justified in allowing any such risk. However, I am not so much concerned about Toronto, because I suspect they can look after themselves pretty well even with regard to this act.

I come from the City of St. John's, which undoubtedly has the finest harbour on the eastern coast. Of course, St. John's is ancient—for hundreds of years it has been a fine harbour. Recently the federal Government decided it should do something to make it a grand harbour. Over the years the harbour was built up by fish merchants who built wharves all around the waterfront. About three and a half years ago the federal Government stepped in and said they would fix up the harbour for us; so they bought from the fish merchants all their wharves around the harbour. By now they have built it up with practically a four-lane concrete highway all around the harbour. They have built huge storage buildings at the upper end, and undoubtedly they are making St. John's harbour one which can be used in any emergency, in war or in peace.

However, the fish merchants around the harbour have no more right to the wharves than I or anyone else has. The federal Government has control of the whole affair at the moment because they have spent something like $18.5 million. I may say here that I am very glad that the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) answered the question that I asked in that regard.

In St. John's there are not only fish merchants, there are large numbers of fishermen, over 300 of them, who fish out through the narrows of St. John's, on the grounds just outside, and who bring their fish in and sell it to the fish plant, or they stand near the side of the street and sell it to customers as they come along. Some 300 fishermen make their livelihood there.

The other day I asked a question as tc whether some provision was being made for a place where the fishermen could bring their fish and keep it clean and decent and offer it to the public from there. The answer came back that that was the problem of the municipal council or the provincial government. If

this bill passes as it is, I think it will not be the problem of either the provincial government or the municipal council.

I forgot to mention that in addition to our own fishermen we have about 70 or 80 Portuguese vessels coming into the harbour two or three times a year. These vessels block the harbour. We also have Spanish and other fishing vessels, in addition to Canadian National steamships and other freight boats from all over the world.

Honourable senators, there are two things that I do not like about this bill and I want to say a word or two about them.

Section 4, paragraph (c) reads:

> (1) The proclamation establishing a harbour Commission shall
>
> (c) fix the number of members of the Commission which shall be not less than three and not more than five.

St. John's being a small harbour compared to some others, let us imagine that the Governor in Council fixes at three the number for St. John's harbour commission.

Section 5, provides that:

> (1) A majority of the members of a Commission shall be appointed by the Governor in Council and the remainder shall be appointed by such of the following bodies as the Governor in Council may designate—

If we imagine that there are to be three commissioners, then the Governor in Council shall appoint two and the other one may be appointed by some organization designated by the Governor in Council. For instance he may designate the municipal council of St. John's, or any organization or group of organizations; he may designate, for instance, the fishermen's union in St. John's or the Board of Trade, or he may ask the Lieutenant Governor of Newfoundland to suggest the third member of the commission. So it can be seen that the federal Government will have absolute control.

I can see the possibility of the municipal council, which has to take into consideration all other problems of the harbour, being completely excluded from the harbour front, and I do not think that is the right way to proceed. Surely the municipal council should be allowed to have some say in the setting up of regulations with regard to the running of the harbour. They have to do with everything else in regard to the city of St. John's.

As you know, the harbour is just a ring around the city of St. John's, the population of which I think is about 90,000, and if this bill passes I can see the possibility that the municipal council of St. John's would have no control whatsoever over what is happening on the waterfront. I do not think that is as it should be.

I come now to section 7:

> (1) The members of a Commission shall elect one of their number as Chairman.

In other words we have a commission of three members and they are going to elect a chairman. Section 7 goes on to say:

> (2) A majority of the members constitutes a quorum of the Commission—

How can you get a majority if there are only two to vote? That would be very difficult on occasions. The chairman could possibly have the casting vote.

There are a number of other changes that could be made relative to this bill in particular, and certainly with reference to its connection with these harbour ports which are mentioned in the schedule. I believe that when this bill is in committee some suggestions will be offered and changes made so that we may all vote for it. It is a necessity, no question about that. We need harbour commissions for every harbour we have. But what I am trying to point out is that having reference to the harbour of which I know, there are a lot of little difficulties that will arise under the present setup of this bill.

Honourable senators, we shall probably have an opportunity to make further remarks in committee relative to this bill, so I shall not delay you longer.

Hon. W. Ross Macdonald: Honourable senators, we have heard New Westminster harbour mentioned tonight together with some others, but Toronto has pretty much held the spotlight this evening. I should say it has been in the direct beam of the lighthouse. Senator Walker in his speech said that Toronto was unique. Well, it is not as unique as the honourable senator thinks, because I have a telegram in my hand from the mayor of the City of Hamilton which reads as follows:

> The corporation of the city of Hamilton is very concerned about the implications of Bill S-38, entitled an Act to provide for the Establishment of Harbour Commissions, and I respectfully request the opportunity of making submissions to a committee of the Senate before this bill is given second reading.

I am sure we are all of one accord, that not only Toronto should have the privilege or the right of coming here and making representations. I am sure this committee would like to hear representations from any other city that is interested. Tonight we have heard about the Toronto harbour, about the

New Westminster harbour, and now we are hearing from the Hamilton harbour, but there are eight other harbours about which we have heard nothing.

We talk about amending portions of this bill in the interest of Toronto, but I do not think we should do that before we hear from these other harbours also. The other harbours may like this bill.

Hon. Mr. Hayden: Then let them stay in it.

Hon. Mr. Aseltine: Let them have it.

Hon. Mr. Macdonald (Brantford): Yes, but there is a proposal about certain revisions being made on behalf of the City of Toronto, that a certain clause should be struck out. I doubt if we could do that without at least considering the views of the harbours which have not been represented tonight.

Hon. Mr. Aseltine: We cannot do that on second reading anyhow.

Hon. Mr. Macdonald (Brantford): No. Therefore, I think before any action is taken on this bill in committee we should hear the views of all the cities in Canada which are affected by this bill and want to come and make representations. That has been the custom of the Senate in the past, and I am sure it will be when this bill goes to committee.

Hon. Allister Grosart: Honourable senators, when the Leader of the Government rose I was about to say just one word about the fact that one of the acts referred to in the schedule under section 30, on page 10, is the Oshawa Harbour Commissioners Act. I have an interest in that particular area, and from what I have heard here I take it that Oshawa is one of those harbours that come under what we may call the "sweet and sour" provisions of section 30—"sweet" because the act does provide that federal Government takeover from these municipalities will not come at once; "sour" because it provides a method by which it may come.

I do not know the views of the commissioners of the Oshawa harbour, and I am glad to hear the Leader of the Government say that in his view all the harbours mentioned in the schedule, and perhaps others, should be heard. I will bring this matter to the attention of the Oshawa Harbour Commissioners.

The Hon. the Speaker: It is moved by the honourable Senator Lambert, seconded by the the honourable Senator Croll, that this bill be now read a second time.

Hon. Mr. Lambert: With the consent of the Senate, I move that the debate be adjourned.

The Hon. the Speaker: I believe the honourable Senator Lambert has already spoken.

Hon. Mr. Macdonald (Brantford): He is adjourning the debate.

The Hon. the Speaker: Are you closing the debate now?

Hon. Mr. Lambert: No, I am adjourning the debate.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, October 23, 1963

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

Prayers.

PRIVATE BILLS

THE CANADIAN EQUITY INSURANCE COMPANY —REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-42, respecting The Canadian Equity Insurance Company, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Duncan K. MacTavish moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE MANUFACTURERS LIFE INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-43, respecting The Manufacturers Life Insurance Company, and had directed that the bill be reported with the following amendment:

> Page 1, lines 10 and 11:—Strike out "Les Manufacturiers, Compagnie d'Assurance-Vie" and substitute the following: "La Compagnie d'Assurance-Vie Manufacturers".

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

Hon. Mr. Hayden: With leave, I move that this report be adopted now.

I may say, honourable senators, that the amendment is simply a rearrangement of the words in the proposed French name of the company. This change was requested by the company and was approved by the committee.

Report adopted.

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

Hon. Mr. MacTavish moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ADANAC GENERAL INSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-44, respecting Adanac General Insurance Company of Canada and had directed that the bill be reported with the following amendment:

> Page 1, lines 10 and 11: Strike out "La Compagnie Adanac d'Assurance Générale du Canada" and substitute the following: "Adanac du Canada, Compagnie d'Assurance Générale".

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, the explanation in the case of this bill is the same as in the case of the previous bill. This is a rearrangement of the name requested by the company and approved by the committee.

Report adopted.

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

Hon. Mr. MacTavish moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

OLD AGE SECURITY ACT

BILL TO AMEND—ANSWER TO QUESTION

On the Order for Inquiry:

Hon. W. Ross Macdonald: Honourable senators, on Thursday, October 10 last, while the Senate was discussing the bill amending the Old Age Security Act, Senator Reid requested information as to the number of persons presently living abroad and receiving an old age pension.

The terms of the Old Age Security Act provide that the pension may be paid to a pensioner who absents himself from Canada for as many as six months, exclusive of the month of departure. The pension then must be suspended and can only be reinstated and become effective in the month in which the pensioner returns. If, however, the pensioner has resided in Canada for 25 years after his 21st birthday, he may be paid his pension while absent from Canada indefinitely.

The statistics available on this subject relate to persons who either have the 25 years' residence requirement or do not. Consequently, there is no way of knowing for what length of time any pensioner was paid his pension while absent from Canada.

In the month of August 1963, which is the latest month for which figures are available, cheques were mailed to 6,618 pensioners who were outside of Canada and who had the 25 years' residence in Canada subsequent to their 21st birthday. Many of these persons may simply have been out of the country on short visits.

In the same month 143 pensioners who had less than 25 years' residence in Canada after their 21st birthday were paid their pensions while absent from Canada.

The total amount of money paid to recipients of old age pensions living outside of Canada in the month of August 1963 was $439,465.

Hon. Mr. Reid: In thanking the honourable leader for this information, may I say that I am sorry I made a mistake. I thought the statistics related to persons having had 10 years' residence in Canada. According to the department, they relate to persons having had 25 years' residence.

HARBOUR COMMISSIONS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Lambert for the second reading of Bill S-38, to provide for the establishment of harbour commissions.

Hon. Norman P. Lambert: Honourable senators, yesterday I took the liberty of adjourning this debate with the feeling that there were still some members of this chamber who would like to speak on this subject. Therefore, with the consent of the Senate, I suggest that any of my colleagues who desire to speak may do so first, and I will follow them.

Hon. Mr. Macdonald (Brantford): Agreed.

Hon. Mr. Brooks: Agreed.

Hon. Harry A. Willis: Honourable senators, in speaking to this bill my first remarks must be to congratulate the mover, (Hon. Mr. Lambert). I have never heard a bill of this kind, which may become controversial, explained so clearly. Having listened to his lucid introduction of the bill, I went to the library and looked up the Toronto Harbour Commissioners' Act of 1911.

In perusing that legislation I came to certain conclusions, and I wish now to associate myself with the other senators from Toronto, Senators Hayden, Campbell and Walker, on the remarks they have made with respect to this bill, and in particular with respect to the great harbour—perhaps the greatest by reason of the Seaway—which Canada possesses, namely, the harbour of the City of Toronto.

Under that act of many years ago, the City of Toronto was granted the right to appoint three harbour commissioners; the fourth one was to be an appointee of the dominion Government, and the fifth on the recommendation of the Toronto Board of Trade. However, essentially the majority were appointed by the Toronto City Council. I believe all honourable senators have received a copy of the brief from His Worship the Mayor, and the Board of Control and councillors of the City of Toronto, setting out their objections to certain aspects of this bill.

I fully realize, as the Leader of the Government (Hon. Mr. Macdonald, Brantford) pointed out yesterday, that it is quite optional for any commission to come under this act. However, I must state that I think this is bad legislation and it might react badly in the future. I understand from the sponsor that the bill will be referred to the Standing Committee on Transport and Communications. I understand also from the remarks made by the Leader of the Government yesterday that representatives of all harbour boards and municipalities involved will be notified to appear before the committee.

Is my understanding correct?

Hon. Mr. Aseltine: If they wish to do so.

Hon. Mr. Willis: Certainly they will be invited to come and present their views.

Hon. Mr. Macdonald (Brantford): They are invited to come and present their views.

Hon. Mr. Reid: Have they been invited?

Hon. Mr. Macdonald (Brantford): As honourable senators know, when a committee is to meet, any body can appear before it and make representations. They are always invited. The representatives of harbours across Canada are all invited now. If it is desired to have special invitations sent out, that is a matter for the committee under the distinguished chairmanship of Senator Hugessen.

Hon. Mr. Willis: Honourable senators, speaking for Toronto, I assure you that the mayor and controllers will be attending that committee meeting, and their brief which they have already sent to honourable senators will be reinforced with evidence. I do not think I can say any more at this time. I really think that section 30 and the schedule as well should be taken out of the bill so that it would apply to new harbours coming into being in the future. So, until the committee meeting is held and the representatives of the City of Toronto appear, I do not think I have anything further to say. However, I do want to thank Senator Lambert for graciously allowing others to speak even though he adjourned the debate last evening.

Hon. Norman P. Lambert: Honourable senators,—

The Hon. the Speaker: Honourable senators, if Senator Lambert speaks now it will have the effect of closing the debate.

Hon. Mr. Lambert: Honourable senators, I desire at once to acknowledge with thanks the contributions which have been made by so many senators on both sides of the house to the discussion of Bill S-38.

Direct representations have also been received, as has been noted here, from the cities of Toronto and Hamilton expressing their views with respect to certain provisions of this bill, and indirectly we have also received certain representations from other harbour commissions which will be affected by this legislation.

I think as a result of those representations that the Senate would be entirely justified in giving second reading to this bill now and have it referred to the Standing Committee on Transport and Communications for further examination.

The immediate purpose of the bill, as was explained in the introduction to it, is an administrative one and it applies only to the 11 harbours enumerated in the schedule of the bill. While suggesting that the various acts incorporating these 11 harbours during the past 50 years might be made more uniform, this bill would preserve the local autonomy in each case.

Co-operation is the keynote of this legislation, as is indicated in section 30 of the bill. I am permitted to quote the reassurance given in a letter written yesterday by Honourable George McIlraith, Minister of Transport, to His Worship Mayor Summerville in Toronto. I now quote the main sentence in the letter:

> The provision requiring majority consent of the commissioners before any existing commission is brought under legislation was inserted to give the very protection you desire.

In the light of that and other assurances that one has received from the department, I can assure the Senate as a whole, and particularly my friend Senator Walker, that nothing in this legislation should disturb the placid political atmosphere of Toronto by causing any split in the personnel of the local commission or amongst the aldermen of the council or members of the Board of Trade. For one thing, I believe we can take it for granted that we want no labour walkouts there.

Should this bill receive second reading, I would ask that it be referred to the Standing Committee on Transport and Communications, of which my colleague Senator Hugessen is chairman. I suggest that when that hearing is arranged the most representative officials in the department who have charge of this work and whose duty it would be, if the bill passes, to administer the act, be in attendance to give further enlightenment. Particularly I would like more information regarding the financial results of the operations of these various harbours, because in conversation with certain officials of the department, in preparing to introduce this bill, I raised that question and was told that most of them were barely keeping their heads above water. In the light of that possible situation, I think we should have more definite information in relation to this bill than we now have.

Hon. Mr. Farris: I would like to ask my honourable friend a question. I was not here when he made his opening remarks in introducing the bill, and I cannot quite understand his statement today that the act is confined to the 11 commissions set out in the schedule—

Hon. Mr. Hayden: It is not.

Hon. Mr. Farris: —in view of section 3.

Hon. Mr. Lambert: If I may comment on my honourable friend's question, that point was raised by Senator Hayden on my introduction of the bill, concerning the future possibility of this legislation being all-inclusive. Against that I suggested that section 30 preserved the autonomy of these 11 harbours named in the schedule, and that there was no indication whatsoever in the legislation that any other area would be invaded by this legislation. The main purpose of the legislation in relation to these 11 harbours was simply to make more uniform the acts which are now presenting a varied picture of administration.

I do not think there need be any apprehension at all concerning the application of section 3, as I believe is amply verified by the letter from the minister to the mayor of Toronto, from which I have just quoted.

Hon. Mr. Walker: Honourable senators, may I ask the honourable Senator Lambert a question? Do I take it from the honourable sponsor's remarks that on behalf of the Government he is suggesting to us he has not been impressed by the arguments we have made, and that section 30 should stand without amendment?

Hon. Mr. Lambert: I was very much impressed by the statements made by the honourable senator and others with respect to section 3, rather than section 30. That is probably the "red light" that was pointed out by Senator Hayden on the day on which I introduced this bill. But certainly so far as section 30 is concerned, I see no need for

concern on the part of my honourable friend or any of his associates in Toronto for, as I tried to indicate, in this communication from the minister he has assured the mayor of the intention of maintaining complete autonomy of the present commission.

Hon. Mr. Walker: Then we have been wasting our time, honourable senators. We are referring particularly to section 30 and also to section 3, and without an amendment to section 3 and without an amendment to section 30 and/or the schedule, all of us from Toronto—in any event, the ones I know of—will be very disappointed by the attitude of the honourable senator who is sponsoring this bill. We were presuming that in giving this bill second reading we would have the opportunity in the Senate committee to amend this, and I was under the impression from talking to the honourable Minister of Transport that he too recognized the necessity for a change.

Hon. Mr. Lambert: If I may say so, the purpose of having this bill referred to the Standing Committee on Transport and Communications is that every clause of the bill might be examined, and of course there will be full opportunity to amend clause 3 which seems to be the most contentious one. Whether it will be amended or not is not for me to say at the moment. I think we should await the views of the committee after hearing evidence from the department.

Hon. Mr. Walker: Does the honourable senator realize that without supporting material we have no assurance the bill as it stands is sufficient to protect the City of Toronto? For that reason it is not satisfactory to any of us from Toronto who have made remarks on it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

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

THE ESTIMATES

MOTION TO REFER VOTE 15 TO FINANCE COMMITTEE—ORDER STANDS

On the Order:

Resuming the debate on the motion of Honourable Senator Pouliot, seconded by Honourable Senator Gershaw:

That Vote 15, Translation Bureau, in the Estimates of the Department of the Secretary of State and the Estimates of the Department of Public Printing and Stationery, contained in the Estimates for the fiscal year ending March 31, 1964, tabled in this House, be referred to the Standing Committee on Finance for inquiry and report.—(Honourable Senator Croll).

Hon. Jean-François Pouliot: Honourable Mr. Speaker and honourable senators, this motion is under the name of the honourable Senator Croll due to a misunderstanding. I moved the adjournment, and the name of the honourable Senator Croll was put in instead of mine. I spoke to my honourable colleague about it and he fully agreed that my name should be substituted for his on this item.

I simply rise to correct the mistake, and I ask that the order be allowed to stand, but in my name, please.

Some Hon. Senators: Agreed.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, October 24, 1963

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

Prayers.

PRIVATE BILL

PACIFIC TRANSMISSION COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-40, to incorporate the Pacific Transmission Company, and had directed that the bill be reported with the following amendments:

1. Page 1: Strike out the title and substitute the following:

"An Act to incorporate Triassic Products Transmission Company."

2. Page 1, clause 1, lines 13 and 14: Strike out the words "Pacific Transmission Company" and substitute the following: "Triassic Products Transmission Company."

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

Hon. Mr. Hugessen: With leave, I move that the report be adopted now.

Honourable senators, this is a bill to incorporate a pipe line company, and contains all the usual clauses with which we are very familiar.

The only amendment suggested is as to the proposed name of the company. The bill as introduced was for the incorporation of a company under the name Pacific Transmission Company. When it came before the committee in the first instance there was an objection to that name from another company with a similar name. The sponsors have come back now with the suggestion of a new name, Triassic Products Transmission Company. Your committee this morning had a report from the Department of the Secretary of State to the effect that they had examined all the names of existing companies—and, as honourable senators know, they have a very complete list—and that this proposed new name does not conflict with any present name.

Hon. Mr. Macdonald (Brantford): Before this motion is carried, I for one would like to know—perhaps all other senators know—what the new name means or signifies.

Hon. Mr. Hugessen: It is a geological term and relates, I understand, to geological formations of the earth which came into existence about a million and a half years ago.

Hon. Mr. McCutcheon: That is a wonderful explanation.

Report adopted.

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING

Hon. Arthur L. Beaubien, Acting Chairman of the Standing Committee on Standing Orders, presented the committee's second report:

> Your committee recommend that the time limited for filing petitions for Private Bills (other than petitions for bills of divorce) which expired on Friday, August 2, 1963, be further extended to Friday, October 25, 1963.

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

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

Report adopted.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the following report of the committee on Bill S-32, to amend the Marriage and Divorce Act:

> Your committee recommend that authority be granted for the printing of 1000 copies in English and 1000 copies in French of their proceedings on the said bill.

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

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

Hon. Mr. Brooks: May I ask the honourable senator why the number of copies to be printed in English and in French is in a different proportion than is usual in the case of other bills? I understood that the proportion was always based more or less on population.

Hon. Mr. Bouffard: The reason is that the measure to be studied in committee principally affects the province of Quebec, and therefore it was felt that 1000 copies in French would not be too many.

Hon. Mr. Brooks: Thank you.

Report adopted.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, October 29, at 8 o'clock in the evening.

Motion agreed to.

NATO PARLIAMENTARIANS

TOUR OF EUROPEAN MILITARY BASES

Hon. Gordon B. Isnor rose pursuant to notice:

> That he will call the attention of the Senate to the NATO Parliamentarians' tour of NATO Military Bases in France, Germany, Italy, Turkey, Norway and England, 5th September to 23rd September, 1963, and in particular to the participation therein of the delegation from Canada.

He said: Honourable senators, before presenting the notice which appears in my name on the Order Paper, I consulted with my colleague Senator Allister Grosart as to the wording, and we decided that it would be in the interest of NATO and to the benefit of all that we give you a report on our tour of military bases. In doing so I think my first words should be to thank Honourable W. Ross Macdonald, P.C., for extending to me the privilege of taking this trip and the opportunity of learning firsthand the objects and the activities of the North Atlantic Treaty organization. I also understand that in general the names were approved by the Prime Minister, and so I wish to personally extend my thanks to him as well.

Hon. Mr. Macdonald (Brantford): He should get the first thanks.

Hon. Mr. Isnor: He may be in the first place but the opportunity came to me in the order which I have stated, first from the Leader of the Government in the Senate.

With reference to the Prime Minister, may I say that more than one of the delegates of the various nations attending the meeting referred to Mr. Pearson, inquired as to his health and appeared to be—and I don't say this in a political sense—very happy that he was occupying the position of Prime Minister of Canada. They made particular reference to the important part that he played in the committee of three dealing with military co-operation at NATO. I see the honourable Leader of the Opposition smile when I refer to the Prime Minister. It was my wish to make the reference in a nonpolitical sense.

Hon. Mr. Brooks: I was just suggesting that perhaps the delegates you mention were happier than the Prime Minister is at the present time.

Hon. Mr. Isnor: Those who made reference to Mr. Pearson were completely honest in their remarks.

The next person to whom I wish to make reference is my colleague, whose name I have already mentioned, Senator Allister Grosart. No doubt those who sit on the other side will entirely agree with me when I say that I found him an exceptionally well-informed travelling companion; he was well versed on the subject, which I must confess I was not. He had a wide knowledge concerning NATO and the various countries composing it, and he was a real help not only to me but to other members of the delegation. Perhaps that quality results from his training in good will. He was an exceptionally fine type of delegate to send on a tour such as this. I think he is the kind of person who should be sent as a delegate from Canada to other countries, one who will make a good impression—and he certainly did that—on delegates from other countries. I want to pay that tribute to him particularly in view of my previous remarks about the Prime Minister.

Honourable senators, with your permission I shall stay fairly close to my notes. As you know, I seldom use notes, but I thought this was a sufficiently important subject to make a certain number of notes so as to place before you the objects of NATO and to give you a background of our tour. May I say that my colleague will give a much more comprehensive coverage of our tour of NATO bases visited by our delegation than perhaps I could do. I shall simply refer to the fact that of the 15 countries represented in NATO, 13 were represented at this conference. Thirteen out of 15 nations represented there is an exceptionally good showing, and indicates the interest which these countries display with regard to NATO and its purposes.

While I am sure you are all aware of the fact, I mention in passing that the North Atlantic Treaty was signed on April 4, 1949, for the purpose of

> safeguarding the freedom, common heritage and civilization of their people, founded on the principles of democracy, individual liberty and the rule of law.

As well as constituting a defensive military alliance, all member countries consider an

armed attack against any one or more of them as an attack against all. The treaty also aims at developing political, economic, social and cultural co-operation between member countries. I would say that adherence to the objectives I have just defined was displayed at every one of our meetings and among the members individually during the entire trip. This was quite noticeable, perhaps more so in the case of some countries than others. I have particular reference to Turkey and Italy, whose delegates were quite outspoken with reference to the defence position of their own countries. Perhaps my colleague will elaborate on this point, but I believe there was a general feeling throughout the entire 13 delegations in attendance that they were all interested in the objectives of NATO.

Perhaps I should enumerate the 15 member countries of NATO, and I shall give them in alphabetical order: Belgium, Canada, Denmark, France, the Federal Republic of Germany, Greece, Iceland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Turkey, the United Kingdom and the United States of America.

If I may, I shall give each of you a copy of the map very kindly prepared for me by my colleague Senator Grosart, so that you can follow pictorially my word picture of our travels from London to France, to Italy, to Turkey, back up to Norway and the extreme northern portion of Norway, on to West Germany and then back to London ready to return home.

The seat of the North Atlantic Treaty Organization is in Paris, where we spent the first three days of our tour and there received a briefing and full instructions as to the various bases we were later to cover in our trip.

I think it can be said that the foundation of NATO is built on the Brussels treaty of March 1948, already mentioned; and on the spirit of objects of the United Nations—in brief, to safeguard the freedom of its peoples.

From my somewhat short but rather intensive study and observations, I believe NATO is living up to and fulfilling its purposes, aims and objects; and it would appear from what I learned at the briefing and study group sessions that all member countries have developed remarkably close and effective co-operation in connection with all their problems, and have fully adapted themselves to the conditions of "peaceful co-existence".

I think it is absolutely necessary, honourable senators, to place these matters before you, particularly in the case of a trip of this kind, to make known to many of you who, perhaps like myself, were not particularly concerned about NATO and what its objects are. We did not understand the objects of NATO before we were obliged to study the organization and take a trip such as this. For that reason my colleague and I thought we should place this report before you; we also hope it will receive publicity, thus creating increased interest in the organization.

With this background of NATO as an organization, may I now be permitted briefly to mention a few of the outstanding features of the tour.

I refer first to the arrangements. None of us could have asked for a better organized duty tour. While the officials of the different countries we visited—namely, France, Italy, Turkey, Norway, West Germany and the United Kingdom—looked after the Canadian delegation in a manner which left nothing to be desired, I feel that credit must also go to our Canadian branch of NATO, and particularly to our Mr. J. Gordon Dubroy, secretary-treasurer of the Canadian NATO Parliamentary Association, who accompanied the delegation and looked after all details such as hotels, transportation, passports, early morning calls and many other tasks which go toward making a tour such as this a smooth-running and successful undertaking. In mentioning early morning calls, I must say he also looked after us in other ways; he tucked us in pretty well at night and made sure that we were in at a respectable hour so that we were able to maintain the good name of Canada everywhere we went.

At this point I must pause to pay tribute to our own Canadian diplomatic corps for the attentive, courteous treatment accorded us on all occasions. This applies to all ranks, from the highest in authority to the drivers of cars which conveyed us from points of arrival to those of departure.

Our NATO Parliamentarians' tour lasted from September 5, when we arrived at NATO headquarters in Paris, until September 23, when we arrived back in Ottawa. It was a strenuous tour; we were on the go from early morning, travelling day and night, by air, land and water, and always on a tight schedule from base to base for briefings and examination of defence bases. It included mountain climbing, bus and jeep journeys, and travel by ship for a distance of something like 40 to 50 miles along the Kiel Canal. Here we saw Japanese ships and the fortifications on either side, and we were also briefed as to what was likely to take place in the event of Russia or any other country attacking that particular section of NATO.

Perhaps one of the most exciting exercises took place in the Italian Alps when we witnessed the Alpine troops in battle dress, scale the mountains, supported by field artillery. We were taken there first by bus, as I have already mentioned, and then by jeep until we reached a certain point. Here we looked up at mountains ranging in height to 5,000 and 6,000 feet. The troops were 2,100 feet from that particular point. They were young Italian troops, 19 to 21 years of age. They were given educational training during their term in the army, and then were taught mountain climbing and defence tactics. They put on a splendid show for us. They were camouflaged so that one could hardly discern them, except for those who were climbing the almost perpendicular heights; they were dressed in red but we were able to follow them until they reached the summit and sent up a smoke signal to say that they had reached and captured their objective.

Honourable senators will have read in the newspapers about a week ago of the terrible calamity which befell that section of Italy in the mountains where the floods took place and 3,000 or more Italians lost their lives. We were near that place at the time, and we saw the Vaiont Dam, built only three years ago, 873 feet high, one of the highest in the world, at the foot of which was a four-mile-long artificial lake. The valley was swept by a wall of water after a mountain landslide plunged into the towering dam resulting in the death of an estimated 3,000 persons. I am sure I am expressing the sentiments of each senator here as well as of the Canadian public in general when I express our sympathy to the people there who have suffered so much.

Coming back to our schedule, our tour actually opened on Monday, September 9, with a morning briefing at NATO headquarters, Paris. That afternoon our entire group proceeded to SHAPE, where a briefing was given on the role of NATO forces.

Early Tuesday, September 10, the group departed for Orly airport where they boarded an R.A.F. Comet. At noon the plane arrived at Naples airport where we were met by the Commander-in-Chief, Allied Forces, Southern Europe. Following luncheon the delegates participated in a prolonged briefing concerning the role and duties of NATO forces in the Mediterranean. In the mid-afternoon we took the train for Izmer, Turkey, arriving there at 10 p.m.

The following morning we participated in a briefing by the staff of the Commander-in-Chief, Landsoutheast. These briefings, it should be said, not only covered many aspects of defence but also dealt with economic conditions. I think they brought out more than one good point. We were able to speak with respect to Canada's trade, and there was a general discussion in regard to the economic conditions of those countries. I think progress is being made there. In some of the countries we visited one would almost think he had been moved back centuries in time; but, on the other hand, they all show the real marks of development, and this is particularly so in West Germany.

On Saturday, September 14, we took off from Treviso, Italy, for Oslo, Norway, where we had a free day on Sunday. Early the following morning we were off to the far north of Norway, and there received a briefing on the defences of the Northern Wing of the NATO defence line. That same afternoon we went to the very tip of northern Norway and were within a few miles of the Russian border. It was there that we took a look across the wall dividing east and west. We saw a line of fences and defences with its watchtowers, and we saw the Russian sentries on guard with their muskets. We saw all this through field glasses provided to us for the occasion. It was comforting to know that we were on the safe side. We were then at the northern tip of Norway, as I have said, at Kirkenes.

We left Kirkenes by a freight-carrying box-car aircraft. We were obliged to wear a Mae West type of suit, and were instructed how to jump and release our parachutes in case of accident. We did not have an accident, nor were we obliged to jump, otherwise I would not be here today making this report.

Honourable senators, I have covered the greater part of our tour. All that remains to be said is that we travelled from Norway to West Germany, from there to London, and from there back to dear old Canada, where we arrived tired but happy in the thought that we live in such a fine country. Believe me, the sight of Ottawa looked good to all of us.

In conclusion, I extend my thanks to those who made it possible for me to be one of your Canadian NATO delegates.

Hon. Allister Grosart: Honourable senators, it is difficult to know where to begin in making a detailed report such as Senator Isnor has graciously suggested I make to you about this 3,000-mile tour of the front line of NATO.

Senator Isnor has been very kind in his personal remarks, and that does suggest to me a starting point. In that respect it is a help. In another it may be a hindrance because it might be suggested that what I am about to say about him is said merely by way of reciprocal courtesy, but that is not the case. What I am about to say about Senator Isnor is what I was asked to say by many others,

including the members of the Canadian delegation.

It is not too much to say that I speak for all—for the members of our delegation, our hosts and all we met—when I assert that Senator Isnor in very full measure won the admiration and respect of all of us for his courage and stamina under circumstances that tired many not much more than half his age. I know that he was on many occasions tired himself, as he has said, but it is my duty to report that on this quite strenuous tour he missed not a single early morning rise, not a single briefing, inspection tour, luncheon, dinner or early evening activity.

Hon. Mr. Choquette: Was he tucked away really early at night?

Hon. Mr. Grosart: I must say that he did miss—and it is a tribute to his wisdom that he did—a few of the late night sessions. I thank him for stopping where he did in his account of my own activities.

He has referred to the trip from the airport at Bodø, which is one of the fine NATO airfields situated right at the Arctic Circle, and I shall not soon forget seeing him strap on 60 pounds of parachute and Mae West equipment, as he told you, and doing it with a cheerfulness and alacrity that suggested he had been doing this kind of thing all his life.

There was no official head of the Canadian delegation, but it is a tribute to Senator Isnor that from the very beginning we unanimously recognized him as our natural leader. In that capacity he added immeasurably to his own distinction wherever we went, and to the distinction of the Senate of Canada, and Canada itself.

Indeed, whenever I was asked, as I sometimes was, by, shall I say, jealous parliamentarians from other countries as to how it was that we maintained the tradition of appointing senators for life, I invariably replied, "The best answer I can give you is Gordon Isnor". That answer sufficed all those who saw the qualities he showed on this trip.

With your permission I would make my report under four main headings. I ask your indulgence because I am afraid my talk will be rather lengthy, the reason being that the subject is very important. In this connection I would refer you to a statement in the current annual report of the Department of External Affairs. The section on NATO begins with these words:

> Support for the North Atlantic Treaty Organization continues to be one of the cornerstones of Canadian foreign policy.

Secondly, I think it is important that there be some record or report from Canadians who go on these trips, because one of the things we noticed over there was that those from other countries do make rather more lengthy reports than we do, and that omission is noticed.

The four headings under which I should like to discuss the tour are:

The personnel and purpose of the tour.

The role of NATO in the defence of freedom.

Our allies on the European front line.

Problems and prospects.

The tour was unique in that it was the first time that there has been a NATO parliamentarians' tour of the front line. Therefore, it was a military rather than a parliamentary tour in the restricted sense. I emphasize the fact that it was a tour of the front line, and it is for this reason that we missed a few countries.

There were about 36 in our delegation which was headed by Lord Crathorne, president of the NATO Parliamentary Association. Honourable senators will remember him as the Right Honourable Tom Dugdale, a member of the United Kingdom cabinet. Associated with him from the United Kingdom were Lord Teynham, D.S.O., D.S.C., ex-Royal Navy, Sir Fitzroy Maclean, whose amazing exploits in the Second World War are well known to us, and Colonel George Wigg.

From the United States there were six congressmen, all members of committees whose activities have much to do with international affairs. They were Congressman Staggers from West Virginia, Congressman Berry from South Dakota, Congressman Mosher from Ohio, Congressman Clark from Pennsylvania, Congressman Selden from Alabama and Congressman Morse from Massachusetts. They gave an excellent account of themselves and showed a tremendous interest in every aspect of NATO, and understandably so in view of the tremendous contribution the United States has made not only to the build-up of the defence line itself but to the economies of most countries of Europe.

It was quite noticeable that most other delegations placed far more stress on continuity of representation than we seem to do in Canada. For what it is worth, I would recommend to those who have responsibility in these matters, that some consideration be given to having at least two semi-permanent members on these overseas delegations.

It is quite obvious that those who have been over there before are warmly welcomed back and that their former contacts are invaluable to them. Their return visit gives assurance to people in Europe that we in Canada are trying to build up a group of well-informed parliamentarians, able to give counsel and advice on these important matters on the basis of regular on-the-spot observation.

I will not name the members from the other countries. Honourable Senator Isnor has listed the 13 countries which were represented. Those representatives were all distinguished in their own public affairs and most of them had been on NATO tours before.

Our own Canadian delegation comprised, in addition to the two representatives of the Senate, four members of the House of Commons, that is to say, Mr. Murdo Martin (Timmins), Mr. William Skoreyko (Edmonton East), Mr. Raymond Langlois (Mégantic), and Mr. David Groos (Victoria, B.C.). They gave an excellent account of themselves. Some of them had been there before and their knowledge stood them in good stead. Mr. Groos had the additional advantage of the invaluable experience he had gained as a captain in the Royal Canadian Navy.

I wish to join with Senator Isnor in the tribute he has paid to Mr. Gordon Dubroy, the Second Clerk Assistant of the House of Commons. It is a tribute to him that he personally is held in the highest respect in NATO circles overseas. It is not too much to say that without his help and guidance, so freely and so generously given, the trip would not have been as successful for the rest of us as it was.

Perhaps I should also join with Senator Isnor in thanking those who made it possible for me to go on this trip. It is a little difficult for me to know just how far I should go. I certainly thank my own Leader on this side of the house. I am not altogether sure whether the Prime Minister was responsible for my being in this particular group.

Hon. Mr. Macdonald (Brantford): I am sure he was very happy about it.

Hon. Mr. Grosart: Then I wish to say that I am thankful to him for allowing my name to stand.

I come now to the purpose of the trip. What was its purpose? I think the only people who could answer that fully are those in NATO who arranged the trip. However, one may be entitled to make some guesses. I would suggest that primarily we were asked over there to see for ourselves and confirm the fact that this front line of NATO in Europe is indeed the front line for all NATO countries and the front line of freedom in the world. I for one came back convinced that that is so.

When it was first set up there was a tendency to think of that front line in what was called the "trip-wire" concept—a trip-wire to alert those of us farther back that there was an attack coming. Today that concept is completely outmoded. The front line as we saw it is in itself a major deterrent to aggression and therefore a major preventative of war. This is to some extent a new concept. The old idea of waiting for the great retaliatory arsenal of the strategic air command in the United States to come in, or for the threat of it to deter war, is gone. Today people are thinking in terms of many kinds of attack—possible conventional attack—and the thinking in NATO, as related to me, is that the front line must be a complete complement to the deterrent of the retaliatory arsenal. This would seem obvious. They talk a good deal over there about "salami" tactics. By that they mean the possibility of the Russians slicing off a piece of NATO territory and sitting there and saying to us: "What are you going to do about it? It is up to you in the West to make that dreadful decision to turn this into a nuclear war."

Therefore, this front line is infinitely more important today than it was in the earlier thinking because, as long as we can hold that line—and NATO strategy is now completely committed to the concept of strengthening that line—the less possibility there is of that frightening decision having to be made by the West.

As long as that line is held the decision to start nuclear war is on the other side of the Iron Curtain. I am sure all honourable senators will recognize that this is beyond mere military strategy. It comes close to our hearts, for I am sure none of us ever wish to see our side in the position of saying: "All right, if you do not get out of Finmark"—which is a small area in the north of Norway—"or if you do not get out of the area you have occupied in the Thracian Plain in Turkey, we will start a nuclear war."

I think the second purpose of the tour was to impress on us that NATO is much more than a military alliance. If it is to fulfil its military function, it seems clear that we will have to help to build up the economic, civilian, logistic potential behind the lines, particularly in areas such as Norway, Turkey and Greece, which are in vital spots on the ramparts but which do not have the industrialized economy, although some have the population, which will support on their sector of the front the kind of military structure that we need as members of NATO to make sure that there will be no break-in anywhere in our defence line.

In that respect, it seems to me there will have to be more and more partial pooling of national sovereignties. There has been some; I think there will have to be more.

The third main purpose of the trip was to let us see what some of our gallant allies are doing over there. No one who visits that front can come back unconvinced that they are more than doing their bit for us. The NATO front is contiguous with that of the

Soviets in only two places, two very small fronts. One is in the north, at Kirkenes in Norway, which we visited, where the front is only 150 miles. This is north of Sweden and Finland and it is one of the real danger spots.

Far to the southeast, away over by Mount Ararat in the east of Turkey, there is another front of about 350 miles where Turkey faces the Soviet Union. Between those two points there is what might be called the cushion of the satellite countries. It is not for me to say which position is the most dangerous along that front.

The southeast front has a special importance because this is the hinge between the NATO alliance and the CENTO Alliance—the Central Treaty Organization. Today that central alliance takes in Turkey, the only member of both alliances, Iran and Pakistan. What is the effect of the joining of these two alliances? It is a remarkable fact that the only breakout point the Soviet has in the world where it is not confronted by members of one or other of the alliances—our contacts with CENTO are very close, and the United States has mutual defence alliances with these countries—are Afghanistan and China; and if the Soviet Union complains that by our alliances we have encircled them, I would say it is a just complaint. I think the more thoroughly and completely we encircle that volcano in the middle of the world the better it will be for the West in the long run.

I must say that we came away with renewed admiration for the determination of those people who are holding the line against possible aggression, particularly Turkey, Norway and Greece, which do not have the economic potential to support fully their military obligations under the alliance. Those countries are determined not to yield a single square foot of territory, and one cannot but take notice of their firm hope that the rest of the alliance will not let them down by agreeing under any circumstances, whether for strategic or other reasons, to yield a single foot of NATO territory to any aggressor, for if we should do so no one knows where it would stop. It is an article of their faith in their alliance with us and our alliance with them that we will hold to that concept. It is not exactly spelled out in the NATO Treaty, but is nevertheless implicit in that treaty and also in the promises we have made in which we have agreed with those who are in the front line, that we will not come along some time and say, "Well, for particular strategic reasons we had better let the enemy occupy a piece of your territory." We must not concede in that manner, any more than we in Canada would want the NATO countries to say to us, "Well, for strategic reasons it is all right for the Russians to occupy a few islands in the Arctic."

From my experience, that is the faith that has to be developed, more than anything else, if NATO is going to perform its important function. They simply must believe us, and this goes to the heart of all discussions about who is to have the nuclear deterrent, whether it is to be the U.S. Strategic Air Command, or the United Kingdom, or France, or a multi-national European force. To the extent they appear to want the deterrent I would say this is the measure of their concern, that they may not be able to call on a retaliatory deterrent "as of right." In other words if they do not have some kind of retaliatory deterrent over there they realize that the United States, or whatever country has it, will have to make the agonizing decision of starting an all-out war over a certain small piece of territory in Europe.

I come now to the role of NATO generally. NATO today is a defensive alliance. It is a 20-year pact, now in its fifteenth year. I would say that in terms of its objectives it has been highly successful. There are three NATO fronts: the European front, the Atlantic front, and what we may call the Canadian or Canadian-Alaska front. Each front is approximately 3,000 miles in length.

The first thing that strikes an observer is that the conception of the defence of one of these fronts, namely, the North American front, is very different from that of the other two.

The European front and the Atlantic fronts are under direct NATO commands, known respectively as SACEUR—Supreme Allied Command Europe, and SACLANT—Supreme Allied Command Atlantic. In each case there is over-all planning and command, and forces are specifically assigned to NATO under the control of the council of NATO. This control is exercised through (a) the Military Committee in which all nations except Iceland are represented, and (b) the Standing Group, composed of the United Kingdom, the United States and France. Looking at it in the over-all picture in each case it is an integrated military force under centralized command in a planned defensive posture.

In the case of the North American front there is no such integrated command in the NATO sense. Instead, the responsibility of defence here rests with a United States-Canadian regional planning committee, something very different from an integrated military command. I wonder whether this is an adequate type of defence for us, and whether it is quite fair to our friends over there for us to say to them, "This integrated

command, this pooling of sovereignty, is all right for you on your front, but not for us on our other front."

In that connection, I should like to read part of a searching analysis made by Alastair Buchan in his book entitled *NATO in the Sixties*.

> The command structure of NATO is for the most part the best compromise that can be devised between national interests and military necessity, but there is one serious gap in it. This is the defence of North America which involves two members of NATO but which is divorced from the NATO Command Structure or the responsibilities of the Standing Group. It would be unrealistic to expect the U.S. to place SAC (Strategic Air Command) under NATO Command, or to accept a NATO Supreme Commander for North America. But there is one headquarters which is already international in the sense of being Canadian—American—namely, North American Air Defence Command. NORAD provides the air defence and early warning for the whole of North America, and it is on its reports that SAC alerts its aircraft or missiles. It is worth considering whether this should be made formally into a NATO Command under the Standing Group with at least token British and European representation, in order to emphasize to NATO public opinion, and to Moscow, that the defence of the whole NATO area is now one problem. NATO commands for each of the two land masses (even if different in kind) and one for the intervening seas, would provide a truer perspective on the real problem of the Alliance in the 1960's—than the present lopsided equation of NATO with Europe alone.

This is part of an ideal towards which I think every effort of our two North American NATO countries might well be directed as quickly as possible. It need in no way alter any essential existing bilateral defence agreements we have entered into with the United States, but I can assure honourable senators that any progress we can make along this line would be for our own mutual security and will pay dividends in the confidence that it will give our friends on that other front line where we want them to hold the line as we will hold it for them here. It is much more than a matter of the specific parcels of real estate involved, or the defence strategy to be employed on this or that NATO front. To them it involves the important question of whether we really believe that this NATO defence front is a common front and that we are prepared to co-operate fully with them in planning for the defence of the whole front.

I say that anything we can do in that respect will be a move in the interests of our own security. I would agree with Buchan that it may be too soon to ask our American friends to go quite this far. Over the years they have more than proved their faith in the over-all concept of forward NATO defence of the European front. It is my own impression that they can hardly be given too much praise and credit for what they have done to build up the military and civil potential of the defence of NATO in Europe. They have given the most generous consideration to national viewpoints even when these conflicted with over-all strategic structures for which they were bearing the major cost. Additionally they, as the leading power of the free world, have grave and costly commitments on east-west fronts in other parts of the world.

Canada is not in the same position. Nevertheless, we too are a front-line nation—the front-line nation of the North American NATO front. We sometimes forget that fact.

I wonder if it is not worth consideration, therefore, that in consultation with our American friends, and without disturbing our present bilateral undertakings in North American defence with them, we offer to accept a SACCAN command—Supreme Allied Command Canada. Under the present NATO pattern our national forces would remain under national command. SACCAN would almost certainly be a Canadian command. All it would mean would be, first, a gesture of good intent and, secondly, a move to integrate the planning of the whole NATO defence all across the 9,000 mile front.

NATO is not a supra-national organization. Its supreme authority is a council in which each of the 15 nations has one vote and whose decisions must be unanimous if they are to have effect. This, of course, is at one and the same time the strength and the weakness of the alliance. But it has worked, and worked well.

Perhaps because NATO was hurriedly established in the face of those ominous threats to the Western world of the late 1940's, it has a built-in constitutional elasticity in the best traditions of democratic institutions. It has worked out its own ways to handle political problems otherwise insurmountable. It has allowed wide diversities from the norm of conformity, and thereby strengthened rather than weakened the basic structure.

As to the nuclear problem I think the consensus is that NATO is working it out rather well, making good sense of this question of

the combination of the nuclear strike force of SAC with national nuclear forces. Whether you call it tactical or strategic does not matter much. When you get into the nuclear field the old distinction fades away. They are coming to this combination where we will have American strategic air command, probably France with its own nuclear weapons, the United Kingdom with its own, and possibly a NATO multi-national force.

It was said that it was inconceivable to have anything like this a few years ago, but the flexibility of NATO has worked out.

NATO shows remarkable wisdom in allowing to individual nations the free choice as to whether they want nuclear weapons or not within their own boundaries. This again I think has strengthened rather than weakened NATO. One has only to re-read the earlier definitions of the Sword and Shield of NATO to recognize how the concepts of the Sword and Shield are changing internally without in any way affecting the original concept of collective defence.

Hon. Mr. Reid: May I ask the honourable senator a question? In your travels looking over the NATO military bases did you find that any consideration at all was being given to the defence of Alaska, which to me is our back door? All eyes are focused on Europe, yet Alaska is right close to Russia. Have you heard in your many travels anything about the defence of Alaska?

Hon. Mr. Grosart: That is a very interesting question, Senator Reid. I can only say that our tour was concentrated on the European front. The suggestion I have made of the possibilities of a SACCAN command might very well be developed into a SACCAN-ALASKA command, if our American friends feel they do not want to integrate the whole of the defence of their part of the land mass of North America. The Americans have their own plans for the defence of Alaska and I am quite sure we do not have to worry much about it.

Honourable senators, I was talking about the original concept of the Sword and the Shield. May I just read this brief early definition, because it is still as true as ever that the twin-armoury of NATO-Europe is:

> The Sword: "Composed of long-range retaliatory forces that can strike back immediately and decisively with devastating effect...."
>
> The Shield: "Composed of land, air and seas bases deployed in forward NATO areas, equipped with both conventional and atomic weapons that provide tangible evidence of SHAPE's readiness to defend every inch of its own area of responsibility...."

NATO, as someone has said, is a "long process of hammering out unity on the anvil of necessity."

For Canada, it meant a reversal of the peacetime policy of 30 years' standing. For the United States, it meant a reversal of a policy of military nonalignment with Europe in peacetime, dating back to the farewell address of the first President, George Washington.

For Norway, it meant a difficult decision to go a different way to that of its close neighbour, Sweden, and a drastic change in policies which had brought it peace for 126 years prior to 1940. For Denmark, it meant a similar change in policy covering 76 years of its history up to World War II. For France and Germany, we all know the agonizing reappraisals of old enmities. For Greece and Turkey, it was a new and historically unbelievable friendship and alliance. We stood on the beach at Ismir, the old Smyrna, where that dreadful massacre of the Greeks had taken place. We stood there on what our Turkish friends called Independence Bay. That beach had run red with the blood of Greeks. We stood shoulder to shoulder with Turkish and Greek delegates in what to me was a most imposing demonstration of what NATO can do to bring peoples together. And, of course, one of its greatest single achievements has been to bring Western Germany into the Alliance. If you had stood, as we did, in the harbour of Kiel—Turplitzhaven—you would know it is something remarkable that the great port of Kiel is today a bastion of allied strength in Europe.

Professor Corry has said that NATO was born out of the hard lessons of World Wars I and II, learned at frightful cost. Certainly NATO has brought about a flexible balance, a workable balance, between the military potential of NATO and the U.S.S.R.

As we read the report of the Committee of Three, referred to today by Senator Isnor, of which the Prime Minister of Canada was a member, we discover that NATO is an historical rather than merely a contemporary alliance. It is true, of course, that the immediate genesis of NATO was the events of the second half of the 1940's, to which I have already referred. The Red thrust into Greece in 1946 was repulsed largely with United States aid.

In 1947 there occurred the communist takeover of Hungary, Bulgaria, Roumania and Poland.

In 1948 Czechoslovakia went behind the curtain and we had the Berlin blockade, and up to that time the United Nations had been rendered powerless to protect the peace because of 30 successive Soviet vetoes in the Security Council.

In 1949 NATO was formed, first of all by 12 nations, later to be joined by the other three.

Then came Korea in 1950, and by the mere accident of the absentee Soviet vote in the Security Council, the United Nations stepped in to protect the peace of the world.

In the wake of that frightening experience we saw the final awakening of the West to face up to the new conditions and post-war world. NATO was immediately broadened out, unified and integrated. Behind the military integration came what is certainly the greatest example of co-ordination of political and economic forces in all history.

Such was the compulsion of the events of 15 to 20 years ago. But behind them is the fact that NATO Europe is the cradle of western Christendom, the heartland of democracy, the birthplace of the freedoms that we all cherish. This heartland was and is threatened by aggression from the outside for the first time in a thousand years. Such, in its historic perspective, is the real background of NATO Alliance.

Some will be concerned about the diminution of sovereignty in the NATO concept. Perhaps then I should say that the military structure of NATO is very flexible. All the national armies are still under national command. The defence of particularly the land area of each of the front line and other countries is still under national command. What then is NATO's role in peacetime? It is the planning of over-all defence, the integration and build-up of the armed forces, the stockpiling of weapons and the providing of this civilian logistic support behind the front lines. In wartime practically all national forces in Europe are automatically and immediately committed to NATO. The build-up of the military potential in each country is directly related to the over-all plan, and is under the supervision of, in Europe, 30 or 40 senior officers of different nationalities who are all holding NATO command assignments.

We visited 18 of the 36 major commands in Europe. The staff of SHAPE, for example, consists of about 500 officers drawn from all nations of NATO. All speak English or French, most of them both. From SHAPE headquarters is maintained immediate contact with the four main commands of NATO, Europe. They are known as AFNORTH, Allied Forces North; AFCENT, Allied Forces Central; AFSOUTH, Allied Forces South; and AFMED, Allied Forces Mediterranean. We visited three of the four, and in each of these we found this complete command integration of land, sea and air forces, together with the provision for special task forces necessary to the requirements of each region.

Perhaps I might take AFSOUTH as an example. We began at Naples, the headquarters of CINCSOUTH. From that vantage point we were able to look across this vital right flank of NATO. We were told of the plans that are being made—they are more than plans—to take care of a thrust from Austria into Italy, a thrust through Yugoslavia or Bulgaria to Greece, a thrust across the Thracian plain to the Hellespont and the Dardanelles, or a thrust through Turkey towards the great strategic resources of the Middle East. All thrusts would, of course be aimed at North Africa.

We were told of plans to bottle up the Russian fleet in the Caspian Sea, to block off the Middle East from the Russian land forces, and of the command integration between the NATO and CENTO forces.

At Naples we were briefed on two other major commands: COMSTRIKFORNOTH, that is, in effect, a naval support and strike group necessary because of the large sea areas in that command; and also COMAIRSOUTH, which is a name that explains itself. Both of these were under American generals.

Later, in northern Italy we met COMLAND SOUTH, an Italian general who gave us the amazing demonstration that Senator Isnor has described.

In Izmir, Turkey, we were briefed at the headquarters of COMLANDSOUTH EAST and COMSIXATAF, the Sixth Allied Tactical Airforce, both commanded by American generals.

Perhaps this brief outline will give some idea of the command structure that runs through the entire front line in Europe. It so happens that the number of ranking American officers is high in the southern area, but this is well balanced elsewhere. For example, in the northern command, of the 11 senior commanders one is British, six are Norwegian, three Dutch or Danish and one German. However, speaking of the American ranking officers I must report that nowhere in Europe did I find any resentment over the emphasis on U.S. personnel or policy. On this fighting man's front there are no demagogues crying, "Yankee go Home!"

Regardless of what may be said elsewhere, up in the front line they know and appreciate what American help has meant to them. If there are any strings attached, I would say they look a lot more like life-lines when you see them at point-blank range of the Iron Curtain.

I now come to a few words about our allies. Another of the great NATO achievements is what is known as the Infrastructure. This is a huge complex that has cost, to date, about $3 billion.

I have spoken of the necessity for the building up of civilian logistic support behind the front lines. This is Infrastructure's task. The costs are shared among the various nations, in various proportions. Roughly, the United States contributes 30 per cent, West Germany 20 per cent, France 12 per cent, the United Kingdom 10 per cent, Italy 6 per cent, Canada 5 per cent, and so on. I have the detailed figures, and perhaps I might, with your leave, have them incorporated in Senate *Hansard*.

Hon. Senators: Agreed.

Hon. Mr. Grosart:

NATO—Infrastructure Contributions, 1963

	Per cent
The United States	30.85
West Germany	20.00
France	12.00
The United Kingdom	10.50
Italy	5.97
Canada	5.15
Belgium	4.24
The Netherlands	3.83
Denmark	2.87
Norway	2.37
Turkey	1.10
Greece	0.67
Portugal	0.28
Luxembourg	0.17
Iceland	—
	100.00

I should say, however, that these are only the figures relating to the national contributions to the Infrastructure. They should not be taken as being indicative of the relative contribution of the various countries to the whole of NATO defence.

To give some idea of what Infrastructure has done to date, there were 2,000 projects undertaken. One hundred and sixty new airfields have been built under the Infrastructure program, and 5,000 miles of fuel pipelines laid. Apart from its obvious military importance, Infrastructure has the distinction of being the first program in history in which sovereign nations have voluntarily contributed in peacetime to the cost of military installations in other sovereign countries. There may be some exceptions in wartime, but generally that statement is true.

Another remarkable example of the practical and realistic way in which NATO is evolving is the Annual Review, commenced in 1952. This is a complete, detailed and continuous review of the military potential of every member country. They know exactly what each nation is contributing to NATO defence and its own defence. They assess the current military situation in each country, and then try to obtain commitments, remedial commitments, for the next year, and generally speaking they do. But what seemed to me most important in the short study I made of the working of the Annual Review is that they are very conscious of the necessity of relating military expenditures in any country to the economic capability of that country to maintain that expenditure.

David Bendall, a leading authority in this area, said this about the Annual Review:

> Its most striking feature is the unprecedented concept that free and sovereign nations should voluntarily submit in great detail their defence plans and budgets to the criticism of their allies; and all this in a field where national prerogatives are traditionally most jealously guarded.

To the same gentleman I am indebted for some figures I pass on to honourable senators without comment, because I think they speak for themselves. They may answer some questions that are already in your minds. These are the current defence expenditures, 1962, of the allied nations, expressed as a percentage of the gross national product of each. Perhaps again it would save time if I were to ask your leave to have them inserted in Senate *Hansard*.

Hon. Senators: Agreed.

Hon. Mr. Grosart:

	Per cent
The United States	10.8
Portugal	8
France	7.5
The United Kingdom	7.5
West Germany	6
Turkey	6
Canada	5
Greece	5
The Netherlands	5
Other countries:	less than 5

Honourable senators, I am now coming to the end of my remarks, but some of you may have been wondering about some omissions. Perhaps I should deal with those for a moment.

I have not spoken much about the contribution of the United Kingdom. The United Kingdom area is not of itself under the command of SACEUR, nor is the Channel Command, which is actually on the same level as SACEUR and SACLANT, and perhaps some day SACANADA. However, it must be said that the United Kingdom maintains large forces in Europe, as do Canada and the United States, and is making its contribution in many ways. But it has reserved the problem of the defence of the United Kingdom for its own regional political and military commands. We did, however, visit Marham in Norfolk, which is the base of the great R.A.F. Bomber Command which

has recently been committed to NATO, and this will be of tremendous importance in rounding out the whole strategic defence, particularly the quick retaliatory strike defence of NATO.

I mentioned the border at Luebeck where we spent a memorable afternoon and saw the dreadful demarcation line with its pill-boxes, barbed wire, mines, and, on the other side, the trigger-happy border guards.

I should like to speak for a moment on the role of West Germany, The Netherlands and Denmark. It is an interesting example of the degree of integration that has been achieved in NATO, that the West German naval and military forces in Schleswig—that is the area of Kiel and Luebeck—come under COMNORTH, the headquarters of which are at Oslo. This vital job of guarding the Baltic approaches and possibly bottling up the Russian fleet in the Baltic Sea is shared by German, Danish, Dutch and Norwegian troops.

One question I have frequently been asked is about the comparative military potential of the other side and ourselves. It may interest honourable senators to know that there is a good deal of work being done on this matter, and lately there has been published an assessment of the military potential of NATO countries and those of the Warsaw Pact. A summary by Admiral Biorklund of Sweden, who is regarded as an outstanding expert in this field of military arithmetic, has set forth some figures which give the West a two-to-one edge in military potential. Taking a broad field covering about 25 categories, he makes the assessment on the basis of who could win an all-out war, and he says we have this two-to-one edge. He computes that there are 6,665 units of war potential for us, and 3,390 units for the countries of the Warsaw Pact. It is interesting to note that he rates Canada as sixth among the nations in total war potential, coming after the U.S.A., the U.S.S.R., the U.K., France and West Germany, in that order.

Perhaps an indication of the importance of the alliance to our friends in the United States and to us here is the fact that the tipping of the balance of power in favour of the West is largely due to the superiority of the military potential of the NATO countries other than the United States, compared to the satellite countries of the U.S.S.R., because this expert does not give a too preponderant edge to the military potential of the United States over that of the U.S.S.R.

We did not visit Iceland, Portugal or Belgium, and this is the only reason I have omitted any mention of these countries.

Honourable senators, may I conclude by making a reference to what I consider was a very appropriate side trip to the ruins of Ephesus in Turkey. Here excavation is going on, and very soon for the first time in almost 2,000 years the four or five old cities of Ephesus will be completely excavated. Ephesus is, of course, the city of the Temple of Diana of the Ephesians, one of the seven wonders of the ancient world. It was also one of the seven churches of St. John's Revelation. It was the city of St. John himself and, by well authenticated tradition, it was the city where Mary the Mother of Jesus of Nazareth spent her last days. We saw there the chapel and the remains of the house in which she lived.

It was also the city of St. Paul. He lived here two years before beginning his mission to the Gentiles. As we walked through those ruins I stood on a spot where St. Paul most certainly stood when he was there, in the amphitheatre where the Ephesian mob rioted against him crying out for two hours, "Great is Diana of the Ephesians". St. Paul, in disgust, left the city. But he wrote a letter to his friends, the great Epistle to the Ephesians. As I stood there I found myself wondering if once again the tide of the powers of darkness of this world would sweep over Ephesus as they had done many times in history. I wondered if this was going to happen again to the Western world. The thought came to me that we believe, because we must believe, that we will triumph again because we have in our keeping all that is best in the spirit of man. It is our heritage from the ages. This was the very same thought that Paul expressed to his friends in Ephesus when he said:

> Above all, taking the shield of faith,... the helmet of salvation, and the sword of the spirit...for we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places.

So I say that now, as then, the shield of faith and the sword of the spirit of man are opposed to the hammer and sickle of the rulers of the darkness of this world. I came back from this trip with the conviction that our alliance in NATO is one of our best guarantees that once again we will triumph over the rulers of the darkness of this world.

I apologize for the time I have taken, and I thank you sincerely for your most kind attention.

PRIVATE BILLS

THE CANADIAN EQUITY INSURANCE COMPANY —THIRD READING

Hon. Duncan K. MacTavish moved the third reading of Bill S-42, respecting The Canadian Equity Insurance Company.

Motion agreed to and bill read third time and passed.

THE MANUFACTURERS LIFE INSURANCE COMPANY—THIRD READING

Hon. Mr. MacTavish moved the third reading of Bill S-43, respecting The Manufacturers Life Insurance Company.

Motion agreed to and bill read third time and passed.

ADANAC GENERAL INSURANCE COMPANY OF CANADA—THIRD READING

Hon. Mr. MacTavish moved the third reading of Bill S-44, respecting Adanac General Insurance Company of Canada.

Motion agreed to and bill read third time and passed.

The Senate adjourned until Tuesday, October 29, 1963, at 8 p.m.

28906-6—43½

THE SENATE

Tuesday, October 29, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Department of Citizenship and Immigration for the fiscal year ended March 31, 1963, pursuant to section 7 of the Department of Citizenship and Immigration Act, chapter 67, R.S.C., 1952. (English and French texts).

Order in Council P.C. 1963-1546, dated October 23, 1963, appointing the Board of Trustees of the Maritime Transportation Unions (English and French texts), together with a copy of a telegram (English text) from the Minister of Labour, dated October 23, 1963, addressed to the President of the Seafarers' International Union, requesting seamen to return to work.

THE LATE SENATOR DROUIN

EXTRACT FROM CONGRESSIONAL RECORD PRINTED AS APPENDIX

Hon. W. Ross Macdonald: Honourable senators, His Honour the Speaker has brought to the attention of the Leader of the Opposition (Hon. Mr. Brooks) and myself that on October 15 last there appeared in the *Congressional Record* of the House of Representatives in Washington tributes to the late Senator Mark Drouin, a former Speaker of this house. I feel it would be appropriate to print the report of the remarks made at that time as an appendix to today's *Hansard.*

I therefore move, seconded by the Leader of the Opposition, that the tributes paid to the late Senator Mark Drouin in the House of Representatives of the United States of America, printed in the *Congressional Record* of October 15, 1963 be printed as an appendix to the *Debates of the Senate* of this day.

Motion agreed to.

For text of report, see appendix, pp. 678-9

EMPLOYMENT

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM—FURTHER SUPPLEMENTARY ANSWER TO INQUIRY

Hon. Mr. Macdonald (Brantford): Honourable senators, a few days ago I gave an answer to an inquiry by the Honourable Senator Grosart. I have since obtained further information and, with the consent of the Senate, I should like to give that information to the house now.

Honourable senators will recall that the honourable Senator Grosart asked for certain information concerning the method of control exercised to ensure compliance with the provisions of the Municipal Winter Works Incentive Program relating to the employment of unemployed persons or persons who would be unemployed if it were not for employment made available through special projects under the program.

After I had tabled the information, Senator Grosart made certain observations which, in accordance with the undertaking that I gave at that time, I have brought to the attention of the Minister of Labour and have since had an opportunity of discussing with the minister the question which Senator Grosart raised. May I now be permitted to point out that in contributing to projects carried out by municipalities the federal Government must deal with the provincial authorities, which are the creators of the municipalities. Payments under the program are made to the provinces which in turn reimburse the municipalities.

Senator Grosart suggested that there was no check whatsoever on the expenditures of moneys under the program, because he interpreted my earlier reply, made on October 1, to mean that in submitting their claims the provinces are not required to furnish any evidence showing that the terms of the program have been complied with.

As was stated previously with respect to this question, all claims are audited by the provincial auditor. My reply should perhaps also have stated—and I regret the omission—that payment of claims is made to the province upon certification by the province that the expenditures have been incurred in accordance with the conditions outlined in the letter from the Minister of Labour to the provincial premiers, setting forth the detailed provisions of the program.

I thought that Senator Grosart, and, in fact, all members of the Senate should have this information which was omitted from my earlier reply.

Hon. Allister Grosart: Honourable senators, I thank the honourable Leader of the Government for this information, and with consent of the Senate I would like to correct what might be a misimpression of what I said.

I did not intend to suggest that there was no check made on these expenditures. My point was that there was no check made by

the federal Government, that is, by the Department of Labour, and I believe that is still so. What I find rather surprising in further questioning is that at no time did the department give me the answer that I expected and, as a matter of fact, have not yet given me the answer, which is that the act says that the Department of Labour shall accept the certification of the provinces. Had I been given that answer in the first place I think I would have made this comment: I hope we will have no more legislation of that sort which says the federal Government shall expend moneys and accept somebody else's certification.

I believe we are all happy that the Auditor General has now moved in—as I indicated the other day in this chamber—and, by arrangement between the federal Government and the provinces, is himself auditing these claims.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—ORDER STANDS

On the order:

Resuming the debate on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, for second reading of Bill S-6, intituled: "An Act to make Provision for the Disclosure of Information in respect of Finance Charges".

Hon. Mr. Croll: Honourable senators, I ask that this order stand until November 19 next.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(see p. 676)

THE PASSING OF A DISTINGUISHED CANADIAN STATESMAN, SENATOR MARK DROUIN

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey (Mr. Gallagher) is recognized for 60 minutes.

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks following my remarks today regarding the late Senator Mark Drouin.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. GALLAGHER. Mr. Speaker, the sad word has reached us of the death in Canada of Senator Mark R. Drouin, former Speaker of the Canadian Senate and friend of long standing of many Members of this body.

Senator Drouin was a prime mover of the Canadian-United States Interparliamentary Union and I had the pleasure of serving as a co-chairman with him in this group. We not only enjoyed his company on the occasions when the group met, but we learned much from him. He was knowledgeable in the affairs of government and had a wisdom that had developed over the years he served his country's government.

He was an extraordinary advocate of the best interests of Canada and, yet, he was an understanding friend of the United States. The viewpoints of this Nation always received from him fair and honest consideration. As he will be surely missed in Canada, so will he be equally missed at future meetings of the Interparliamentary Union. I am sure, however, that his spirit will long remain the guiding force of future meetings and in a larger sense his memory will always be a symbol of all the things that bind Canada and the United States in a friendship unparelleled in the recorded history of the world.

Mark Drouin was possessed of a deep warmness and graciousness that is all too rare in these hectic days in which we live. His loss is a loss to all who ever came in contact with him.

Mark Drouin was born in Quebec in 1903. He was educated at Quebec Seminary and Laval University and was admitted to the Quebec bar in 1934.

He became a most prominent member of the Canadian bar and over the years of his fruitful life, he was active in cultural, civic, political, and governmental affairs. He was, without question, one of Canada's most distinguished statesmen. His passing will be mourned by the Governments and the people of both Canada and the United States.

I am sure that all my colleagues in the Congress of the United States extend to his charming wife our most sincere condolences.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the distinguished majority leader.

Mr. ALBERT. I join with the gentleman in his tribute to a great Canadian and a great statesman of this hemisphere. I know I express, as the gentleman does, the sentiment of all Members of the House in this statement.

Mr. GALLAGHER. I thank the gentleman from Oklahoma, the distinguished majority leader.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Speaker, all of us who had the privilege and pleasure of knowing Senator Mark Drouin, the former Speaker of the Canadian Senate, were saddened to learn of his untimely passing last Saturday night.

Senator Drouin had been most active in the work of the Canada-United States Interparliamentary Group and on each of his official visits to Washington did much to further cement and increase the traditional friendship and mutual good will between our two countries.

Mr. Speaker, in the passing of Senator Mark Drouin, Canada has lost one of her ablest statesmen and the United States one of its stanch, true friends. I join with my colleagues here today and the host of his other good friends in the United States in extending heartfelt condolences to his widow and daughter.

Mr. TUPPER. Mr. Speaker, it was with deep sadness that I was informed yesterday of the death of one of Canada's most distinguished statesmen—the Honorable

Mark Robert Drouin, a member of the Canadian Senate and former Speaker of that body.

As a member of the Canada-United States Interparliamentary Group for the last three years, it became my privilege to meet several times in Ottawa and in Washington with members of the Canadian Parliament. Mark Drouin took a particular interest in this group and made many friends among Members of the U.S. Congress.

He was a very warm-hearted man with boundless energy and a tremendous capacity to make friends. At a time when relationships between the United States and Canadian Governments are becoming more strained, Mark's death leaves a void that will be difficult to fill.

Mark Drouin was a member of the Quebec Bar, former governor of St. Lawrence College of Quebec, governor of Laval University at the time of his death. He was active in many civic and social organizations. He was chairman of the Quebec Conservative Organization 1940, 1953, and 1957, and in 1955 was first vice-president of the National Progressive-Conservative Party of Canada. He was called to the Senate and appointed Speaker October 4, 1957.

Mark Drouin was an important voice in Canada and his untimely passing will be grieved throughout his country.

I feel I have lost a friend, and would like to convey to Mrs. Drouin and her daughter, Julie, my heartfelt sympathy.

Mr. GALLAGHER. I thank the gentleman for his kind words.

THE SENATE

Wednesday, October 30, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to September 30, 1963. (English and French texts).

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, October 23, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C. 1952. (English and French texts).

Order in Council P.C. 1963-1564, dated October 24, 1963, authorizing, under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for shipment of 250,000 metric tons of wheat or flour equivalent to the People's Republic of Bulgaria prior to October 7, 1964, pursuant to section 21B of the said act, chapter 105, R.S.C. 1952, as amended 1960-61. (English text).

HARBOUR COMMISSIONS BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-38, to provide for the establishment of Harbour Commissions:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

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

Report adopted.

INTERPARLIAMENTARY UNION

FIFTY-SECOND CONFERENCE AT BELGRADE —DEBATE ADJOURNED

On the Notice of Inquiries:

Hon. J.-M. Dessureault: Honourable senators, I had not expected to speak today so did not give any advance notice, but in order to comply with the request of my leader, and with leave of the Senate, I wish to call the attention of the Senate to the Fifty-second Conference of the Interparliamentary Union, held at Belgrade, Yugoslavia, from September 12 to 20, 1963 and in particular to the participation of the Canadian delegation in the discussions and proceedings at that conference.

The Hon. the Speaker: Honourable senators, has the honourable senator leave to proceed with this inquiry?

Hon. Senators: Agreed.

(Translation):

Hon. J.-M. Dessureault: In the first place, I would like to thank the Prime Minister, the Right Honourable Lester Pearson, as well as my leader, the Honourable W. Ross Macdonald, P.C., for having appointed me a delegate to the Belgrade Conference and head of the Canadian delegation.

Hon. senators, today, every member of a representative assembly has a twofold responsibility: one is to work unceasingly to solve the political, economic and social problems which his people have to face; the other consists in searching, together with the representatives of foreign countries, for the means of strengthening peace by eliminating all sorts of antagonisms which are tearing our world asunder.

With this end in view, the work of the Interparliamentary Union takes on a greater significance because the organization is now, as it were, the only existing instrument in the international field to mobilize all parliaments without discrimination as to political system or ideological belief, in order to take common action to bring about an international order which would meet present conditions.

The Interparliamentary Union proceeds by closely co-operating with the main international agencies; it enjoys a class A category advisory status with the Economic and Social Council of the United Nations. The association also concluded some advisory agreements with UNESCO and keeps up official contacts with the other specialized agencies of the United Nations. It also has regular contacts with local organizations like the European council, the Organization of American States, and the European Parliamentary Assembly.

Such common action, which I mentioned just now, takes a concrete form at the annual Conference of the Union where the representatives from all parts of the world meet in order to study the problems of the day in an effort to find a solution.

The Fifty-second Annual Conference of the Interparliamentary Union took place this year in Belgrade from the 12th to the 20th September, in the federal assembly hall of the federative socialist republic of Yugoslavia.

The number of parliaments who became members of the Interparliamentary Union had just gone up from 69 to 73, through the admittance of new members from Congo-Leopoldville, Dahomey, Jordan, and Algeria. Fifty-eight of these national parliaments were represented in Belgrade by 440 delegates, without taking into account the various officials, counsellors, secretaries and other people of their retinue.

I shall now give you the names of those who were in Belgrade as Canadian delegates to the Interparliamentary Union. I had the honour to lead the delegation as president of the Canadian group, and I tried to follow in the footsteps of my predecessor Senator Thorvaldson who had led our delegation to the last three conferences. Senator Thorvaldson is a well-known figure in interparliamentary circles, where he gleaned a valuable experience in all things concerning the business of the Union. My other colleagues from the Senate were the Honourable A. J. Brooks, P.C., Leader of the Opposition in this house, and the Honourable W. A. Boucher.

The Government representatives in the House of Commons who went to Belgrade were Mr. Alexis Caron, the member for Hull, Mr. J. A. Habel, member for Cochrane, Mr. Eugene F. Whelan, member for Essex South, and Mr. John R. Matheson, member for Leeds.

The Progressive Conservative party was represented by Mr. Louis Joseph Pigeon, member for Joliette-L'Assomption-Montcalm, and Mr. George Louis Chatterton, member for Esquimalt-Saanich.

The Social Crediters had sent to Belgrade Mr. Jean Louis Frenette, member for Portneuf, while the New Democratic Party was represented by Mr. Colin Cameron, member for Nanaimo-Cowichan-The Islands.

(Text):

I wish to make special mention of my colleagues from the Senate, the honourable Senator Brooks and the honourable Senator Boucher, who were of great assistance and support, and exceptionally good travelling companions.

(Translation):

The conference was officially opened by His Excellency Marshal Tito, head of the government, who dealt with the easing of international tension and the international role to be played by the Interparliamentary Union. Then followed Mr. Jose Vilfan, chairman of the Yugoslav group, who greeted the members of the Union, Mr. Vladimir Velebit, executive secretary of the economic commission for Europe, who read a personal message from Mr. U Thant, secretary general of the United Nations, and Mr. Ranieri Mazzilli, president of the Interparliamentary Union, who delivered a brief speech filled with inspiring and encouraging words.

The agenda of the Conference had been worked out last spring at the session held in Lausanne by the Interparliamentary Council. But it was completed on the eve of the Conference by adding a resolution introduced by the Polish group concerning measures to be taken to stimulate the easing of international tension which followed the signing of the Moscow agreement, and another supplementary item concerning the Skopje disaster.

The first item on the agenda was "The world problem of development". Mr. Colin Cameron, M.P., made a brilliant speech on that matter. Most of the discussions dealt with the importance of equality between nations as the basis of international economic co-operation to promote development; relations between industrialized nations and particularly the members of the European economic community and the emerging nations; the problem of political institutions and administrative structures in emerging countries. It was emphasized that as countries were increasingly interdependent, it was in the general interest that economic progress take place everywhere. Several delegates pointed out that, to ensure general stability, it was essential to reduce the ever-growing disparity between industrially advanced countries and those at the development stage. It is hard to sing the praises of democracy to people who lack just about everything.

All were staunch supporters of the action taken by the United Nations, especially that of the specialized agencies who assist underdeveloped countries. Even in diversity, equal rights can be achieved between states by promoting trade, devising loan and financial agreements and providing technical assistance.

A resolution was adopted in this respect urging the various parliaments to do everything possible to support the 1964 conference on trade and development problems, to promote a new approach and a new technique in international trade, to revise wherever possible the terms of trade in favour of underdeveloped countries and to break down trade barriers if need be.

The second item on the agenda dealt with space law. The conference passed a resolution inviting the national groups to urge their respective governments to reaffirm that the extra-atmospheric space must be used for peaceful purposes, according to international law and the United Nations charter. Honourable Senator A. J. Brooks made a brilliant speech on that matter, calling to the attention of the delegates the efforts made by the United Nations to find a solution to that ticklish problem.

Racial discrimination was the third item on the agenda. Mr. George Chatterton, M.P., was our delegation's spokesman in that regard. All the delegates were anxious to see the principle of equality for all human beings, without distinction of race, colour, creed, language or social status, proclaimed as it stands in the United Nations charter and the universal bill of rights. It is felt necessary that steps be taken at the national as well as the international level, to eliminate once and for all intolerable attitudes that are contrary to all human principles. A resolution to that effect was passed which invited parliaments to see to it that the principle of equality for all, without any discrimination, should permeate the education of young people, and to support the measures taken in that respect by the United Nations, UNESCO and other international organizations.

Finally, the last item on the agenda dealt with the preservation of peace. The means to increase the efficiency of the United Nations in its action for the maintenance of peace and security were studied along with the establishment of atomic bomb-free areas with reduced arms as the first step towards general and complete disarmament.

During the debate it was noted with regret and anxiety that the action of the United Nations in this respect met many difficulties and that the Organization had not yet obtained positive results in order to solve vital problems such as general disarmament, establishment of atomic bomb-free areas and other ethnic questions. However, it was recognized that the United Nations, through the committee of eighteen who favour disarmament and who have their headquarters in Geneva, have played an essential role in the successful conclusion in Moscow recently of a treaty banning nuclear tests in the atmosphere, outer space and under water.

A resolution was carried requesting national groups to use their influence with their parliaments so that they will endeavour to make every state comply with the aims and principles of the United Nations charter; that they will strive to make the United Nations the most efficient instrument possible for the solution of international problems in the economic and social fields, such as action against hunger and destitution; that they will exert every effort to achieve as far as possible complete and general disarmament; that they will urge those states which have not yet signed the Moscow treaty on the nuclear test ban to adhere to it as soon as possible. Mr. Louis Joseph Pigeon, M.P., delivered a very interesting speech on this matter.

Personally, I took part in the general debate by touching upon every resolution and dealing with the annual report of the secretary general of the Union, Mr. André de Blonay.

Honourable senators, this is only a brief outline of the speeches delivered at the Conference and of the resolutions carried with varying majorities. An official report of the proceedings will be published and will be available to those wishing additional information.

The other delegates who did not participate in the discussion played, however, an important part within the various study committees. Mr. Alexis Caron was a member of the committee for the study of political matters; Messrs. Matheson and Whelan were members of the committee for the study of parliamentary and legal matters; Mr. Frenette took an interest in the proceedings of the committee for the study of economic and social matters; Mr. Habel was a member of the committee for the non-autonomous territories and the study of ethnic matters; and Honourable Senator W. A. Boucher took part in the proceedings of the committee for the study of cultural matters.

I would feel very remiss if I failed to thank sincerely the Yugoslav group of the Inter-Parliamentary Union, for the warm hospitality shown to us.

The government and the people of Yugoslavia spared no effort to make the delegates' stay in Belgrade both pleasant and useful.

Honourable senators, you have seen in the newspapers the extent of the damage caused by the earthquake in Skopje which, last July 26, spread dismay throughout the Yugoslav people. Within a matter of seconds, this beautiful and flourishing city of 200,000 inhabitants was but a mass of ruins; 170,000 of its citizens are homeless; 1,100 are dead; 4,000 were wounded; 80 per cent of the city's 36,000 dwellings were destroyed or so badly damaged as to be unfit for habitation; 14 of the 45 business establishments were demol-

ished. Scientific and educational institutions, banks, etc., were completely disorganized. The valuable reference works contained in the laboratories and libraries of the various faculties of Skopje were almost completely destroyed. Approximately 60,000 persons are still living in tents. And I could go on.

The delegates were deeply touched by the tragedy. The Interparliamentary committee and the conference decided to send to Skopje a delegation composed of one representative from each country. When the delegation returned, it submitted a report and a resolution was unanimously adopted to express the conference's concern over the damage caused and the distress of the city and to pay a respectful tribute to those who died in the tragedy. The conference further expressed its sympathy to the victims of Skopje whose courage and dignity are truly praiseworthy, and called on member countries and the proper national and international organizations to do everything in their power to increase international assistance before the winter causes more casualties and to help in the reconstruction of Skopje, especially by providing long term credit at a low interest rate.

Our delegation attended receptions given by the national groups of Great Britain, Australia, India, United States, Japan, Russia, Yugoslavia and others. His Excellency Marshal Tito invited all the delegates to meet him at a magnificent reception given in the Executive Committee Building situated in New Belgrade. We appreciated the kindness His Excellency showed us. I personally had the honour of shaking hands and exchanging a few words with him.

We were also extended a warm welcome by the president of the Voyvodina region at the Parliament building in Novi Sad, the capital. During the evening, we went to the picturesque citadel of Petrovaradin which dates from the sixteenth century and which is connected with the city of Novi Sad by a fine metallic bridge. It is a small town located on some kind of a cliff formed by a mouth of the Danube.

The Canadian ambassador to Yugoslavia, His Excellency Gordon Crean, and his charming wife were good enough to give a reception for the Canadian delegation to which were invited representatives of every national group. May I say how much we are indebted to His Excellency for his kind attentions to our group. He looked after us as soon as we got to Belgrade and saw to our comfort in every respect up to the time we left. On leaving Yugoslavia, we were all firmly convinced that our country is wonderfully and worthily represented in Belgrade.

I also extend my sincere thanks to Mr. P. Dumas, adviser and consul at the embassy, to Mr. R. W. Murray, first secretary and consul, to Colonel E. T. Munro, C.D., military, naval and air attaché, and Mrs. Munro, as well as to Mr. R. D. Gualtieri, third secretary, for the many services they rendered us in spite of their numerous duties since our stay in Belgrade coincided with an international trade fair in Zagreb which was attended by representatives of the Canadian government.

I should be remiss if I did not thank Mr. Tomavitch, member of Parliament and professor at Belgrade University, who was the liaison officer between our group and the Yugoslavs. He gave us a lot of useful information on his country, he accompanied us during our visit to Novi Sad, and his wife and he entertained us at a magnificent dinner.

We must also say a word about the welcome which was extended to us by the R.C.A.F. officers stationed at Marville, in France, where we spent a few hours prior to our departure for Paris and Belgrade, and on our way back. I should like to mention especially Group Captain A. F. Evant, the commanding officer of the airport, and Flight Lieutenant John D. Thomas, protocol officer, who were extremely kind and generous towards us.

After the Conference was over, Mr. and Mrs. Louis Joseph Pigeon, my wife and I went to Athens where we were the luncheon guests of His Excellency Antonio Barrette, Canadian ambassador to Greece, who is well known to many of you. I wish to thank the ambassador and his wife for their warm welcome.

My wife and I, together with Mrs. Pigeon, then visited Beirut, the capital city of Lebanon, where, unfortunately, I fell seriously ill. Without the good offices of our ambassador to Lebanon, His Excellency Paul Beaulieu, and his devoted wife, I really do not know what would have happened to me, although I had the privilege of being with my wife, who looked after all my needs.

Honourable senators, I should not conclude my remarks without saying a few words about Yugoslavia. Many consider that country to be the most fascinating in Europe. It is a country of contrasts and grandeur. It features awe-insipiring and arresting sites, a proud and captivating population. It is a state of about 19 million people composed of six

federated republics and two areas. Mr. Nehru once gave this description of that country:

> Yugoslavia is six republics, five nations, four languages, three religions, two scripts and only one will, that of independence.

Marshal Tito's most outstanding achievement has been to unite, after so much dissension and hostility, peoples so unlike. If the present system brought about many social achievements, it did not try to alter races, religions, age-long traditions or the nature of the people. The population is peaceable and hard-working. As some authors have written:

> Far from the turmoil of our feverish world, the Yugoslavs take time to live, to understand and to love; they greet you with a gracious gesture, affection and a gleam of kindness in their eyes.

Many are of the opinion that Yugoslavia will become in a few years one of the great tourist centres of Europe.

Honourable senators, the Conference that took place in Yugoslavia was a huge success, both in regard to the number of delegates that were in attendance and to the interest and the seriousness of the speeches that were delivered. The Conference brought together experts from 58 nations who conveyed to us the results of their thinking and their experience.

The papers which were presented had an obvious value and had been carefully prepared; they helped to throw light on world problems. Everyone strove to prepare the common future, trying to facilitate political decisions in his own country and to enrich democracy. The goodwill and understanding which prevailed among delegates helped toward a fair discussion of all items on the agenda. I would even go so far as saying that if there were as much co-operation in some assemblies as at that Conference, world peace would be in a less precarious position.

I have the pleasure to inform you, honourable senators, that the fifty-fourth Conference of the Union will be held in Ottawa in 1965. The fifty-third Conference will take place in Denmark in 1964. The Prime Minister the Right Honourable Lester Pearson had authorized me, before we left for Belgrade, to invite officially the Union to hold its Conference in Ottawa in 1965. Iran also extended an official invitation for the 1965 conference. The Interparliamentary Council accepted our invitation by a majority vote of 63 against 41. I have no doubt that the authorities and the whole country will extend a hearty and memorable welcome to the delegates of the 73 nations of the Union.

I hope this Conference will be the most successful ever and that everybody will leave Canada with a fond remembrance of our country and its people.

Honourables senators, the Interparliamentary Union has played, since its inception, in 1889, a part of great importance in favour of world peace. Honourable Senator Dandurand, former Leader of the Government in this house, greatly admired our association. He had the advantage of coming into contact with its founders and, at the 24th Interparliamentary Conference which was held in Paris in 1927, he expressed himself as follows:

> Since its inception, the Interparliamentary Union initiated studies of all the questions, the solution of which may help maintain peace among nations. It shall continue to group in the parliaments all the peace-loving people and to co-operate to the organization of a society in which the last argument of the nations will be solely that of justice.

Before concluding, I wish to pay a particular and well-deserved tribute to the secretary of the Canadian group, Mr. Alcide Paquette, Assistant Clerk of the Senate, whose attention and co-operation facilitated the task of the delegates; he looked after every detail and co-ordinated all the necessary information. In brief, he was constantly at the beck and call of the delegation and he showed himself to be as competent as he was devoted; his participation pleased everybody.

(Text):

Hon. A. J. Brooks: Honourable senators, we all listened with close attention to the excellent report by the honourable Senator Dessureault of the Fifty-second Conference of the Interparliamentary Union, held at Belgrade. I had the honour of attending that conference under his able chairmanship. The honourable senator stated that he had not expected to give his report today; therefore, I was taken somewhat by surprise when at noon I learned that he intended to speak this afternoon. Later, I wish to add my voice to his in terms that are complimentary with reference to the conference, and therefore I ask leave to adjourn the debate.

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

PRIVATE BILL

TRIASSIC PRODUCTS TRANSMISSION COMPANY (PACIFIC TRANSMISSION COMPANY)—THIRD READING

Hon. A. K. Hugessen moved third reading of Bill S-40, to incorporate Triassic Products Transmission Company.

Hon. F. W. Gershaw: Honourable senators, I wish to make a few remarks on the third reading of this bill. The people of the constituency where this industry will be located will be very grateful for the establishment of the industry on the dry land there. I have represented that district for a long time, and I wish to put on record one grievance that has come to my attention. It was assumed that the employees of the company would live in the town of Empress, and the people of Empress have provided land where they believed the company would build homes for the employees. The area has water and sewerage facilities, and is served by schools and hospitals. My information now is that the company proposes to build homes in another town, not even in the province of Alberta, and if that is so the people of Empress will be greatly disappointed. I realize that is no reason for delaying the passage of the bill, but I felt I should put this grievance on record.

Motion agreed to and bill read third time and passed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, October 31, 1963

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

Prayers.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, November 5, at 8 o'clock in the evening.

Hon. A. J. Brooks: I wonder if the honourable Leader of the Government could give us any idea of the business we might expect next week?

Hon. Mr. Macdonald (Brantford): I think I could give the Senate a very good idea. Although I have not been able to get this authentic information from the Leader of the Opposition, I expect we will have the Income Tax Bill before us on Tuesday evening next.

Hon. Mr. Brooks: Why the Leader of the Opposition?

Motion agreed to.

PRIVATE BILL

ST. LAWRENCE RIVER TOLL BRIDGE AND CAUSEWAY AT POINTE-AUX-TREMBLES —REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-41, to authorize the construction of a toll bridge and a causeway over the St. Lawrence River near the City of Pointe-aux-Trembles, and had directed that the bill be reported with the following amendments:

1. Page 1, line 12: Strike out the word "toll".

2. Page 1, line 20: Strike out the word "toll".

3. Page 1, line 23: Strike out the words "to a height of twenty-five feet above high-water level".

4. Page 1: In the title strike out the word "toll".

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

Hon. Mr. Hugessen: With leave, I move that the report be considered now.

Hon. Mr. Roebuck: These amendments are very complicated.

Hon. Mr. Hugessen: I shall make an explanation of the effect of the amendments.

Honourable senators, there are only two points I wish to mention about the amendments as proposed in committee this morning in connection with this bill. As honourable senators know, the bill authorizes the construction of a bridge over one of the minor channels of the St. Lawrence River, near Montreal, so as to give access to an island which it is proposed to develop as a residential area. The channel in question is not an important navigational channel.

The bill as it came before us was entitled "an act to authorize the construction of a toll bridge," and in various parts of the bill there was mention of a toll bridge. But the sole function of the Parliament of Canada is merely to authorize the construction in such a way as to ensure that there will be no interference with navigation. The question of tolls is entirely a provincial matter, and so in committee we took out all reference to tolls. We were informed that there is legislation in the Province of Quebec regulating tolls which the owner of a bridge of this character may charge, so that the public is adequately protected in that way under existing provincial legislation.

The other amendment was to clause 1 of the bill which, as it was submitted to us, authorized the company to build a bridge to a height of 25 feet above high-water level. Then clause 2 provided that the plans and specifications, etc., must be approved by the Governor in Council before construction is proceeded with. We had before us representatives of the Department of Transport and the Department of Public Works, and they objected, and I think quite properly so, to there being anything put into the bill authorizing a bridge at a specific level. Their position was that they will have to inquire into the question of navigation in this particular channel and ascertain what the level should be, and it is inadvisable for us to stipulate in this bill a bridge of a specified height.

Those were the two amendments suggested in this bill. If the house is willing to give consideration to this report now, the intention is that third reading be deferred until next week to accommodate any honourable senators who have further observations to make on the bill.

Hon. Arthur W. Roebuck: Honourable senators may remember that when this bill was before the Senate on the motion for second reading I objected to the inclusion of tolls in respect of a speculative proposition such as this. I am very pleased to see that the matter

of tolls has been left to the provincial authorities. We should not give rights to charge tolls without a thorough examination of the whole proposition.

Here is a large territory which will be subdivided into speculative building lots and sold for a very large sum of money. Our proposed action in giving the right to collect tolls from the public for the gaining of access to this large speculative territory did not appeal to me. If those provisions are removed I have no further objection to the bill.

Report adopted.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE ESTIMATES

MOTION TO REFER VOTE 15 TO FINANCE COMMITTEE

The Senate resumed from Thursday, October 17, the adjourned debate on the motion of Hon. Mr. Pouliot:

> That Vote 15, Translation Bureau, in the estimates of the Department of the Secretary of State and the estimates of the Department of Public Printing and Stationery, contained in the Estimates for the fiscal year ending March 31, 1964, tabled in this House, be referred to the Standing Committee on Finance for inquiry and report.

Hon. Jean-François Pouliot: Honourable senators, this is a question which requires some explanation, and you will find it in three books. It is in the report of the Secretary of State for the year ended March 31 last, in the estimates for the fiscal year ending March 31, 1964, and in a book that is familiar to everybody, the Government telephone directory.

I find that the report of the activities of the Translation Bureau, which is in the report of the Secretary of State, is incomplete and unsatisfactory. If we refer to the estimates already mentioned we see that the expenditure for the Translation Bureau is $1,837,600. That is to be found at page 385 of the estimates. The number of translators mentioned therein is 322, as compared with 321 in the year ended in the previous March.

You may find that that amount is considerable, but the work done is very extensive. On the other hand, only a certain number of translators and interpreters are under the superintendent of the Bureau of Translations. I am referring to those who live in Canada and who are appointed by the Civil Service Commission. With respect to what happens in the Department of External Affairs—I mean in the offices of the high commissioners, the embassies and the like—nothing is mentioned in the estimates about translators. All we find is the total amount of expenditure for the upkeep of embassies and high commissioners' offices. We have no details about these people.

I remember that when I was a member of the other house I asked a question on the establishment of the legation in Tokyo—at that time there were no Canadian embassies. The minister was the Honourable Herbert Marler, a former member of Parliament. He was Minister Plenipotentiary. At that time there was no Canadian in the legation who could understand the Japanese language and therefore the minister had to secure Japanese help for the translation of all his confidential papers. I distinctly remember also that at the outset of the last world war the Japanese embassy in Ottawa was a nest of intrigue and plots, until the minister and his family were isolated and out of touch with the outside world.

The first Canadian in the Canadian legation in Japan who knew the Japanese language was the late Mr. Norman, who died tragically some years later. But for many years there was not a single Canadian in the Canadian legation in Tokyo who knew the language.

Now that we have embassies and legations throughout the world, I wonder how many Canadians there are who understand the language of the nation to which they have been accredited.

It seems quite abnormal that the natives—I do not use that word in a disrespectful way—of any country, who are not Canadian citizens, citizens of the Commonwealth, or British subjects, should be translating all the official papers that are sent to the ambassador or to the minister. Think of the numerous countries of Africa where Canada has diplomatic posts; think of the languages and dialects of all those countries. How is it that very often there is no Canadian who is well enough informed to translate all those papers?

I draw your attention to this very important matter. If you want to see the scope of translation done outside Canada—I do not mean the translation which is done under the Bureau of Translation; I speak of translations done outside of Canada—you have only to refer to the estimates, beginning at page 86, External Affairs, and you will see what it is.

There are Canadian diplomatic posts in a large number of countries. Page 93 gives the list as follows:

Argentina
Australia
Austria
Belgium
Brazil
Cameroun
Ceylon
Chile
Colombia
Congo, Republic of
Costa Rica
Cuba
Czechoslovakia
Denmark
Dominican Republic
Equador
Finland
France

The amount for France, which is considerable, is $785,426.

Germany—Berlin and Bonn

This amounts to several hundreds of thousands of dollars.

Ghana
Greece
Haiti
India
Indonesia
Iran
Ireland
Israel
Italy
Jamaica
Japan
Lebanon
Malaya
Mexico
The Netherlands
New Zealand
Nigeria
Norway
Pakistan
Peru
Poland
Portugal
South Africa
Spain
Sweden
Switzerland
Tanganyika
Trinidad
Turkey
U.S.S.R.
United Arab Republic
United Kingdom
Permanent Mission of Canada to the European Office of the United Nations, Geneva
Permanent Mission of Canada to the United Nations, New York
United States of America
Uruguay
Venezuela
Yugoslavia

There are also consulates in Boston, Chicago and Detroit in the United States of America; and in Hamburg, Germany; Hong Kong; Los Angeles, U.S.A.; Manila; New Orleans, U.S.A.; New York, U.S.A.; Philadelphia, U.S.A.; Portland, U.S.A.; Reykjavik, Iceland; San Francisco, U.S.A.; Sao Paulo, Brazil; and Seattle, U.S.A.

Naturally, in the United States of America and in British countries the translation work is rather easy, for there are always some people who speak English or French, the two official languages of this country; but in places like Tanganyika or Hong Kong you should have some Canadian who speaks the language of the country. If you have official state papers of a confidential nature, you will feel safer with a fellow citizen—a man who has sworn allegiance to our sovereign—than with one from another power. That is the point I want to stress. What control do we have over those translators when the gentlemen in charge of those diplomatic posts do not know the language of the country to which they are posted? It is quite a problem. I wonder if honourable senators have thought of it before. It is most embarrassing because, as you know, nearly the same dispatches of confidential concern are forwarded to all Canadian diplomatic posts, and if you cannot rely entirely on the whole staff there will be some leaks, and secret information, something from the top secret file, will become known to the powers to which we are accredited. It is a very serious matter.

I give full credit to those Canadian diplomats who are doing all they can to make the best possible selections of staff, but how can they be sure when they do not know the language of the country in which those documents may be translated? Therefore, translation is a most important matter; it is important in itself, because there is no question of having a literary and an embellished translation. I think there should at least be a literal translation, a translation which is made in a language that is understood by everybody and that will satisfy the mind of the person whose speech or letter is translated.

Hon. Mr. Lambert: May I ask my honourable friend, in view of his very enlightening speech, how far has consideration been given to the application and establishment of the

French language as the language of diplomacy, which prevailed for so many generations? How far would that standard apply to the countries which he enumerated? I know from my own experience at the United Nations that several of the countries represented there used French in the United Nations as their language of communication.

Hon. Mr. Pouliot: I agree with the honourable gentleman and I thank him for his remarks. I will admit that with a knowledge of both official languages of Canada, English and French, one can go far and be understood in many countries. Nevertheless, it is impossible for any diplomatic post of any nation to dispense with the services of people who speak the language of the country where that diplomatic post is located. Without those services the post would be completely isolated. Those people from that foreign country where our Canadian diplomats are posted are dependent upon us only for their salaries, and it is impossible to check them unless one knows their own language, and when communications are made to our representatives in one or other of the official languages of this country the foreign people who work in Canadian diplomatic posts have access to strictly confidential files. I shall ask a series of questions, as I told you previously, but it takes a long time to draft them—they have to be drafted with precision and clarity.

To summarize this part of my remarks: there are two kinds of translators and interpreters. There are those who come under the Civil Service Commission, and they are mostly in Canada—a little more than three hundred of them—and there is the unknown number of translators of English, French and foreign languages who are in diplomatic posts in foreign countries throughout the world. Who appoints them? They cannot be appointed by the Civil Service Commission at Hong Kong or Tanganyika or Congo or Iceland or anywhere else—they must be appointed by the Canadian diplomat in charge of the Canadian post. Therefore, it is important to know what are the requisites for such positions and what languages should be known by those translators or interpreters.

By the way, I have to complain about the bad French translation that was made of the speech delivered by the Prime Minister last September at the United Nations. It was badly done by a translator of the United Nations, and we help pay for the United Nations—Canada is one of the few countries that pays for the upkeep of the United Nations. Therefore, there was no excuse whatever for having such a bad translation made and broadcast over C.B.C. It could have been done much better, and the translation given by C.B.C. later in the evening was much better than the simultaneous translation done at the United Nations.

You will now realize, Mr. Speaker and honourable colleagues, that when a full-grown man speaks and you see him on television it is quite surprising to hear the voice of a woman. I have already expressed the opinion that when there is a simultaneous translation women's speeches should be translated by women and men's speeches should be translated by men. You may think that I am splitting hairs, but it is not that, it is the impression that we have when we see the face of a man on the screen and we hear the voice of a woman. It is quite surprising.

Honourable senators, I wonder if you want me to continue; if you wish, I may adjourn and continue some other time when I have my questions on the Order Paper.

Hon. Arthur W. Roebuck: Honourable senators, may I compliment Senator Pouliot on bringing this matter to the attention of the house.

I note that the resolution he is moving suggests that Vote 15—that is the Translation Bureau—be referred to the Standing Committee on Finance for inquiry and report. Now, that would be all right if that is as far as the idea goes.

Does the honourable gentleman wish to have a mere inquiry and report by the Standing Committee on Finance, or has he in mind some proposals to improve the situation as he has found it, and as the committee may later find it, with perhaps a little more detail but likely in much the same terms as it has been laid before us? Has the honourable senator any proposals to make?

Hon. Mr. Pouliot: I will answer the two points which have been raised by the honourable gentleman. He was unfortunately absent when I explained that I could not proceed before the committee at this time because the late Senator Emerson had not been replaced as chairman of the Finance Committee and because I had not yet been chosen as a member of the committee. This was the reason I gave, whether good or bad, for proceeding this way.

The second point is that I will ask questions in this chamber about two things—the Translation Bureau and the Printing Bureau —and those questions will be preliminary to the study of the two items by the Finance Committee. It will facilitate the work of honourable members.

I want to offer not philosophical considerations, but facts upon which you may form your judgment in due course on this important matter of translation. It may seem to be

touchy, but it is not at all. It is a simple thing. I do not want the little civil servants, nor the big ones, to suffer from it. What I want to do is to show you the real picture of the translation business, and I will tell you more, honourable colleagues, that at the present time the French language is in a condition of inferiority to the English language in every department of public business and has been like that for a very long time. It has been like that ever since I was first elected as a member of Parliament. However, at that time there was possible control over it because all translators were under the minister responsible for each department. In the Department of Agriculture the translators were technicians in the translation of agricultural terms and expressions. In the Department of Mines it was likewise, *mutatis mutandis*. The same situation existed in the Department of Public Works, and the descriptions of works and plans are highly technical.

My idea on translations is that the function should be decentralized and the translators should have an opportunity to improve their knowledge of the technical terms in their particular work. At the present time the translators are in an inferior position. They are like Cinderella; they are in a back corner and they work there with a pile of dictionaries around them. The trouble is that in the English language, for the English reporting, there is an editor in the same sense as there is an editor of a newspaper. In French it would be *rédacteur*. *"Éditeur"*, in French, has a different meaning from the word "editor" in English. It means "publisher".

We have here the *Debates of the Senate*. If you look at them you will see the name of Mr. Hagen given as the editor, but for the French version it is different. It is translated by the Debates Division of the Translation Bureau, under the direction of so-and-so. I find that there should be a French editor—*rédacteur* in French—just as there is one for the English Debates.

With regard to the *House of Commons Debates*, if you look on the back you will see mentioned the Editor of Debates of the House of Commons and the Assistant Editor, on the same line; but in the French Debates we have nothing of that sort. In the French language version it is not at all the same; there is nothing.

At least in the French version of the Senate Debates we see the name of a gentleman included on the front page. It says that it is translated by the Debates Division of the Bureau for Translations, under the direction of so-and-so, but he is not described as an editor.

If you want to have good work done it should be done in a parallel way, in the same manner in French as in English, and we should have a French editor—translated *"rédacteur"*—as we have an English editor. In that way they will have a freer hand to supervise the work, and to do what is done by the chief editor of a newspaper. If you look at the Ottawa English dailies you find there is the editor of the paper and, in French, *le rédacteur* of the paper. I say it should be the same with regard to *Hansard* and for all the reports of the departments.

If you want me to proceed further I shall refer you to the report I have complained of, and you will see it is most unsatisfactory because it is incomplete. For instance, it says:

> Translation was made by the respective divisions of the official report of the House of Commons Debates, which covered 6,324 pages, the report of the Senate Debates, comprising 1,126 pages, the proceedings of the standing and special committees of both Houses, and the Estimates.

They do not give the number of pages for the other documents.

What I want to know—and I will ask the question, which will be drafted with care—is the number of pages written in English which have been translated into French, and the number of pages written in French which have been translated into English. You will be surprised at the number.

The report continues:

> The Law Division translated 750 public and private bills together with their explanatory notes and indexes.

They could have mentioned the number of pages that were translated. For instance, a bill like the one in the name of the Minister of Northern Affairs and National Resources in the House of Commons is quite a book. Those matters are very important. I want to know the amount of work that was done; I know it was very considerable. I do not want to minimize it; I want to have the exact figure, and it could be mentioned just as clearly as two and two make four. I want the total number of pages which have been translated from English into French, and from French into English.

I will not read the third paragraph; it is fantastic. The report continues:

> The parliamentary divisions also handled translations for other government agencies and commissions.

What government agencies? What commissions? They are not mentioned.

It continues:

> There is an increasing demand for the services of the Bureau's interpreters for parliamentary committees. At the request of various departments, interpreters were seconded—

—and "seconded" means loaned.

> —for a number of conferences, namely, The Colombo Plan Conference in Australia, the Preparatory Conference on Meteorology in Toronto, the preliminary discussions for the Conference on Labour Rationalization in Ottawa, the Labour Survey Conference in Montreal—

Hon. Mr. Brooks: Are these not questions the honourable senator intends asking in committee? I do not understand the purpose of asking them now. I take it those are questions he expects to be answered in committee when the committee meets. He will be attending the committee and will ask those questions there, and others will be there to ask questions along the same line.

Hon. Mr. Pouliot: I have great respect for the opinion of the honourable gentleman. My questions will be shorter than my speech, and they will give a bird's-eye view of the whole matter to all members of the Senate and not only the members of the committee. If the Senate is agreeable I shall complete the drafting of those questions and put them on the Order Paper, with a short preliminary, in order that I may not be misunderstood or misquoted. I thank you very much.

Hon. Mr. Isnor: Would the honourable senator give us his reasons for referring this resolution, which he has placed before us in such an interesting manner, to the Standing Committee on Finance instead of the Standing Committee on External Relations? The whole matter has to do with External Affairs, as I understand it.

Hon. Mr. Pouliot: Part of what I have said refers to the Department of External Affairs, but the Translation Bureau itself comes under the Secretary of State, and I am asking in this motion that it be sent to the Standing Committee on Finance because that committee has not been sitting up until now and it would have ample time to study the matter. I do not have the list of members now, but I hope my honourable friend is on that committee, and then he will have an opportunity to ask questions when the matter of the Translation Bureau and the Printing Bureau are dealt with. There are two different bodies mentioned in the motion, the Printing Bureau with which I have not dealt, and the Translation Bureau. But nevertheless they are connected, and I cannot see what the committee on External Affairs would have to do with either one.

Hon. Mr. Isnor: Does not External Affairs come under the Secretary of State?

Hon. Mr. Pouliot: No; they are separate and distinct. The one is under the control of the Honourable Mr. Pickersgill and the other is under the control of the Honourable Mr. Martin.

Motion agreed to.

The Senate adjourned until Tuesday, November 5, 1963, at 8 p.m.

THE SENATE

Tuesday, November 5, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Superintendent of Insurance of Canada, Volume II, Annual Statements of Fire and Casualty Insurance Companies and of Accident and Sickness Insurance transacted by life insurance companies in Canada, for the year ended December 31, 1962, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C. 1952. (English and French texts).

Agreement between Canada and France concerning Films and Film Production, signed at Montreal, October 11, 1963, entered into force October 11, 1963. (English and French texts).

PRIVATE BILL

ST. LAWRENCE RIVER BRIDGE AND CAUSEWAY AT POINTE-AUX-TREMBLES—THIRD READING

Hon. Thomas Vien moved the third reading of Bill S-41, to authorize the construction of a bridge and a causeway over the St. Lawrence River near the City of Pointe-aux-Trembles.

Motion agreed to and bill read third time and passed.

INTERPARLIAMENTARY UNION

FIFTY-SECOND CONFERENCE AT BELGRADE—DEBATE CONTINUED

The Senate resumed from Wednesday, October 30, the adjourned debate on the inquiry of the Honourable Senator Dessureault calling the attention of the Senate to the Fifty-second Annual Conference of the Interparliamentary Union held at Belgrade, Yugoslavia, 12th to 20th September, 1963, and in particular to the discussions and proceedings of the conference and the participation therein of the delegation from Canada.

Hon. A. J. Brooks: Honourable senators, on Wednesday last Senator Dessureault called attention to the Fifty-second Annual Conference of the Interparliamentary Union held at Belgrade, Yugoslavia and as was to be expected, he made an excellent and comprehensive report. He told of the activities of the different members of our delegation and also of the activities of delegations from other countries attending that conference.

Senator Dessureault said that the Canadian delegation was a good one, and with that I entirely agree. I have been a member of quite a number of delegations on different occasions, and I do not know of a conference that I enjoyed attending more than this one at Belgrade. All members of the delegation were good travelling companions, but I would like to say that the best travelling companion I had was my good friend Senator Boucher who also went to Belgrade.

The conference, which was most interesting throughout, opened with an address by President Tito of Yugoslavia who, as you all know, is an outstanding world figure and a very able man. There were many fine speeches. I shall not try to describe any of them in detail tonight, but certain events that have happened in the last few days have brought to my mind one particular speech that was made by a very beautiful lady—in fact, a very small lady who weighed but 110 pounds. She was one of the first speakers at this conference, and I think she was certainly there for a purpose. She must have had a premonition of what was going to happen in her own country. She made a fervent appeal to the delegates representing nations from all over the world for an understanding of the government of her brother-in-law in South Viet Nam. You will understand now that it is Madame Nhu of whom I am speaking.

I doubt very much whether she obtained for her government the sympathy of that august gathering, but I do know that when she finished speaking she received a tremendous round of applause.

As honourable senators know, in the past few days the government of South Viet Nam has fallen. We regret the tragedy that has come to that small but very brave country. We are not going to try to assess who was right and who was wrong. I was very sorry to hear that Madame Nhu's husband and his brother had been killed, but I am happy to learn today, as I believe most people are, that her young children are in Rome and that she is to join them there.

I simply mention that because my mind went back to the speech I heard this lady make before that great assembly, and her tremendous appeal for an understanding of her government, whether in our opinion it was right or wrong.

As Senator Dessureault has told us, we had a good delegation. Many of our members were experienced, having been to meetings of this international parliamentary association before; others were there for the first time.

I wish to emphasize that I agree entirely with what has been said in this chamber at various times by others who have served on delegations, that it is wise to send a goodly number of experienced delegates to international gatherings of this sort. We had a number of such experienced men with us. It is also an excellent idea to select the delegates as far ahead as possible. It seems to me that on too many occasions delegates have been picked at the last moment and sent overseas without much preparation, and they may not have been in a position to make the representations which should have been made on behalf of the country and the people that sent them.

In this case the delegates were selected some weeks ahead and, due to the active work of our excellent secretary, Mr. Paquette, they were informed of what might be expected when they arrived at Belgrade. They were given an agenda and plenty of material advising them as to what part they might take and what they should know when they arrived. I agree, therefore, that it was a good delegation and that its members made very able representation in Belgrade.

As to the trip itself, it was most enjoyable. The officials of the Royal Canadian Air Force were attentive to the needs of delegates on the trip over. When we arrived at the headquarters of the R.C.A.F. in France, the commandant of the camp and the other officers went to great lengths to see that everything that could possibly be done was done for our delegation. Some of the officers gave up their rooms to the delegates; we were given all the privileges of the mess and everything was made very pleasant.

The only criticism we might make would be as to our four-hour trip from Marville to Paris. We had to look after our own baggage, and to see a lot of people like Senator Boucher and myself running with two or three bags in our hands trying to catch a train is not altogether a pleasant sight, nor is it a happy experience. Again, with respect to the Yugoslav air service, on our return journey we had to wait four hours at one place and four hours at another.

However, as far as the Canadian end of it was concerned, everything one could expect and that could possibly be done was done and was well done.

In his speech the other day my good friend Senator Dessureault mentioned our External Affairs Department. The men who represent us in Paris, in Belgrade or elsewhere go all out to make delegates from Canada feel at home and to assist them in every way.

Our ambassador in Belgrade, His Excellency Mr. Crean, and his staff were at our disposal during the whole time we were there. I do not know how we could ever have got along without them. I wish to pay this tribute to them. I may say that this attention was no surprise to me, for during my considerable experience in travelling, when I was a minister and at other times, I always found that the members of our External Affairs Department, wherever they might be, were ready, willing and anxious to help in every way they could.

We arrived in Belgrade. It is always interesting to me to arrive in a new city, especially one in the old world. It was my first visit there. Belgrade is a city with a tremendous history. One observes signs of antiquity and of history. For instance, traces of the days when the Turks were there are evidenced by the old forts. The city has a population of 600,000. It is interesting to note how the old is mixed with the new. For example, one sees old fortresses on the hill, yet as you drive along the boulevards you note that they are as modern as Montreal, Ottawa, or any American city.

Yugoslavia has, I believe, five or more different races which have joined together to form one country. Seeing these people on the street, one is greatly impressed with the fact that different peoples have formed this country.

I was most impressed by the theatre entertainment provided for us by an entertainment committee in Yugoslavia. The performance, which was of the highest order, consisted of the ballet, songs, and plays portraying the history of different sections of the country. Each of the five former nations which now make up Yugoslavia put on a play. I have attended plays in London, Paris, Rome and New York, but I have never seen any finer than I saw on that occasion; and I am sure that all those who were present would agree with me. In Canada we speak about biculturalism; but in the theatre that night there was a demonstration not of biculturalism but of the culturalism of five different nations, each trying to outdo the other. Tremendous waves of applause went up from the audience. It was thrilling indeed. It occurred to me that those of one part of the country did not need the help of some other part in order to maintain their culture, for they already have their culture, have had it for thousands of years and I suppose will preserve it for many years to come.

Physically, the Yugoslavs are a very fine people; mentally also they seem to be above normal. However, they are a serious people; at least, one did not see many smiling on the streets. I thought possibly this was due to the fact that they had a different form of government than our own.

The people in Belgrade, at least, are well developed physically. I have never seen finer looking boys and girls or young men and women anywhere in the world. You seldom see large, overweight persons walking along the streets—they all seem physically fit. One of our Canadian delegates called to my attention how sensibly dressed the people were. He pointed out that the girls do not wear high spiked heels as do the girls in Canada; on the contrary, they wear sensible walking shoes. Also, the clothes of the people seemed of the type that are appropriate for exercising.

In some of my spare time I visited the parks and saw the children playing. They play much the same as our own children, and places are provided for them to play. The older boys play football, and the girls play various games. The younger children have an ample supply of sandboxes, and everything seemed to have been done to entertain the children and to give them something to do.

At the delegation meeting itself there was a good atmosphere. Indeed, I was told that this particular meeting enjoyed the best atmosphere of any thus far, and that this prevailed by reason of the fact that the United States and the Soviet Union seemed to be getting closer together on the question of disarmament and the testing of nuclear weapons. This was a good basis on which to start off the meeting.

As I said a moment ago, our hosts had prepared splendid programs for us; they were very courteous and most anxious that we should enjoy ourselves and feel at home. They also assigned to our delegation, as they did to every other delegation, a member from their own Parliament to look after us.

One sometimes hears the question asked, and I must say that I asked it to myself: What is the benefit of an international parliamentary union? I wondered just what was the use or purpose of this Union. To me it seemed to be more or less a United Nations without real force or effect. My first impression was that it was a sort of glorified debating society which had no real executive purpose. However, I soon learned differently, and I came away from the conference with the feeling that this organization can and does have an effective place in the affairs of the world. Its greatest function is that it provides an important forum for peace-loving forces of all nations in the struggle for peace. This was emphasized time and time again and one could sense it as the days went by.

For years this Union has constituted a gathering of outstanding parliamentarians from all parts of the world. I would remind you that it was organized in 1889, before the United Nations was ever thought of and even before the League of Nations was formed. It is a place where different views and conceptions about many questions can be talked over and freely discussed. It is a place where you can find out what nations have in common and in particular what their aspirations are towards peace and progress.

It is amazing and gratifying to see how much nations really have in common. Though they may have different forms of government and different ideals, they nevertheless have common grounds of agreement.

Over the years a tremendous amount has been accomplished in this respect. You have only to read back in history to learn what has been done. I recall that Senator Thorvaldson in his excellent address last year pointed out many of the things for which we have to thank this organization, among them being the facilities for arbitration between nations, the International Law Court at The Hague, the codification of international law and many others. One could give a long list of things which this organization has accomplished and for which the people of the world can be grateful.

Perhaps its greatest work and accomplishment now is its help and assistance to the United Nations. It is another forum. Having had the honour of attending the United Nations for six months, an experience which I enjoyed very much, I felt at home at this conference because there they discussed the very problems which come before the United Nations. The only difference was, as someone said, the United Nations can do something about it. The Interparliamentary Union is a sounding board. It is a place where ideas may be tried out before they come to the United Nations.

The United Nations is always well represented at these Union meetings. They do not send delegates but they send people to observe what is going on. This was recognized in the message which the Secretary-General of the United Nations sent to the Fifty-second Conference, in which he stated in part that the matters pertaining to problems of development which would be discussed at the conference were of particular interest to the United Nations since they were closely connected with the actions that were being undertaken and prepared in the course of promoting the "development decade," which you have all heard about. The Secretary-General expressed the hope it would be possible for the United Nations and specialized agencies to undertake concrete, efficacious measures during the present decade to further economic and social progress among the less privileged inhabitants of our planet.

He welcomed suggestions and help from international parliamentary associations.

If I may, I should also like to quote from the address of the President of the Federal Assembly of Yugoslavia in welcoming the delegations. It was along the same lines as the remarks of the Secretary-General. He said:

> The moral and political authority and influence of the union represents an important factor in the contemporary world. There exists a favourable climate for increasing the influence of its role, because the activity of such an organization can and should contribute today more than ever before to the spreading and strengthening of a democratic spirit of mutual respect, understanding, comprehensive and equal co-operation among the peoples which is an indispensable prerequisite in order that mankind may once and for all eschew war and tyranny as a means of conducting international policy.

The agenda of the conference was given to you in detail by our chairman, Senator Dessureault, when he addressed you. The questions discussed there had a bearing on the many problems besetting the world today. If I may, I would like to read some of the items on the agenda. The first was the election of the president and vice-president, after which there was a general debate in which all chairmen of the different delegations took part. Our chairman delivered a fine address. The next item was the world problem of development. Under this item they discussed equality between states as an essential basis of international co-operation and development and relations between industrialized countries, particularly those of the European Economic Community and states in the process of development. I may say that on this resolution Mr. Colin Cameron, member of Parliament and one of our delegates, was our chief speaker along with Senator Dessureault, and he made an excellent contribution. He also presented an amendment to one of the resolutions which was unanimously accepted by all delegates present.

Another item discussed was space law, on which I had the honour of making a short speech. As you all know, it is a subject which is giving much concern to the members of the United Nations. Science is going ahead rapidly, but the law to control science in space is lagging far behind.

The next item was racial discrimination, which naturally involved a long debate, participated in by the developing countries of Africa and other parts of the world.

Another item was safeguarding peace. This also called for a long debate.

In all the resolutions brought before the conference, national groups of the union were asked to bring these matters, as far as possible, before their respective parliaments when they returned home. They were asked to see that the ideals and recommendations which emanated from the conference were explained and brought to the attention of their respective parliaments.

I should now like to say a little about the economy of Yugoslavia. Yugoslavia has been considered almost an enigma among present-day nations. It is a most interesting country to visit; some people will tell you it is almost a capitalist country, while others will tell you that its form of communism is about as rigorous as you will find anywhere in the world. It is the only communist country I have ever visited, and I was interested to learn some facts regarding its economy. On the surface, I must confess, I could not see that it was much different from the so-called capitalist countries, but on closer investigation I found many differences.

You will recall that Premier Khrushchev had been travelling in Yugoslavia just prior to our visit. He had not visited that country for some years because he and Tito had not been on very friendly terms. You will also recall that on his visit he praised the high standard of living in Yugoslavia, and was amazed at the economic growth and the workers' councils.

I learned something of the differences between the U.S.S.R. economy and that of Yugoslavia, because I was fortunate enough to meet one of the British delegation who had had extensive business dealings in both Yugoslavia and Russia and so was very familiar with the economy of both countries. He had made a detailed study of the economies of these countries, and pointed out to me outstanding differences which I do not think are too well known.

They are these: First, Yugoslav agriculture is 85 per cent in private hands. The farms are privately operated, although the government controls the sale of farm production. In the Soviet Republic agriculture is practically 100 per cent collectivized. The government has absolute control of it and the people have little say.

Secondly, the Yugoslav economy is geared to serve the needs and tastes of the consumer, and one could see this as one visited the stores. I did not think theirs were as good as the Canadian or American stores, but there you could see goods that paralleled those one finds in a Canadian or American store. I was told by this gentleman that in the Russian stores they make no pretence of

trying to meet the different tastes of people. He told me the Soviet economy is geared first to serve the purposes of the state, and the Soviet consumer comes second, if he comes anywhere at all.

Thirdly, the decision-making process affecting the whole operation of the economy is far more regional and local than in the Soviet Union.

Fourthly, there is mobility of labour. I understand that in Russia one cannot move from one place to another to seek a job, but in Yugoslavia the worker can quit or take jobs as they become available in different sections of the country.

Yugoslavia today is not only better off than any other eastern European nation, but at many points the standard of living is higher than in the Soviet Union itself. The average per capita income in the Soviet satellites is about $200 a year. In Yugoslavia it is over twice that, $450. Consumer goods in many parts of Yugoslavia are more varied and in greater supply at lower prices than in Russia. The stores are well stocked and the newspapers publish competitive consumer goods' advertising of a kind almost totally absent in the Soviet press.

Tito has been accused by some other communist countries, particularly China, as published in the Peking *Daily News*, of carrying his

> Revision so far that capitalism has been restored to Yugoslavia.

That was the attitude taken by China. This is, of course, absolutely untrue, as was pointed out by the New York *Herald-Tribune* of September 22. I refer to the European edition of that paper which I purchased in Belgrade. In commenting on this very point it stated:

> That's not true. Far from it. The communist regime remains powerfully in control here, and while there is a climate of some freedom, more than in post-Stalinist Russia, the Yugoslav press reflects the wishes of the Government, only pro-communist candidates can run for office and nobody deems it wise to get very far out of line. But there is a degree of flexibility, freedom of thought, competition and privacy which marks Yugoslavia different from other communist countries. The newspapers list European radio programs and publish western comic strips. You can buy the European edition of the New York *Herald-Tribune* on the newsstands.

I saw there the London *Times* and other western newspapers which you cannot buy in other communist countries.

It is interesting to note some observations of former Vice-President Nixon, and I have no doubt that some of you have read the *Saturday Evening Post* of October 12 last, in which he gave an account of his trip through some eastern European communist countries, including Yugoslavia. After visiting these countries he came to the conclusion that the United States should do nothing for them unless to help free people from communist oppression. For example, he pointed out that the United States provided nearly $2.3 billion in military and economic assistance to Yugoslavia from mid-1945 through mid-1962. Nixon says in his article:

> We gave most of this aid because Tito had split with the Kremlin, and we believed that by subsidizing Tito we could widen the split. Now Khrushchev and Tito have thrown their arms around each other, and it is quite apparent that the military equipment we provided for Tito would be on the Soviet side in the event of world conflict.

His advice was that we should not give money to communist countries for the purpose of buying military equipment. He thought that if we could give the money in some manner more directly to the people it would be much more advantageous.

Further on he says:

> Such military assistance may appear at the moment it is granted to be justified on the ground that it would strengthen the hand of a satellite communist government against the Soviet Union. But we must recognize that while the communists have differences amongst themselves, when the chips are down they are going to join forces against us. The Soviet-Chinese quarrel is significant in this respect. What they are arguing about is not how to beat each other, but how to beat us. This is their fight. We most certainly should stay out of it.

This is the opinion of Mr. Nixon, who was Vice-President of the United States. He also points out that we "should never forget that the communist governments may be our enemies but that the people living under those governments are our friends." Every effort should be made to get in touch with the people, but no effort should be made to try to improve the military strength of any communist country.

Honourable senators, I have nothing more to say in that connection. These are some of the observations I made and some of the thoughts I had.

We have invited the Interparliamentary Union to Canada in 1965. We are very pleased indeed that the chairman was able to persuade the union to come here. He did not succeed in doing it without objections from some other countries, but when the vote was taken Canada was considerably in the lead. I believe the second choice was Iran. While many nations find it expensive to send their delegations long distances, and while it would have been cheaper for many of them to stay in Europe or go to adjoining countries, nevertheless they voted to come to Canada.

I found in Yugoslavia, as I have found in many other countries I have visited, that the name of Canada stands very high. The people in these countries are always anxious to discuss Canada. Sometimes we hear that Canada is unpopular in Europe and other places. However, it is recognized that Canada has never had an axe to grind; we have never been a colonial country in the modern sense, and we have made our contribution toward helping all countries that needed help. For that reason Canada does stand high indeed, and I hope that when the delegates of the Interparliamentary Union come here in 1965 they will receive a great welcome. There will be between 600 and 800 delegates from all over the world. Two years later Canada will have its centennial, and this meeting in 1965 will be one of the finest opportunities available to advertise Canada. I know that every effort should be made, and indeed will be made, to make these people feel at home here.

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

Hon. Mr. Burchill: Honourable senators, I have enjoyed the address by Senator Brooks very much indeed, and I should like to ask him a question having regard to the figure of $400 he mentioned as being the average annual income of the people in Yugoslavia.

Hon. Mr. Brooks: Four hundred and fifty dollars.

Hon. Mr. Burchill: How do their prices compare with prices in Canada?

Hon. Mr. Brooks: As in all countries, the prices of some commodities are lower and the prices of others are higher. I would say that food prices in Yugoslavia are lower than in Canada. Clothing is not as good as in this country and the cost is probably somewhat higher I think on the average they live much cheaper. They do not have the same proportion of television sets or radios, and there are not two cars in every back yard. I think it is safe to say that $450 would go much further in Yugoslavia than it would in Canada.

Hon. Mr. Grosart: I should like to ask the honourable senator—

The Hon. the Speaker: Unless there is unanimous consent you cannot do so, as the motion for adjournment is now before the house.

Some Hon. Senators: Agreed.

Hon. Mr. Grosart: I might say in this connection that I consider the motion for adjournment was made rather hurriedly. This sometimes happens here and I do not think it is to be encouraged. I mention this particularly in view of the fact that a motion for adjournment is not debatable.

I have a question I wish to ask the honourable Senator Brooks, and in doing so I wish to say how much I enjoyed his address. I found it most informative particularly because, as honourable senators know, I was recently on the other side of the Iron Curtain.

I should like to ask the honourable senator if there was any discussion at this meeting held in Yugoslavia concerning national self-determination. This question has particular application to the fact that the meeting was held in Yugoslavia, a nation in which there are many racial groups. No one racial group comprises an absolute majority of the population. Some of these groups have themselves been separate nations in times past. Indeed in this area the whole question of self-determination was one of the many causative factors of the First World War. We have in Canada some groups of nationals who think—

The Hon. the Speaker: Is the honourable senator asking a question? It seems rather lengthy for a question.

Hon. Mr. Grosart: It is, but I hope my remarks may assist the honourable senator in answering.

The Hon. the Speaker: I would ask the honourable senator to get to the question he wishes to ask.

Hon. Mr. Grosart: Thank you, Mr. Speaker. The question is whether the matter of self-determination was discussed, and whether the honourable senator saw any evidence of desire on the part of any of those groups to

break out from behind that part of the Iron Curtain.

Hon. Mr. Brooks: I should say that such controversial subjects do not arise at such meetings. There was the question of self-determination for countries still under colonial rule, but that is the only self-determination problem to arise at such meetings.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 6, 1963

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

Prayers.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Order in Council P.C. 1963-1628, dated October 31, 1963, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for shipment of 350,000 metric tons of wheat to the Czechoslovak Socialist Republic prior to October 28, 1964, pursuant to section 21B of the said act, chapter 105, R.S.C. 1952, as amended 1960-61. (English text).

PRIVATE BILL

THE EXECUTIVE BOARD OF THE CANADA CONFERENCE OF THE EVANGELICAL LUTHERAN AUGUSTANA SYNOD OF NORTH AMERICA—FIRST READING

Hon. J. Wesley Stambaugh presented Bill S-45, respecting The Executive Board of The Canada Conference of The Evangelical Lutheran Augustana Synod of North America.

Bill read first time.

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

Motion agreed to.

GOVERNMENT PRINTING BUREAU

NOTICE OF INQUIRY

Hon. Jean-François Pouliot: Honourable senators, if I am permitted, I will give notice of two inquiries, one of which concerns the magnitude of the work of the Printing Bureau and is as follows:

1. What reports and other publications were published during the last twelve months by the Printing Bureau for each House of the Parliament of Canada and for each one of the various branches of each department, each commission and each agency of the Government of Canada and what are those which have been printed only in English or only in French, or in both English and French languages?

2. What reports and periodicals are being published daily, weekly, semi-monthly, monthly and yearly by the Printing Bureau in English or in French or in both languages?

It will be very easy to answer that question. All that is required is the putting of the letter "E" for English, "F" for French, or "B" for bilingual or both languages, after the title of the report.

3. What aforesaid reports and periodicals are edited by a French editor or by an English editor or by both an English and a French editor?

Some years ago the Honourable Mr. St. Laurent decided to have a French editor as well as an English editor for the *Labour Gazette* and as a result the French and English publications are printed simultaneously.

4. During the above-mentioned period, did the Printing Bureau print any books which had nothing to do with the Parliament or the Government of Canada, and, if so, what were their titles and the names of their authors?

Referring to what has been said by the honourable Leader of the Opposition the other day, it seems that it is essential to have that kind of information before we proceed to the study of the estimates in committee. Every senator will have that information which is essential to an understanding of the work of the Printing Bureau.

TRANSLATORS AND INTERPRETERS

NOTICE OF INQUIRY

Hon. Mr. Pouliot: With regard to translating and interpreting, I have a series of four questions:

1. During the last twelve months, how many translators and interpreters have been employed in each department, agency or commission of the Government of Canada,

(a) in Canada?

(b) in other countries?

2. What is the total number of translators and interpreters who have been, during the said period,

(a) employed and paid by the Government of Canada,—

That means the total number of translators and interpreters in the Government pay.

(b) appointed by the Civil Service Commission after examination, and belong to the Translation Bureau,

(c) appointed by order in council and do not belong to the Translation Bureau?

It applies mostly to those translators and interpreters who are employed outside Canada.

3. How many translators are employed for the translation of the correspondence of the departments, commissions and agencies of the Government of Canada?

4. How many books have been translated by the Translation Bureau during the same period,

(a) from English into French, and

(b) from French into English?

INTERPARLIAMENTARY UNION

FIFTY-SECOND CONFERENCE AT BELGRADE —DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the inquiry of the Honourable Senator Dessureault calling the attention of the Senate to the Fifty-second Annual Conference of the Interparliamentary Union held at Belgrade, Yugoslavia, 12th to 20th September, 1963, and in particular to the discussions and proceedings of the conference and the participation therein of the delegation from Canada.

Hon. William A. Boucher: Honourable senators, I had the privilege to attend the Fifty-second Conference of the Interparliamentary Union held at Belgrade from September 12 to 20 last. It was a great experience, and for this opportunity I wish to express my gratitude to the powers that be, especially the Government Leader in the Senate, the Honourable W. Ross Macdonald, P.C.

The head of the delegation, the honourable Senator Dessureault, an experienced leader, did credit to Canada. The fact that the 1965 conference will be held in Ottawa is in no small measure due to his tactful efforts and the able assistance of his charming wife, Mrs. Dessureault, who played a most important part.

The second delegate was the Leader of the Opposition in the Senate, the Honourable A. J. Brooks, P.C. I was fortunate to make the return trip home with him, and I do not think it would be possible to find a better travelling companion.

Mr. Alcide Paquette, who acted as delegation secretary, was most efficient and ever obliging.

I should like also to record my sincere appreciation to His Excellency Gordon G. Crean, Canadian Ambassador to Yugoslavia, and Mrs. Crean, who spared no efforts to assist us. By such as they, Canada is indeed well represented abroad.

The Belgrade mission was established in 1943. As the delegation leader Senator Dessureault and Senator Brooks have already given a complete report, I will not say anything about the conference itself, except that it was very impressive. As stated, 58 countries were represented.

It might be interesting to mention that Yugoslavia occupies the northwest corner of the Balkan peninsula. It is predominantly a mountainous country. The highlands, which account for four-fifths of its territory, extend from the Dinaric Alps in the northwest to the Balkan mountains on the Greek-Bulgar frontier. A passageway through these mountains via the Morava and Vardar River valleys links Thessaloniki in Greece with Belgrade. To the north, however, no significant geographic elevations separate Yugoslavia from her neighbours. The land is low and flat, the plains rich and fertile; wonderful crops of corn could be seen. Her frontiers include the Adriatic Sea and join those of seven neighbours: Austria, Albania, Bulgaria, Greece, Hungary, Italy and Rumania.

Concerning the people, Yugoslavia is comprised of five major nationalities: Serbs, Croats, Slovenes, Macedonians and Montenegrins. There are four official languages: Serbian, Croatian, Slovenian and Macedonian. The two alphabets are the Cyrillic which is used in Serbia, Montenegro, Macedonia and parts of Bosnia-Herzegovina, and Latin which is used in Slovenia, Croatia and the remaining parts of Bosnia-Herzegovina.

Yugoslavia covers an area of 255,840 square kilometres, and has a population of approximately 19 million, living in an area about equal to West Germany or the United Kingdom. It is a federation consisting of six peoples' republics.

Serbia, whose capital is Belgrade, has a population of over 600,000 inhabitants, and is at the same time the capital of Yugoslavia. The Serbs total 7,642,227.

Croatia, with a population of 4,153,636, has Zagreb as capital.

Bosnia-Herzegovina, with a population of 3,277,848, has Sarajevo, of 1914 fame, as its capital.

Slovenia, with a population of 1,531,523, has Ljubijana as its capital.

Macedonia has a population of 1,406,003, and has as its capital Skoplje, which is to be rebuilt after the recent earthquakes.

Montenegro, with only 471,884 population, has Titograd for its capital.

Within Serbia there are also two independent regions known as Voyvodina and Kosmet.

The Government comprises the President of the Republic, Josip Broz Tito, assisted by the Vice-President, Aleksandar Rankovic. The federal executive council, which is the equivalent of our cabinet, consists of 19 members plus the chairman of the council, Mr. Stambolic.

The federal assembly has five chambers: the federal chamber, the chamber of the economy, chamber of education and culture, chamber of health and social welfare, and a political administrative chamber. Each chamber has 120 members, with the exception of the federal chamber which has 190. These 70 extra members are also members of the chamber of nationalities which

meets separately when required under the Constitution to consider questions of special interest to the six republics.

The political organization of the republics reflects the same organization as the federal chamber. The electoral units from which they are elected, however, are different from the federal chamber. There is, of course, only one party permitted under the Constitution, and that is the League of Communists of Yugoslavia.

Beograd, the white city, whose history dates back to the third century B.C., is now a modern and busy city on a steep hill dominating the Sava and the Danube Rivers. The Sava River joins the Danube within the city limits.

As to the economic conditions being a relatively sparsely populated country, Yugoslavia nevertheless possesses an ample resource base and a growing industry. In President Tito's words, it is on its way to becoming a medium-developed country. The gross national product in 1961 was about $4.4 billion or about $230 per capita; though one is astonished to hear that the average earnings of Yugoslavians is about $450 yearly. I was told by a dentist, who was a pleasant person, that his earnings amounted to about $60 per month.

I now mention a subject which is close to home. We sell from $17 million to $18 million worth of wheat annually to Yugoslavia, and this appears to be approximately all she can buy from the outside world.

Honourable senators, this trip made me realize once more how fortunate we are to live in this great, free country of ours.

Hon. Mr. Reid: May I ask the honourable senator a question? In the course of your speech you said there were four languages used. Is there such a thing as one common language, or are those four used all the time?

Hon. Mr. Boucher: My information is that there are four official languages. The extent to which any one or all of the four languages are used, I am unable to say.

Hon. Mr. Fournier (De Lanaudière): Are they used officially, by the Government?

Hon. Mr. Boucher: Yes. As I explained, there are four official languages.

Debate concluded.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 7, 1963

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

Prayers.

SURCHARGE ON IMPORTS ORDER

BILL TO VALIDATE—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-88, respecting an Order of His Excellency the Governor in Council entitled the Surcharge on Imports Order, and to restore certain rates of customs duties and tariff benefits expressed to be withdrawn thereby.

Bill read first time.

SECOND READING

Hon. W. Ross Macdonald, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, to understand the purpose of this bill one has to go back to the balance of payments problem experienced by Canada over a period of several years, culminating in June 1962, and resulting in what was termed an austerity program whereby the outflow of Canada's monetary reserves was stemmed.

One of the measures adopted then was Order in Council P.C. 1962-902, passed on June 24, 1962. That order increased, as an emergency measure, tariffs on a large number of imported articles. In some instances the increase was 5 per cent, in others it was 10 or 15 per cent, of their dutiable value. The order in council was expressed to be made pursuant to two different acts. One was the Customs Tariff Act. Section 4(1) of that act provides that the Governor in Council may from time to time withdraw the benefit of the British preferential tariff from any country; may withdraw from any British country rates more favourable than the British preferential tariff; and may withdraw the most-favoured-nation tariff from any country and put it under the general tariff.

Under this authority, section 1 of the order in council, which was tabled in this house in June of last year and appears in the *Canada Gazette* Part 2, withdrew from all countries, effective June 25, 1962, all rates of duties more favourable than those of the general tariff with respect to a long list of tariff items which are set forth in Schedules A, B and C of the order in council. In other words, with respect to those articles all British preferences and all most-favoured-nation agreements were abrogated, and the general tariff which normally applies only to a fraction of our imports became applicable to all items which are set forth in those schedules. These items comprise about one-half of Canada's normal imports.

Section 2 of the order in council is expressed to be passed pursuant to the authority contained in section 22 of the Financial Administration Act. Honourable senators will understand that previously I was referring to the Customs Tariff Act. The relevant subsection of the Financial Administration Act reads as follows:

> 22 (1) The Governor in Council, on the recommendation of the Treasury Board, whenever he considers it in the public interest, may remit any tax, fee or penalty.

So in one instance the duty was increased, and then, using the authority of the Financial Administration Act, section 2 of the order in council to which I have referred remitted the increased duties to the extent necessary to ensure that the increase was not more than 15 per cent ad valorem in respect of items in Schedule A, 10 per cent ad valorem in respect of items in Schedule B, and 5 per cent ad valorem in respect of items under Schedule C.

Honourable senators will therefore notice that the use of these two sections of these two acts in the manner that I have mentioned resulted in a significant increase in the Customs Tariff, and it was not very long before writs were issued challenging the validity or the regularity of the order in council.

Nevertheless, it was enforced and it resulted in a substantial increase in Government revenue. Also, after a period of time Canada's balance of payments situation substantially improved and it became desirable to amend the order in council.

The question arose as to whether section 4 of the Customs Tariff, which was used to raise the tariff, gave authority to bring the situation back to where it was before June 25.

It was assumed, and I think it is correct, that under that act the Government had the power to remove preferential duties and make the items subject to the general tariff. The question next arose as to whether the Government had the authority to apply the British preference and the most-favoured-nation clause to the items in the schedule.

Hon. Mr. Roebuck: May I ask if we have the bill before us?

Hon. Mr. Macdonald (Brantford): Yes, the bill has been distributed. It is Bill C-88.

Honourable senators, the method adopted was to use section 22 of the Financial Administration Act once again.

Increased remissions were made in October 1962, in November 1962, and again in February 1963, and finally on March 27, 1963 all the surcharges were remitted.

We find ourselves in a rather extraordinary position today because section 1 of the original order in council is still in effect and therefore withdraws the British preferential tariff and most-favoured-nation tariff on the items set forth in the schedule. But section 2 of the same order in council, and subsequent orders in council, remit all the excess duties created by section 1. The result is, strictly speaking, that the articles concerned should be brought into Canada under the general tariff and the duty paid thereon accordingly, and then the duty should be remitted. In actual practice the order in council has for some time been treated as a nullity. In any event, we are left in a position which I think you will agree should be corrected, and this bill is intended to remove any anomaly and to allay any doubt as to the original order in council. Clause 1 does this by saying that the order in council shall be deemed to have the same force and effect as if it had been authorized by act of Parliament.

Clause 2 then goes on to deal with the task of getting rid of the order in council. That clause says that all rates of duty more favourable than those of the general tariff, which were withdrawn by the Order in Council 1962-902, are restored as of April 1, 1963. So clause 2 brings us back to where we were before June 25, 1962.

There is one more clause in the bill, clause 3, and to me this is quite an important and desirable provision. The effect of clause 3 is that hereafter when an order is made under section 4 of the Customs Tariff Act it must be confirmed by Parliament within 180 days.

Honourable senators, I hope I have given you a clear explanation of the bill, and I trust it will meet with your approval, because I am fully satisfied that it is in the public interest and should be passed.

Hon. T. A. Crerar: May I ask my honourable friend the Leader of the Government a question? There were certain claims being made against the treasury for duties paid under this legislation, as I understand it, on the ground that the order in council passed was ineffective in that the Governor in Council really did not have the power to pass it.

If I am correct in that assumption, and I believe I am, then the effect of this legislation is really retroactive. It is retroactive in any case, because what we are doing, as I understand it—and I am not a lawyer—

Hon. Mr. Connolly (Ottawa West): You are lucky!

Hon. Mr. Crerar: Perhaps I am.

Under section 1 we are, in effect, saying that what the Government of the day did on June 24, 1962 was legal; in other words, we are making it legal now.

Hon. Mr. McCutcheon: No. It was legal then.

Hon. Mr. Crerar: Doubt has arisen as to whether the Government had the power to act as it acted on June 24, 1962; and in order to remove that doubt we are asked to pass this bill which, in essence, makes legal now what the Government did on June 24, 1962.

Hon. Mr. Brooks: They had definite legal advice at the time they passed the measure.

Hon. Mr. Crerar: I am not opposing that, but I am saying there is a retroactive principle here that is of a very dubious nature. I do not think there is anything else we can do at the moment, but I do not like it. Of course, I appreciate it may be necessary to do this to clear up the doubts that have arisen over this order in council that was passed in June, 1962 under conditions that perhaps at the time warranted action of even doubtful legality—though I am reluctant to say that.

As I understand section 3 it gives the Government, or any government in the future, if I understand it aright—my honourable friend can correct me if I am wrong—the power to do the same thing again, only with this provision, that it must report it to Parliament within 180 days or six months. Am I correct in that?

Hon. Mr. Macdonald (Brantford): All the bill does is provide that any action taken under section 4 must be confirmed by Parliament within 180 days. It does not refer specifically to what has been done here. It merely means that any steps taken under authority of section 4 must be confirmed by Parliament within 180 days.

Hon. Mr. Brooks: It is general in its application.

Hon. Mr. Crerar: Is there not an implication there that what may be done in the future might also be illegal and Parliament has 180 days in which to correct such an error?

Hon. Mr. Macdonald (Brantford): I do not think that is the inference to be drawn from it. It simply means that whatever the Government does by order in council under that section has to be considered by Parliament and confirmed or otherwise dealt with.

Hon. M. Wallace McCutcheon: Honourable senators, the Leader of the Government (Hon. Mr. Macdonald, Brantford) has, as usual, given a factual statement as to the provisions

of this bill, and has avoided all partisan controversy in his explanation of it.

Speaking for myself, I think it is important that the bill be passed. I agree with an interjection made by a friend of mine a few minutes ago to the effect that this bill is being passed *ex abundanti cautela*—out of abundant caution—because as I read the press, any suggestion that there was any illegality in the order in council was withdrawn yesterday by the Minister of Justice.

Hon. Mr. Macdonald (Brantford): It does not appear in the bill either.

Hon. Mr. McCutcheon: That is what I read in the press this morning. Furthermore, as my honourable friend says, it does not appear in the bill either. If any doubts have arisen about the legality of the bill, I consider such doubts to be those which a counsel acting for his clients would normally have. The important reason for passing this bill is, of course, that if by some strange happening the lawsuits were successful, the treasury of Canada would be deprived of substantial sums of money, which would not benefit the people who had paid the money but would be a substantial windfall to the importers who in turn had passed on the increased taxes to their customers. This bill is designed to settle the matter once and for all.

However, I think it is important this afternoon that we should make it clear, as it was made clear in another place yesterday, that the Government of the day at all times acted on the advice of the law officers of the Crown. As I understand it, my honourable friend is not raising the question of the legality of what was done; he is merely saying that doubts have arisen. I suggest that those doubts are the doubts of gentlemen who are appearing in the courts and who advise their clients that here is a reasonable opportunity to recover moneys. That is very proper, and I make no criticism of it but I think that we here have no other course than to approve this legislation.

In this connection I would like to say that I remember the exchange crisis of 1947. I remember it because the then Minister of Finance asked me to come to Ottawa to re-impose price control on certain classes of goods, particularly foodstuffs. I spent some six weeks in Ottawa engaged in that pursuit.

The question then arose as to whether what was done at that time was legal or illegal. I do not pursue that question at all. I say that there was a time of crisis in November 1947, and there was a time of crisis in June 1962. I do suggest, honourable senators—and I appreciate that it is a difficult fact—that we are very naked in this country: we are unarmed against the fluctuations that can occur in our balance of payments, and against the sudden changes that short-term speculative money can bring about. I mean short-term speculative money not only of aliens but of Canadians because, in my view, the speculation against us in June 1962 was as much Canadian as it was alien.

Other than the United States, I suppose we are one of the few countries of the western world that has no foreign exchange control and no export-import control.

In 1947 it was very easy for the then Minister of Finance, because he had the statute, to say, "We will not allow the importation of certain goods, and with respect to certain other goods we will allow in only X per cent over a base period." The Government of Canada has since given up those powers. It did not have those powers in 1962. I say, thank God that the law officers of the Crown were ingenious enough to devise the scheme that was contained in Order in Council P.C. 1962-902, because otherwise we would have been in a very difficult situation.

I suggest to honourable senators that at some stage we must be prepared to see the Government take back unto itself, with no expectation of using them immediately and with the hope that it will never have to use them, some of the powers that it had in the fall of 1947.

I do not consider this legislation retroactive. Section 1 of this bill is necessary in order to stifle unnecessary litigation which would be detrimental to the Government, and which would be of no advantage to the general public.

I agree with what the honourable Leader of the Government said about section 2. Having wiped out the British preference and the most-favoured-nation rates of custom duty by order in council, there was no power in the Governor in Council to reimpose them. They have to be put back by statute, and that is what we are doing by section 2.

I do not quarrel with section 3—

Hon. Mr. Connolly (Ottawa West): It is a move in the direction that you have suggested, is it not?

Hon. Mr. McCutcheon: No, I do not think so, Senator. It provides that when the Governor in Council takes advantage of some of these rather extraordinary powers that are conferred by section 4 of the Customs Tariff, it must be brought before Parliament for approval within 180 days. All I am saying is that I do not object to that, but it does not confer on the Governor in Council the additional powers that I suggest the Government of Canada should have in this day and age, and which, of course, can only be conferred upon it by Parliament.

Hon. Mr. Connolly (Ottawa West): I did not suggest it does. What I meant to imply was that this section puts a little more clothing on the naked body—not very much, but a little bit.

Hon. Mr. McCutcheon: Yes, but I think it is a pretty diaphanous robe. However, I will not disagree with it.

Honourable senators, I have nothing to add, but I would emphasize what I have already said. The Government acted on the advice of the law officers of the Crown. In my mind there is no question as to the legality of the action they took. The honourable Leader of the Government has not suggested that and the bill does not suggest it, but by reason of what is taking place in the courts today, and by reason of the fact that if by some mysterious chance—and I never try to predict what will happen in court—these lawsuits were successful, it would provide a windfall to people who in the meantime have passed on the burden that was imposed on them in June of 1962 to thousands of other people who cannot be identified.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Macdonald (Brantford): Honourable senators, if not from what I have said, then certainly from what Senator McCutcheon has said, I think we all agree that there is urgency in connection with this bill, and that it would be advisable to give it third reading now.

With leave of the Senate, I move third reading of the bill.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

Government House
Ottawa
November 7, 1963

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 7th November, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

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

The Honourable
The Speaker of the Senate.

BUSINESS OF THE SENATE

On the motion for adjournment:

Hon. W. Ross Macdonald: Honourable senators, a week ago today, at the request of the Leader of the Opposition (Hon. Mr. Brooks), I gave my opinion as to what would be the work of the Senate this week. I intimated then that we would have the Income Tax bill before us. It is now Thursday of this week and that bill is still in committee of the whole in the other house. I am not going to say now that it will be with us next week.

The other house is no doubt considering the bill this afternoon, but this evening they go into committee of supply. They have private members' hour from five to six o'clock. So, there is very little chance of the bill receiving third reading there today. Tomorrow they could consider the bill until about 5 o'clock in the afternoon, when private members' hour comes up again, followed by committee of supply. It is highly unlikely, therefore, that we will receive the bill this week.

As honourable senators know, the House of Commons will not sit on Monday, November 11. Of course it was never our intention to sit on that day. On Tuesday, November 12, the other house will be debating a supply motion. Therefore, if the Income Tax bill does not receive third reading in the other house by tonight, the earliest it could possibly reach us would be on Thursday, November 14.

I have a suggestion to make to honourable senators which I hope will meet with your approval. Since the Income Tax bill is the only business I can see coming before the chamber immediately, I suggest that we adjourn now until Monday, November 18, at 8 o'clock in the evening, provided, however, that should the bill receive third reading in the House of Commons tomorrow we would come back on Tuesday evening next to consider it.

Honourable senators will recall that by order of this house Mr. Speaker can recall us when in his opinion it is advisable that we should come back to attend to the business which is before us. Therefore, I make this motion on the understanding that if the bill comes to us, Mr. Speaker will recall us for

Tuesday next. Otherwise, we will not reassemble until Monday, November 18.

Honourable senators, it is true that the Senate has not had much legislation before it and we have not done a great deal of work in this chamber; however, that does not mean that the Senate has not been active. The committees have been very active. The Special Committee on Aging, a very important committee in which there is great interest throughout the country, has been sitting regularly. It sat for three hours this morning and heard some very useful evidence. The Committee on Land Use, which has given valuable service to the country, also has held some meetings. In addition, our standing committees have been meeting regularly. Therefore, although we have not had much important legislation before us, I feel we have been doing very worthwhile work this session.

Honourable senators, with leave, I now move, subject to what I have already said, that when this house rises today it stand adjourned until Monday, November 18, at 8 o'clock, in the evening.

Hon. A. J. Brooks: Honourable senators, I feel that we must agree with what the honourable Leader of the Government has said. He made a very clear statement as to the possibilities for business during the coming week. There is only one bill which we can expect from the other house. We have been waiting for it now for three weeks, and there is still a very remote possibility that it will reach us next week.

Under those circumstances, I agree entirely with the honourable Leader of the Government that in the event this bill does not come to us tomorrow it would be a very good idea to recess over next week.

The honourable Leader of the Government has told about the meetings of committees. Excellent work has been done by the Senate in the weeks since the summer recess. However, we depend almost entirely on business coming from the other place. As was so well said of the other place, they have many other activities which we do not have in this chamber. We do not have motions to go into supply, taking two days. We do not have to discuss at length the estimates, which are the prerogative of the House of Commons. We do not have an hour or more of each day taken up with questions asked of ministers. All these things take up the time of the other place, but have no application to the Senate.

Hon. Mr. Roebuck: Also, we do not challenge the rulings of Mr. Speaker.

Hon. Mr. Brooks: That is correct. His Honour's rulings are, of course, so sound we do not need to challenge them anyway. Furthermore, we do not question the seating arrangement of members of this chamber for two or three days or perhaps a week. There are many other things in the business of the other house that we are not required to debate.

Hon. Mr. McCutcheon: We just sit where we are told.

Hon. Mr. Brooks: Most of us do.

Therefore, I agree entirely with what the Leader of the Government has said and take pleasure in seconding his motion, with the provision that if the Income Tax bill should come to us the Senate will be called back by His Honour the Speaker.

Hon. Mr. McCutcheon: Honourable senators, I agree completely with the motion moved by the honourable Leader of the Government and seconded by the honourable Leader of the Opposition.

I should like to ask one question. I am hoping that when the bill comes before this chamber it will be dealt with in the normal way. In my opinion, it is far too complex a measure for any attempt to speed up the normal consideration which we give bills in this chamber.

Hon. Mr. Macdonald (Brantford): I agree with honourable Senator McCutcheon in that respect.

In the first place, I must thank the honourable Leader of the Opposition for what he has said. I am glad he is in accord with the proposal that has been made.

With respect to the Income Tax bill, it occurred to me that when we meet on November 18, Senator Hayden, who is going to introduce the bill, might explain it that evening. Then any honourable senator who wishes to speak on the measure could move the adjournment of the debate. There is no intention to rush the bill through this house. Therefore, I would hope that when we resume on November 18 the bill could be presented for second reading.

Hon. Mr. McCutcheon: That reply is perfectly satisfactory to me, honourable senators.

Hon. Mr. Isnor: Honourable senators, before the motion is put, may I say that we who live in the extreme east or the extreme west cannot understand why we could not be given one extra day. We in the east would have to leave on Sunday morning in order to be here for Monday. I would ask the honourable Leader of the Government to give that a little thought before asking for a final vote on this question. I think I am expressing the thoughts of more than one senator in this respect.

Hon. Mr. Burchill: I agree with what my honourable friend from Halifax-Dartmouth has said. I would add that, as the

Leader of the Government knows, in the Maritimes especially we like to keep the Sabbath Day, but to get here for Monday night we would have to break the Sabbath by travel.

Hon. Mr. Macdonald (Brantford): I have no objection to adjourning until November 19, though it might mean that we would have to sit on the following Friday.

With the consent of my seconder, I will rephrase the motion to read that when the house adjourns this day it do stand adjourned until Tuesday, November 19 at 8 p.m.

Motion agreed to.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bill:

> An Act respecting an Order of His Excellency the Governor in Council entitled the Surcharge on Imports Order, and to restore certain rates of Customs duties and tariff benefits expressed to be withdrawn thereby.

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, November 19, 1963, at 8 p.m.

28906-6—45½

THE SENATE

Tuesday, November 19, 1963

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

Prayers.

THE LATE SENATORS PRATT AND MacTAVISH

TRIBUTES

Hon. W. Ross Macdonald: Honourable senators, during the very brief period since we last met in this chamber we have suffered grievous loss in the passing of two of our well-beloved and distinguished colleagues, Senator Calvert Coates Pratt, O.B.E., and Senator Duncan Kenneth MacTavish, O.B.E., Q.C.

I first wish to pay tribute to the late Senator Pratt, who passed away on Wednesday last after a comparatively short illness.

Senator Pratt was well known to all honourable senators as a man of outstanding talent and ability. Since his appointment to the Senate in 1951, he took an active part in the deliberations of this house and was a vigorous and forthright spokesman in the interest of his native province. His contributions to the debates in this chamber and to our discussions in committee were characterized at all times by his gentleness and generosity of spirit.

Senator Pratt's activities outside this chamber were no less distinguished. He created for himself an extraordinarily varied and highly successful business career in his native province. In addition, he contributed generously of his time to many community activities. He had a lifelong interest in the Newfoundland Board of Trade; he was a member of the Board of Regents of Mount Allison University; chairman of the United Church Board of Education of St. John's; and a member of the Salvation Army Economic Advisory Council.

During World War II, Senator Pratt organized and operated a shipbuilding program for the construction of mine sweepers for the British Admiralty, and for this distinguished contribution to the war effort he was appointed to be an officer of the Order of the British Empire.

Honourable senators, our thoughts and sympathy today must of necessity be with the two sons of the late Senator Pratt, who were closely associated with him in business. To them and to their families we extend our heartfelt sympathy and condolences on their loss.

I should like also at this time, honourable senators, to voice our feeling of loss in the tragic death of Senator Duncan MacTavish who, on Friday last, was killed while riding in a taxicab on one of our main highways near the City of Toronto.

The late Senator MacTavish was a man of exceptional talent. He was educated at Queen's University and at Osgoode Hall. He was called to the bar of Ontario in 1926, and had an outstanding legal career in corporation law. Senator MacTavish was named King's Counsel in 1937. He was a senior partner in a prominent Ottawa law firm and, in addition, served as an officer of literally dozens of corporations.

Senator MacTavish was also active in many community activities. He served as a trustee of Queen's University and as a Bencher of the Law Society of Upper Canada. Also he had a deep interest in the development of the national capital. He was for thirteen years a member of the Federal District Commission, and in 1951 was named chairman of that commission.

Senator MacTavish made an outstanding contribution to the Canadian war effort, having joined the Royal Canadian Naval Volunteer Reserve in 1940. He served as Deputy Judge Advocate General and also as chairman of the Naval Regulations Revision Committee. He then was appointed to the cabinet secretariat, on loan from the navy, and became secretary of the Mutual Aid Board. For his distinguished wartime service Senator MacTavish was appointed to be an officer of the Order of the British Empire.

Added to all these activities was his lifelong interest in politics. Senator MacTavish took an active part in practically every general election since 1921. He held many offices in the Liberal party, and in 1952 was elected president of the National Liberal Federation of Canada, an office which he held and to which he devoted untiring energy and zeal until 1958.

His political career culminated in his appointment to this chamber on June 12 last. His untimely passing is all the more tragic because of the outstanding contribution which he undoubtedly would have made in the Senate to the public life of this country.

Honourable senators, may I join with all honourable members of this house in extending to Mrs. MacTavish and to their two sons and two daughters our deep sympathy in the great loss that they have sustained.

Hon. A. J. Brooks: Honourable senators, the honourable the Leader of the Government in paying tribute to the late beloved senators voiced the sentiments of all of us. There is not much I can add to what the honourable leader has said. Since we last assembled here

on November 7 two of our colleagues have passed on. One of them, Senator MacTavish, died under most tragic circumstances.

This brings to five the number of Senators who have passed away since the opening of the present session in May, just over five months ago—five distinguished Canadians whose loss to the Senate and to the country is great. Each one of our departed colleagues made his contribution to the nation as a whole, and each in his own way.

The late Senator Pratt was an extremely able and dedicated member of the Senate. He participated fully in its activities, and his contribution to its debates was indeed outstanding. He brought with him to the Senate a wide background of experience in business and commerce and a magnificent record of public service. This background is reflected in the speeches he made in this chamber. He was able to speak with authority on a wide variety of subjects. I was particularly impressed with his knowledge of matters pertaining to his native province of Newfoundland and the Atlantic provinces in general.

His was indeed an outstanding career. One of the highlights of that career was his investiture by the late King George VI with the Order of the British Empire in 1946, in recognition of his public service, particularly the war effort, as has already been stated by the Leader of the Government.

Following the outbreak of the war in 1939 the late Senator Pratt instituted and organized a shipbuilding program in Newfoundland designed to provide the Royal Navy with mine sweepers and small naval craft at a time when they were most desperately needed.

Following the end of the war, in co-operation with the British commission of government in Newfoundland, he participated in the formation of the Newfoundland Industrial Development Board and served as its first president. This board, I may say, was one of the forerunners of the present Atlantic Development Board.

To the late senator's surviving brother, his sisters and his two sons, I join with the Leader of the Government in extending our heartfelt sympathy. The country has indeed lost an outstanding citizen and we, honourable senators, have lost a dedicated colleague.

Honourable senators, yesterday the city of Ottawa paid its last respects to one of its finest and most outstanding citizens. I refer to the late Senator Duncan MacTavish. I did not have the honour of knowing Senator MacTavish well personally, but like thousands of others across Canada I knew him by reputation. I knew of his great ability, of his unstinted generosity, and of his outstanding public service to Canada in many ways.

I understand that some of his colleagues from Ottawa who knew Senator MacTavish best wish to pay him tribute tonight. However, before they do so I desire to join with the Leader of the Government in extending my deep sympathy to his widow and family. The loss to his family, to his friends and the public in general is indeed great.

Hon. Norman P. Lambert: Honourable senators, with the felicitous references that have been made by the leaders in this house to our late colleagues, I wish to identify and associate myself in all deep sincerity.

Less than six months ago I had the privilege, in company with the Leader of the Government (Hon. Mr. Macdonald, Brantford), of presenting Duncan MacTavish for membership in this house; and here tonight it is one's sad duty to attempt to find appropriate words to express sorrow and deep regret over his tragic and untimely death.

Nothing could bring home to one more vividly the fleeting character of life on this earth than what has happened in the course of the past week. One thing that appears like an ominous cloud on our horizon is this lurking shadow of extinction which constantly overhangs our modern highways. Their persistent toll of life suggests something almost deadly and indefinable about the operation of high-powered internal combustion engines in the hands of drivers of automobiles. The thought comes surely that these daily tragedies pose a definite challenge to legislators and scientists alike to overcome them. Present traffic signs and signals are surely not enough, and the dire consequences of this failure seem at the present time to be almost uncontrollable.

It has been my good fortune to know our late colleague for the past thirty years. He has been my good neighbour, as well as a good citizen of this community during all that time. I happen to know that his appointment to the Senate last summer fulfilled a long-standing desire on his part, and I would feel remiss if I did not take this opportunity to say regretfully that it was an honour that was much too long deferred.

Our late colleague has had a successful career in the profession of law, and he has been identified with the boards of many outstanding financial and industrial institutions in this country. But apart from these material interests, Duncan MacTavish had a fine record of public service in his own capital City of Ottawa, and also in the national affairs of Canada as a whole. He will stand as a suggestive example of a man who took much time out of his professional and business life to devote to the tasks of useful citizenship. One might truly add that ostentation had no place in his performance.

When our late associate was appointed to the Senate he decided to have as his designation the appropriate name of Glengarry, the county seat of his father, the late Mr. Justice MacTavish. There was something very fitting about that designation. My friend, Senator MacTavish of Glengarry, always impressed me as having inherited in his personality a bit of the old highland chieftain. There was a certain aloofness about him, but with it a gallant courtesy and dependability so characteristic of the best of the Scottish clans. He will be sorely missed in Ottawa and many other centres where he was known, and the Senate will be the poorer for his untimely removal.

To his devoted wife and her fine children I would extend not only heartfelt condolences, but also warm admiration and respect.

Coupled with this untimely passing of Duncan MacTavish is the death of Senator Pratt, which has made a grim interval of last week's adjournment.

Unknown to many of us, Senator Pratt had been in poor health for the past year. He had returned to his native province earlier in the month for rest and recovery when a fatal seizure overtook him. His demise has deprived Newfoundland and the Senate of an able and worthy representative.

As his colleagues well know, the late Senator Pratt was thoroughly informed in dealing with matters of trade and finance and also about the economy of his native province. His periodical addresses here relating to those subjects form a valuable contribution to the record of Parliament. He was an able and successful businessman, as has been pointed out, but he was as well an earnest student of public affairs at home and abroad.

His personal affairs, fortunately, will be maintained by his two experienced and competent sons, and to them and his distinguished brother, Mr. Ned Pratt of Toronto, I would convey expressions of deepest sympathy.

Hon. Lionel Choquette: Honourable senators, may I add a word or two in tribute to the memory of the late Senator Duncan MacTavish who was a fellow practitioner with me for many years in Ottawa's legal fraternity.

His many achievements are well known, and I will not repeat them all here. He was extremely versatile, and was an outstanding success as a corporation counsel, a businessman, a political leader and a devoted servant of the public.

The late senator had a host of friends. He was a man of charm and humility, of sagacity and integrity. His sudden and untimely passing is a great loss to the Liberal party, to the Senate of Canada, to the citizens of Ottawa in particular, and to Canadians generally.

As was so well stated on the editorial page of the Ottawa *Journal* of yesterday:

> His fellow citizens who knew him best had welcomed his recent appointment to the Senate, confident that he would make a most useful contribution to the deliberations of that assembly. To the tragedy of his death is added the sorrow that the public life of the country has lost a man who could have served with wisdom and understanding.

But above all the late Senator MacTavish was a family man. Indeed, his death occurred on his return from the Royal Winter Fair where he had watched the riding performance of his daughter, Sheila. So, to his wife, his sons and daughters, and his sister, who survive him, we express our deepest sympathy.

Hon. A. B. Baird: Honourable senators, I am not going to repeat what other speakers have so eloquently said, but as a representative of the province of Newfoundland and a colleague of the late Senator Pratt, I rise to pay tribute to his memory.

Senator Pratt was one of the most active and hard-working men I have ever known. Apart from his duties in the Senate he engaged in various enterprises, both business and philanthropic, many of which were closely related to the grass roots of Newfoundland. The unwavering support that he gave to education and welfare will ever be remembered in his native province.

I know that we are going to miss him, and that his place will be very difficult to fill. His long years in commercial life will leave in his native province a profound respect for his memory. Newfoundland has lost one of her most illustrious sons.

We in this chamber, honourable senators, have lost much in the passing of Senator Pratt, and it will be realized how much more will be the loss to his family. I join with other honourable senators in extending heartfelt sympathy to his sister, brother and two sons.

Honourable senators, I would like also to join with the previous speakers in extending to the widow and family of the late Senator Duncan MacTavish my profound sympathy upon the tragic loss of a dear husband and father.

Hon. John J. Connolly: Honourable senators, Duncan MacTavish's mother was Flora Stuart. She was the daughter of MacLeod Stuart who was one of the early mayors of Ottawa. Her grandfather was William Stuart, one of the early settlers in this area, whose

home was called Appin Place and was located on the site presently occupied by the Victoria Museum. His father was Duncan Byron MacTavish, a county court judge here, who occupied a position of great distinction in the community of Ottawa.

I think the reputation that his father and mother enjoyed in this community was also enjoyed throughout his lifetime by our late colleague Senator MacTavish. His roots were deep in Ottawa, and it is natural that he should have been a member of the Federal District Commission for a period of twenty years. There he worked assiduously for the development of this area as a national capital.

Duncan MacTavish succeeded the late Honourable Frederic Bronson as chairman of the commission, and during his term as chairman the Greber Plan for the over-all development of the national capital area was approved; the Queensway was planned; the Gatineau Parkway, which was such a significant part of the over-all plan, was started; the Mackenzie King Bridge was opened, and there were many other parts of the plan developed under his guiding hand.

As Senator Choquette has said, we have both known him here as a member at the bar and as a member of the Carleton County Bar Association for well over thirty years. He of course was a distinguished member of the Canadian Bar Association. He was a Bencher of the Upper Canada Law Society, the governing body of the bar of the Province of Ontario. He enjoyed everywhere in Canada a reputation for professional integrity and competence, and he was very successful.

I personally can talk about the contribution that he made during wartime because we happened to be very closely associated with the work which was conducted under the late Honourable Angus Macdonald when he was Canada's wartime naval minister. Senator MacTavish was promoted ultimately to the rank of captain and, as has been noted, he was made an officer of the Order of the British Empire for the services he performed.

I must speak of the late senator also as one of my predecessors as chairman of the National Liberal Federation of Canada. He was its president from 1952 to 1958, and until his health was impaired he enjoyed notable success in that work.

I think it is important, too, to observe that though he was a strong party man who worked conscientiously in the interests of his party, as the Montreal *Gazette* pointed out this morning, such was his urbanity that he had as many friends in other parties as he had in his own.

The Ottawa *Journal* yesterday very appropriately remarked that the Senate suffers a great loss in his death. This I believe, for Senator MacTavish had a feeling for parliamentary institutions, but more especially he had a feeling for people.

He was devoted to his church, to the cause of education, to the community in which he lived, and to his family. I shall always remember him, as I am sure all of those who knew him well will remember him, as a warm human being with a great capacity for friendship.

Hon. John J. Kinley: Honourable senators, this is indeed a solemn hour in this session of the Senate of Canada. We are all distressed at the news of the tragic death by accident of one of our senators and the passing of another, both of whom were outstanding citizens of this country.

Tributes have already been paid by the leaders and by others, eloquent tributes, and there is very little more that I can say about our departed colleagues; their virtues and their achievements have been recounted. We know that they were exceptional men, an honour to the Senate, and with whom it was an honour for us to be associated. Honourable senators who have spoken have recounted their achievements and honoured their memory; they have expressed sympathy to the bereaved. There is scarcely anything left to be said that would add lustre to the tributes or would increase the solemnity of this tragic hour.

I do rise because of my lifelong association with Calvert Pratt, the late senator from Newfoundland. He was a long-time friend. I first met him forty-five years ago when he came to us at Lunenburg to make a trade agreement with our firm. At that time we regarded him as a very bright young man with a good future. He was a leader in industry, and as such was one of those who keep the wheels of industry moving, providing employment and a payroll for others, all of which helps our country to continue in its upward path. It is a practical remedy for one of our greatest problems. I feel such men are in truth the benefactors of their country.

One of these was Calvert Pratt, and withal he was truly esteemed by his fellow citizens. His death is a great blow. He will be missed in the Senate, and more especially in the Province of Newfoundland where people knew him best. He will be long remembered as one of the outstanding citizens of that province.

We early learned here in the Senate that he was a Newfoundland patriot. He was always for the province he represented, and he promoted it with skill, with industry, and I think with great advantage.

I also wish to refer to the late Senator Duncan MacTavish. The name MacTavish is a euphonious name in the province I come from. It brings such memories to the people of Nova Scotia that to many of them it would seem they personally knew him.

I knew the late Duncan MacTavish for a long time, and often saw him in action before committees of the Commons and of the Senate. I am sure everyone must have been impressed, as I was, by his fine appearance and his ability. As we have been told, he carried through to a most successful career, and his untimely death is a great loss to us all.

At this time I think it appropriate for me to observe that Christianity teaches us to deal justly, to love mercy and to walk humbly before our God. I believe our two departed friends tried to live up to that standard. It certainly shows the best way to produce a happy and abundant life on this earth, and not to forget that the outlook is eternity.

Honourable senators, the death of two such distinguished members of the Senate within a week is a rare and sad occurrence and brings a common sorrow to our members, to the many friends of the deceased, and in a much greater measure to the members of their families.

I want to have a part in these tributes to our departed colleagues in the Senate. It is with deep regret that I record here a message of sympathy to their families in this their time of sorrow.

Hon. J. W. de B. Farris: Honourable senators, I did not learn of Senator Pratt's death until I came here this evening. I did not get to know him very quickly after his appointment to the Senate, but as I listened to his speeches in this chamber from time to time it soon became clear to me that he was a man who knew what he was talking about and that what he said was worthwhile. During the past year or two a friendship was developing between us which I grievously regret can no longer continue.

Honourable senators, Duncan MacTavish and I as lawyers had been associated together many times. His firm was agent for my firm in Vancouver. I had been in Ottawa frequently to see him and enjoyed the benefit of his friendship and assistance.

Honourable senators, I can add nothing to all the earnest tributes that have been paid this evening to these two departed gentlemen, but I could not refrain from rising to join in what has already been so well expressed.

Hon. Muriel McQ. Fergusson: Honourable senators, I wish to join in the tributes being paid to the two honourable senators who died since we last met in this chamber.

Senator Calvert Pratt from the Atlantic provinces was already a member of the Senate when I was appointed in 1953, and he was most kind in his welcome to me as a fellow member from one of the east coast provinces.

I soon learned that Senator Pratt was highly respected and admired, not only in his own province of Newfoundland but throughout Canada, and even beyond, for he had travelled widely. When he travelled abroad Senator Pratt brought credit to our country, for he was the finest type of Christian gentleman and made friends easily.

Not the least of Senator Pratt's many interests was his great interest in and support of the education of young people. As the Leader of the Government has already said, for some years Senator Pratt had been a member of the Board of Regents of Mount Allison University in Sackville, New Brunswick. I know his wise counsel and practical assistance will be decidedly missed by that board.

Notwithstanding Senator Pratt's outstanding success in the business world and the extensive travelling he had done, he was a modest man and it was only when he was urged to do so that he would tell about his varied and interesting experiences—this he could do in a most entertaining manner. His passing is a loss to Newfoundland, to Canada and indeed to the world, and I extend sincere sympathy to his brother and sisters, his sons and all other members of his family.

Although Senator Duncan MacTavish was appointed to the Senate only recently, he has long been known to and highly respected by many of us and by a great many other people throughout Canada because of his public services, his wartime services and his successful legal career. We knew that his appointment to the Senate would add lustre to this chamber, and we knew too that he would apply his outstanding ability to the problems with which the Senate has to deal.

Senator MacTavish's untimely death has been a great loss, a shock and a grief to his innumerable friends. I extend my deepest sympathy to his wife and his family.

Hon. F. Elsie Inman: Honourable senators, I wish to concur in the tributes which have been paid by my colleagues to our departed senators, both of whom I knew quite well.

Senator Pratt was a gentleman in every sense of the word and an asset to the Senate. He contributed much to the various committees of which he was a highly valued member. His speeches in the Senate were always informative and interesting. He will be greatly missed. To his family I extend my deepest sympathy.

Senator MacTavish was a most valued member of the Senate. I was associated with him when he was President of the National Liberal Federation and I was President of the Women's Liberal Association of Prince Edward Island. He was always most co-operative, understanding and helpful. I know that Liberals all over Prince Edward Island will deeply regret the tragedy of his death. To his family I extend my deepest sympathy.

Hon. Harry A. Willis: Honourable senators, I wish to pay tribute to the late Senator Pratt, whom I did not know as well as Senator MacTavish.

I was the last member of this house to converse with Senator Duncan MacTavish, with the possible exception of Senator Hayden. I am a director of the Royal Winter Fair and a member of the entertainment committee and executive, and Senator MacTavish and I enjoyed a social conversation about half an hour prior to his untimely death. He was in good spirits at the time, as he always had been in this house and elsewhere.

I recall how very proud Senator MacTavish was when he was introduced as a senator in this chamber last June. I should like to mention that he had a special affection for the Leader of the Government (Hon. Mr. Macdonald) and for Senator Norman Lambert. Indeed, he had an affection for them as a son for his father. He spoke highly of both of them on that night before we parted. Arrangements were made for an usher at the Royal Winter Fair buildings to escort Senator MacTavish to a taxi, and little did we realize that this would result in his untimely death. Had he entered the taxi two minutes earlier or later the tragedy would not have occurred.

I knew Senator MacTavish as a barrister and as a great Canadian citizen. I think it could be said of him now that he will be remembered not as a Liberal, a Conservative or a member of another party, but, like Abraham Lincoln, he belongs to the ages.

Hon. Malcolm Hollett: Honourable senators, having heard the wonderful tributes which have been paid to Senator Pratt, I should like, as a Newfoundlander, to add a word or two to them. As one of the representatives from Newfoundland in this chamber, I wish to say "thank you" to all who have spoken. I am quite sure that the people of that province will be grateful and happy to learn that so many honourable senators recognized the outstanding ability of the late Senator Pratt.

Senator Pratt was the son of a Methodist minister who served in the outports of Newfoundland. Like myself, he was born in the outports. He lived through the days of the depression, and starting from scratch built an empire commercially during and since those days. He was able to do so because of his great ability and the honesty which is necessary to achieve success, particularly in the field of business during times of deep depression.

Some years ago a home for the aged and infirm was established in St. John's in memory of Agnes Pratt, the wife of the late senator. His life was filled with good deeds of that nature. Senator Pratt was interested in schools and in education in every way. He was a wonderful man, and did much credit not only to Newfoundland but to all of Canada, and, may I say, to the British Empire.

Honourable senators, I wish to concur in all that has been said in tribute to his memory by the Leader of the Government, the Leader of the Opposition and other honourable members of this house.

I did not know Senator MacTavish well, but I shook hands with him on one occasion. I have heard of his prowess and ability as a lawyer, and I saw him in this chamber on one or two occasions when I believe he introduced some private bills. It so happened that I left Toronto for Ottawa by car last Thursday; he left Toronto for Ottawa on Friday. I arrived here; he did not.

Honourable senators, I know that Senator MacTavish was a wonderful man; not knowing him as well as other honourable senators, I can only say that I wish to extend my deep sympathy to his family.

PRIVATE BILL

THE CANADIAN UNION CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS—COMMONS AMENDMENT CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-36, respecting The Canadian Union Conference Corporation of Seventh-day Adventists and acquainted the Senate that they have passed this bill with the following amendment to which they desire the concurrence of the Senate:

> Page 2, line 3: Insert at the beginning of subsection (2) "Except as otherwise provided in section 16 of Chapter 85 of the Statutes of 1955,"

The Hon. the Speaker: Honourable senators, when shall this amendment be considered?

Hon. David A. Croll: I move with leave, that the amendment be considered now.

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

Hon. Mr. Croll: Honourable senators, some lawyers in the other place decided that for clarification some words ought to be changed

in this bill. They chose to add the words "except as otherwise provided", which in my view does not affect the meaning at all. The members of the other place asserted their views, and we did not want to argue with them.

Motion agreed to and amendment concurred in.

CONSUMER CREDIT

PROPOSED JOINT COMMITTEE

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons requesting the Senate to unite with that house in the formation of a joint committee of both houses to inquire into and report upon the problem of consumer credit, more particularly, but not so as to restrict the generality of the foregoing, to inquire into and report upon the operation of Canadian legislation in relation thereto.

Hon. Mr. Macdonald (Brantford) moved that the message be placed on the Orders of the Day to be taken into consideration at the next sitting.

Motion agreed to.

INCOME TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-95, to amend the Income Tax Act.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-105, to amend the Technical and Vocational Training Assistance Act.

Bill read first time.

Hon. Mr. Macdonald (Brantford), with leave, moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

He said: Honourable senators, may I say that it is not my intention that the Senate proceed with the second reading of this bill tomorrow but I thought it should appear on the Order Paper so that we can proceed as soon as possible. I suggest that the first order of business tomorrow be the second reading of the Income Tax bill.

Motion agreed to.

QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—FIRST READING

Hon. Thomas Vien presented Bill S-46, to amend the Quebec Savings Banks Act.

Bill read first time.

Hon. Mr. Vien, with leave, moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

ROYAL GENERAL INSURANCE COMPANY OF CANADA—FIRST READING

Hon. John J. Connolly presented Bill S-47, to incorporate Royal General Insurance Company of Canada.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

THE NORTHERN LIFE ASSURANCE COMPANY OF CANADA—FIRST READING

Hon. John J. Connolly presented Bill S-48, respecting The Northern Life Assurance Company of Canada.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Order in Council P.C. 1963-1662, dated November 7, 1963, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for shipment of 400,000 metric tons of wheat to the Polish People's Republic prior to November 4, 1964, pursuant to section 21B of the said act, chapter 105, R.S.C. 1952, as amended 1960-61. (English text).

Order in Council P.C. 1963-1648, dated November 7, 1963, authorizing under section 21 of the Export Credits Insurance Act, a contract of insurance to cover the sale by Dominion Steel and Coal Corporation, Limited, Montreal, Quebec, of steel railway rails and tie plates to the Secretaria de Communicaciones y Transportes,

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

Report of the Department of Public Printing and Stationery for the fiscal year ended March 31, 1963, pursuant to section 36 of the Public Printing and Stationery Act chapter 226, R.S.C. 1952. (English and French texts).

Exchange of notes between Canada and the United States of America to amend the notes of November 12, 1953 concerning the establishment of a Joint Canada-United States of America Committee on Trade and Economic Affairs as amended on October 2, 1961. Signed at Washington, September 17, 1963. Entered into force September 17, 1963. (English and French texts).

Exchange of notes between Canada and the United States of America amending the agreement of May 5, 1961 concerning the co-ordination of pilotage services in the waters of the Great Lakes and the St. Lawrence River as far east as St. Regis as amended February 21, 1963 (with a memorandum of arrangements). Signed at Washington, August 23 and September 10, 1963. Entered into force September 10, 1963. (English and French texts).

Protocol to the International Convention for the Northwest Atlantic Fisheries. Done at Washington, July 15, 1963. Signed by Canada July 15, 1963. (English and French texts).

Commonwealth Telegraphs Agreement, 1963. Done at London July 25, 1963. Signed by Canada July 25, 1963. Entered into force July 25, 1963. (English and French texts).

Exchange of notes between Canada and the United States of America concerning the testing of experimental communications satellites (with a memorandum of understanding). Signed at Washington, August 13 and 23, 1963. Entered into force August 23, 1963. (English and French texts).

Exchange of notes between the Government of Canada and the Government of Greece constituting an agreement covering a Canadian gift to Greece of one million dollars worth of food products. Signed at Athens, August 7, 1963. Entered into force August 7, 1963. (English and French texts).

Agreement and protocol between Canada and Nigeria for the training in Canada of personnel of the armed forces of Nigeria. Signed at Lagos, July 3 and September 2, 1963. Entered into force July 3, 1963. (English and French texts).

28906-6—46½

Protocol for the accession of Spain to the General Agreement on Tariffs and Trade. Signed by Canada August 22, 1963. (English and French texts).

Agreement between Canada and Finland on recognition of tonnage certificates of merchant ships. Signed at Helsinki, June 5, 1963. Entered into force August 5, 1963. (English and French texts).

Exchange of notes (May 31, 1963) between Canada and Bolivia constituting an agreement permitting amateur radio stations of Canada and Bolivia to exchange messages or other communications from or to third parties. Signed at La Paz, May 31, 1963. Entered into force May 31, 1963. (English and French texts).

Financial agreement between the Government of Canada and the Government of India. Signed at Ottawa, May 14, 1963. Entered into force May 14, 1963. (English and French texts).

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II of Wednesday, November 13, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C. 1952. (English and French texts).

Classification of Loans and Deposit Liabilities of the Chartered Banks of Canada as at September 30, 1963, pursuant to section 119(1) of the Bank Act chapter 48, Statutes of Canada, 1953-54. (English text).

INQUIRIES

FEDERAL-PROVINCIAL CONFERENCE

Hon. Jean-François Pouliot: Honourable senators, I give notice that on Thursday, November 21, I will inquire of the Government:

> What is the final draft of the agenda of next week's Federal-Provincial Conference?

PORTRAIT OF FORMER PRIME MINISTER

While I am on my feet I would ask the Leader of the Government to be kind enough to tell the Senate at the earliest possible opportunity what has become of Lord Bennett's picture which was unveiled last week. We do not see it anywhere, and I do not know what has happened to it. I went along the corridor and, unfortunately, it was not visible.

TABLE OF PRECEDENCE FOR CANADA

A further question I would like to ask concerns another matter with which you, my honourable colleagues, are familiar. It is the place of former Prime Ministers in the official Table of Precedence.

There was a resolution unanimously passed by the Senate two years ago to the effect that former Prime Ministers should follow the present Prime Minister, according to the Table of Precedence. I have not yet had an answer to my question concerning it. I hope that my Leader (Hon. Mr. Macdonald, Brantford) will be kind enough to ask the Government for a final answer on this matter, and I hope that the unanimous wish of the Senate will be considered favourably.

DISSOLUTION AND ANNULMENT OF MARRIAGES

APPOINTMENT OF OFFICER OF SENATE

Hon. W. Ross Macdonald: Honourable senators, may I say a word before moving a motion?

You will recall that in August of this year an act was passed authorizing the Senate of Canada to dissolve or annul marriages. Section 3 of that act reads as follows:

> The Senate shall, before adopting a resolution for the dissolution or annulment of a marriage, refer the petition therefor to an officer of the Senate to be designated by the Speaker of the Senate, to hear evidence and make his report thereon—

I consulted the Clerk of the Senate with respect to this section and the possibility of having an officer of the Senate appointed to this position. The Clerk has written me as follows:

> Under this section the Speaker may designate any person who is an officer of the Senate to take the evidence, but as the staff is presently organized I do not think that any officer now on the staff has the time to take on these duties in addition to the duties he is presently performing. It will, therefore, be necessary to appoint an officer of the Senate who could then be designated by the Speaker to carry out the duties required of him by the said Act.

I then asked the Speaker as to the procedure to be followed to appoint this officer, and the Clerk advised me as follows:

> In the present case I submit that the officer who will hear evidence in divorce cases should possess the qualifications of a judge of a Superior Court, and the appointment should be made by resolution of the Senate as in the case of the Law Clerks.

I have been in consultation with the Leader of the Opposition (Hon. Mr. Brooks) and the chairman of the Divorce Committee (Hon. Mr. Roebuck), and they know something of the effort that was made to get a suitable person for this position. It is an important appointment, and to fill the position an effort was made, and I believe it has met with success, to get a man with the qualifications of a judge of the Superior Court.

You may ask, "Why has it taken all this time to get such a man?" Well, we felt that he should have had some experience in divorce practice and in family court work, if possible, and considerable general experience before the courts of one of our provinces, and that he should be bilingual. So you can see it was not easy to find a man with those qualifications; however, I believe we have now found such a person.

As I say, before coming into the chamber tonight I gave the name of the man I am about to propose to the Leader of the Opposition and to the chairman of the Divorce Committee. The Leader of the Opposition, having given consideration to this man's qualifications, is prepared to second the motion I am about to make.

The proposed appointee is Allison Arthur Mariotti Walsh, Q.C., of Montreal. He is 52 years of age. He was admitted to the Bar of the Province of Quebec in 1936, and was appointed a Queen's Counsel in 1961. He is a member of the firm of Laidley, Campbell, Walsh & Kisilenko of Montreal. He has wide experience in the general practice of law in the courts of the Province of Quebec, including the social welfare court of the City of Montreal. He has also had divorce court practice. He is fluent in both English and French. He is a married man with two daughters, one of whom is married and the other is at present attending university. He comes highly recommended by prominent lawyers throughout the province of Quebec, and by the bar of the City of Montreal.

The salary proposed is $21,000 per annum, which is that paid to members of the Exchequer Court.

Honourable senators, with leave of the Senate, I now move, seconded by honourable Senator Brooks, that Allison Arthur Mariotti Walsh, Q.C., be appointed an officer of the Senate and that he be paid a salary of $21,000 per annum as and from the 19th of November, 1963.

Hon. A. J. Brooks: Honourable senators, it is not my intention to make any extended remarks. As a matter of fact I am really not in a position to do so because I learned from the honourable Leader of the Government only this afternoon that this motion was being moved this evening.

I am satisfied that the procedure which has been adopted is the correct one. A resolution is being moved to appoint this gentleman, and

I understand that later he will be designated by the Speaker in accordance with the provisions of the act.

As the honourable Leader of the Government has said, it has taken a long time, and it has created considerable concern that we have not been proceeding with divorce work in this chamber for some months past. I may say I am pleased indeed that now we will be in a position to go on with this work which in the past was carried on so well under the leadership of the honourable Senator Roebuck. I hope that Senator Roebuck will give us some idea of the present situation regarding divorces, the number of petitions outstanding, and what stage they have reached as far as action on them is concerned. I assume nothing has been done.

The salary of the commissioner has been mentioned, but I assume the Senate would like to know what staff he will require. I am satisfied, from what little I know of this gentleman and from the few inquiries I have had an opportunity of making, that he is well qualified. As the honourable Leader of the Government stated, he is an outstanding lawyer in the City of Montreal, and he has had experience in divorce work as well as in the general practice of law. He will have a difficult task to perform. There is no question about that. For this reason a very able man is needed for the work.

I have hesitated to ask questions regarding the divorce situation in the Senate, although I have been receiving letters, as I am sure many other senators have, including the Leader of the Government, as to what action was being taken and what the situation was regarding divorces in the Senate.

Hon. Arthur W. Roebuck: Honourable senators, the Leader of the Opposition (Hon. Mr. Brooks) has asked for some explanation regarding the number of cases before us, and what the situation is in this respect.

Before answering that inquiry I should like to congratulate the Leader of the Government (Hon. Mr. Macdonald, Brantford) on finally making a decision on the appointment of an officer. I am very much relieved to know that we are now in a position to proceed. I too have been receiving many inquiries and letters of protest in this matter, which I have answered to the best of my ability. I too have been impatient at the long delay.

However the explanation is quite clear: the position has been difficult to fill. Apparently it is now well filled, and I congratulate the Leader of the Government for having reached a decision.

As the Leader of the Opposition has said, the new position carries heavy responsibilities. There will be presented to the commissioner more than 600 cases. The last information I had just before we recessed was that there were 611 petitions ready for consideration by the committee or by the commissioner. In addition there are 143 petitions previously heard and recommended by the committee; in these cases an application for continuance has been filed by the parties and now await the consideration of the Divorce Committee before being sent on to this chamber. That will be done in the very near future.

That will leave over 611 cases to be considered by the new commissioner. However, he will make greater progress than we as a committee could do. We tried a maximum of about 15 cases a day because we sat only in the mornings, having to attend the general sittings of the Senate in the afternoons, and we sat only two days a week. The new commissioner will sit both mornings and afternoons, and probably five days a week. Although we dealt with approximately 30 cases a week, I would think the commissioner will be able to consider perhaps 40 cases a week. In that way I think he will quickly deal with the 600-odd cases now ready for him to hear.

I am delighted with the situation as it now presents itself. I am sure that the committee and myself as its chairman will get along very nicely with the new commissioner, and we will be relieved of many hours of labour in hearing divorce cases. However, I would remind honourable senators that the Senate is still responsible for the resolutions passed here, and the Divorce Committee will still carry the burden of seeing that the work is properly done. This is something which I think I can safely say the Divorce Committee is quite prepared to undertake.

That is the situation as it stands now. In the near future there will be about 750 cases for consideration during this session.

Hon. Mr. Brooks: Do you expect to get through them this session?

Hon. Mr. Roebuck: I do. It must be remembered that the commissioner will sit while we are sitting and also when we are not in session.

Hon. Mr. Farris: What about the question Senator Brooks asked regarding staff?

Hon. Mr. Roebuck: The new commissioner will not require much staff. He will have a registrar. We have the required staff presently in the committees branch. They will take care of it as they did when the Divorce Committee was hearing the evidence. There is however this difference, that while previously

the Divorce Committee sat as three subcommittees and staff was required to cover each one, there will now be only one hearing officer requiring staff. I think the present staff will be able to handle the work. The new commissioner will require some stenographic assistance, which may be supplied from the pool. That will work itself out. I see no reason to provide extra staff at the present time.

Hon. Mr. Choquette: If the officer sits between sessions and not necessarily at the same time as this house sits, will there be a time limit for filing petitions or may he continue sitting during the summer months, with the usual three or four weeks' vacation?

Hon. Mr. Roebuck: There is no provision in the act that puts any limit on it. The application is for a resolution, not a private bill and, in consequence, there will be no limitation. Applications for resolutions may be filed at any time, and they will be taken up as the commissioner finds it possible to hear them and the parties are ready to proceed. Cases that are heard by the commissioner during the recess will have to wait for the Senate to reassemble before resolutions can be passed.

Hon. Jean-François Pouliot: Honourable senators, before the motion is adopted I wish to say a word or two about this evolution in the procedure concerning divorce cases.

Many times have I praised the work of the members of the Standing Committee on Divorce of this chamber. The change now made is not exactly the same as that suggested by some honourable senators, including myself. We suggested that divorce cases should be referred to the Exchequer Court. But this is a procedure which is quite similar, and I hope that in due course the judge—I will call him the judge—who will decide the divorce cases will have the full powers of a judge of the Exchequer Court, or of the Superior Court of Quebec or the Supreme Courts of the other provinces. What I desire to point out to you, honourable senators, is that a suggestion was made that there be a federal court. If there is a federal court, this is one.

I wish to express once more the admiration I have for the members of the Standing Committee on Divorce. They have worked dutifully and painstakingly for many years. I must give special praise to two honourable senators; I hope that you will not mind if I express my sincere and profound admiration for the formidable amount of work that has been done by the Chairman of the Standing Committee on Divorce, Senator Roebuck, and by Senator Croll. I do not want to depreciate the work of any one of my colleagues, but I find that those two deskmates are an example not only for the Senate but for any legislative assembly in their perseverance in work and their admirable sense of duty.

Hon. Mr. Roebuck: Honourable senators, may I respond with a few words in that connection. I thank the honourable Senator Pouliot for the kind words he has spoken. Perhaps it might interest honourable senators to know that yesterday I completed ten years as chairman of this committee.

Motion agreed to.

DESIGNATION OF OFFICER OF SENATE

The Hon. the Speaker: Honourable senators, pursuant to the authority conferred upon me by section 3 of the Dissolution and Annulment of Marriages Act, I hereby designate Allison Arthur Mariotti Walsh, Q.C., to be the officer of the Senate to hear evidence on petitions for the dissolution or annulment of marriages, and to report thereon.

PRIVATE BILL

THE EXECUTIVE BOARD OF THE CANADA CONFERENCE OF THE EVANGELICAL LUTHERAN AUGUSTANA SYNOD OF NORTH AMERICA—SECOND READING

Hon. J. Wesley Stambaugh moved the second reading of Bill S-45, respecting The Executive Board of The Canada Conference of The Evangelical Lutheran Augustana Synod of North America.

He said: Honourable senators, fortunately, this is a very short bill and one that is not difficult to understand. I think a brief explanation on my part will be sufficient.

The purposes of the bill are to give effect to an Agreement of Consolidation, effective as of July 1, 1962, whereby four large branches of the Lutheran Church in the United States and Canada formed a merger or consolidation. The bill affects only one of these organizations, namely, The Evangelical Lutheran Augustana Synod of North America, which is asking four things: a change of name; a change of territory in which this particular synod has jurisdiction; a change in the location of the head office; and a change in the number of directors.

The bill provides that the name of the corporation be changed from The Executive Board of The Canada Conference of The Evangelical Lutheran Augustana Synod of North America to Western Canada Synod of the Lutheran Church in America, and also that its head office be in the City of Edmonton instead of the City of Winnipeg.

The present act provides that the territorial jurisdiction includes all of Canada, and this bill would provide that it be in particular and only the provinces of Alberta and British Columbia, the Yukon Territory and that part

of the Northwest Territiories lying to the west of the 110th meridian of longitude.

The number of directors provided for by the original act is six, with no minimum or maximum. This bill provides that the affairs of the corporation shall be managed by a board of directors consisting of not fewer than six nor more than twelve directors, or any number in between.

In passing, I would like to pay tribute to the Lutherans, especially those whom I have known in Alberta. There are approximately 700,000 Lutherans in Canada of whom 125,000 reside in Alberta, and I know a considerable number of them. They are doing very good work. In Edmonton they have a fine college which is one of the best, next to the university, in scholastic ability. This college is beautifully located on the north bank of the Saskatchewan river, and I pay tribute to the fine work it is doing.

Honourable senators, if this bill receives second reading I will move that it be sent to committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Stambaugh, bill referred to the Standing Committee on Miscellaneous Private Bills.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 20, 1963

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

Prayers.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING—REPORT OF COMMITTEE ADOPTED

Hon. Thomas Vien, Chairman of the Standing Committee on Standing Orders, presented the committee's third report:

> Your committee recommend that the time limited for filing petitions for private bills (other than petitions for bills of divorce) which expired on Friday, October 25, 1963, be further extended to Friday, November 29, 1963.

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

Hon. Mr. Vien: Honourable senators, I move, with leave of the Senate, that this report be concurred in now.

Hon. Mr. Brooks: May I ask the honourable chairman of the committee if there are many petitions to be dealt with?

Hon. Mr. Vien: One has already been received, and two other petitioners have announced their intention to file. The urgency for concurrence in this report is to give the parties time to present their petitions here and be dealt with in the other place before adjournment or prorogation.

Hon. Mr. Brooks: I am sure there is no objection.

Report adopted.

INCOME TAX ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Salter A. Hayden moved the second reading of Bill C-95, to amend the Income Tax Act.

He said: Honourable senators, I would like to make a few observations before I deal with certain of what I regard as the important aspects of the bill.

This bill comes before us about five or five and a half months after the substantial terms of the income tax legislation were presented to the public in the budget. In my view, legislation of this kind should come to Parliament at the earliest possible moment after its public pronouncement on budget night, because in the interim of these few months I am sure many concerns, industries and financial institutions have programs laid out on the basis of what the incidence of tax would be; indeed, these pronouncements, with some exceptions, became part of the law for all purposes on budget night. For instance, in the field of withholding tax the Canadian companies that have declared dividends since budget night, and have the degree of Canadian ownership that is stipulated in the bill, have been withholding tax on payments of dividends to non-residents at the rate of 10 per cent. Actually, the process of legislative enactment will only be completed when this bill has been passed by the Senate and royal assent has been given. In the meantime 10 per cent has been withheld, whereas the actual, enforceable, legal rate of withholding, even now under the law, is 15 per cent.

I just give that illustration to show you how difficulties develop when there is a substantial lapse of time between the budget date and our consideration of the proposed legislation to implement the provisions of the budget and, with industry and financial institutions having immediately put their houses in order, the confusion that would result were there substantial changes at this late date. I believe there is the strongest reason in the world, therefore, it be made a matter of policy that legislation of this kind be brought down as quickly as possible after budget night.

There are many provisions in this bill. I do not propose to recite them all. Most of them, with possibly five or six exceptions, I would classify under the heading "miscellaneous provisions". On reading them you can get a full appreciation of what they intend to do, and I think it would be unwise for me to take time here to deal with those items. However, there are about four categories, as I call them, of substantial amendments which I would like to discuss with you as objectively as I can, and to explain the provisions and what they are intended to do. I will not pursue the matter further than that and attempt to express any opinion here as to whether they will do what they are intended to do. That is something for the future to decide.

One important provision is that of incentives for increased production and employment in designated areas.

A second group deals with what the Minister of Finance called "loopholes" in the present law. I suppose this is as good a term as any other, although I would not call them loopholes; rather, I would say the law did not go as far as was intended at the time of the original enactment, or that developments have

taken place since which were not anticipated at the time. I think "loopholes" is a very loose description, but I shall refer to the provisions of the bill and show what is intended to be dealt with.

The third grouping would be to clarify the law as to exemptions from tax in certain group life insurance policies and annuities, to increase the income of employees covered thereunder by the amount of the employer's contribution, and to make the interest element in annuities subject to income tax.

The fourth grouping is to change rates of withholding tax which the Minister of Finance includes in the measure designed to bring our international transactions on current account into better balance. The theory of the minister seems to be that subsidiary companies operating in Canada and wholly owned by non-resident parent companies are not encouraged to compete with the parent company in its home market or elsewhere in markets where the parent company operates, and that a partial Canadian interest in such companies, not in any sense amounting to control, would be likely to change that attitude or policy. This is aimed presumably at the United States, and what is called the North American market. You will recall that in relation to our export and import trade, so far as the United States is concerned, there has been a continuous imbalance of trade, and it has been necessary for Canada to find other sources for the dollars that are required to take care of that imbalance. This has been one of our continuing problems.

The objective of the Government, therefore, is to change and reduce this imbalance and, according to the minister, they hope to do that by the changes in the rates of withholding tax consequent upon the definition which was first provided for in the Income Tax Act under what is called a degree of Canadian ownership. The method of applying this to withholding tax is that where there is a degree of Canadian ownership, as defined, there will be a reduction in the rate of withholding tax; and where there is not that degree there will be an increase in the rate of withholding tax. In other words, you have a sort of plum or bonus for having a degree of Canadian ownership, and you have a penalty or a fine for not having that degree of Canadian ownership.

The only comment I want to make at this stage, because this is a recital of the provisions of the bill that I propose to deal with, is that while we have a surplus on our current account in our trading with the rest of the world, I have not heard it suggested anywhere that such surplus occurs because there is no participation by subsidiaries operating in Canada whose parent companies are located elsewhere than on the North American continent. I do not see that we can look to any system of logic or consistency to explain what it is that brings about the surplus in our trading relations with other countries while we have an imbalance of trade as between ourselves and the United States.

As to what are the real basic underlying factors, I feel it does not necessarily follow that the adoption of a degree of Canadian ownership, as defined, is going to be a cure-all for the problem.

The first list of amendments that I referred to was with respect to the provision of incentives for increased production and increased employment in designated areas. Up to the present time the direction of our changes in income tax law has been in the field of allowances and incentives, and the motivation appears clearly to have been the very substantial and unique unemployment situation in Canada over the past number of years. This is exactly what the then Minister of Finance said in December of 1960. I quote:

> The most important of our immediate objectives, as I have already said, is to deal effectively with the problem of unemployment.

Thus we have additional allowances in respect of new products on a regional basis to assist new industries in areas where there is a substantial degree of chronic unemployment, and on a national basis to aid in the development of new products from processing operations not heretofore carried on in Canada, and to encourage the production of new types of goods.

The minister in the course of his budget speech in December 1960 said:

> The most important of our immediate objectives, as I have already said, is to deal effectively with the problem of unemployment. . . I am anxious to do everything within our means to encourage initiative and enterpise. As a powerful incentive to these ends I am pleased to announce measures to fulfill three major purposes: first, to assist new industries in areas where there is a substantial degree of continued unemployment over the years; second, to aid the development of new products from processing operations not hitherto carried on in Canada; and third, to encourage the production of new types of goods. Double depreciation will, at the option of the taxpayer, be allowed in respect of capital expenditures incurred in the first year for these purposes, but may be applied in any of the first three years.

Having said that he went on to say:

> In some areas changing economic conditions have created a degree of chronic unemployment which requires special action. The purpose of this new program is to attempt to cope with this problem in the most effective way by encouraging new industries to establish themselves and provide additional employment in such areas. The areas to benefit from these new measures will be designated by the governor in council on the basis of the best and most complete information available.

Before I endeavour to make a comparison between what was attempted in 1960 and what is attempted now—because that program was to go on for three years—I will ask honourable senators to look at the bill and note that by clause 16, which appears at pages 12 to 15 inclusive, a new section 71A is added to the act, and this new section is applicable to the year 1963 and subsequent years. It implements budget resolution No. 2. The intention of the Government in proposing such incentives is to provide a basis by which to attract new manufacturing or processing businesses into a designated area as defined in the Department of Industry Act.

Honourable senators will recall that we had that act before us earlier this year. It was passed and it is now law, and the department has been set up. There is a provision in that act under which the Minister of Industry may designate an area as being a designated area for the purposes of that legislation.

The belief is that the incentives which are proposed there should bring some relief from the condition of chronic unemployment which exists. There is a list of 35 such areas. I think it has been published and is quite easily available. This idea of incentive legislation is not new at all, and that is why I referred to what the then Minister of Finance said in 1960.

However, the legislation that is now before us provides for tax assistance. If a new business as defined by these provisions to which I have referred starts to operate, the Minister of Industry will issue a certificate settling the date on which it is to be regarded that the business has reached a stage of reasonable production, and then a tax holiday will continue for a period of 36 months.

By "tax holiday" I mean exactly what those words imply: that during that period the company will not be subject to corporate income tax.

In addition to that benefit, such a new company, having met the conditions laid out in these sections of the bill, will be able to qualify for accelerated depreciation. This is provided in the budget resolutions and is being implemented in the income tax regulations, since we do not require any further substantive authority to deal with that.

This accelerated depreciation has some considerable advantage. It amounts to this: you can take a write-off of 50 per cent in a year on a straight line basis. The combination of a tax holiday plus the accelerated depreciation would be most generous treatment to encourage the setting up of such an operation in a designated area.

As you see, whatever accumulation of profit there might be in the 36 months of the tax holiday, the taking of depreciation and the taking of this accelerated depreciation could be deferred until the fourth year; and the other 50 per cent could be taken in the fifth year. Therefore, if reasonable profits are generated in the course of that time, the avoidance of that incidence of taxation will represent a great benefit to these companies and should provide an effective incentive or encouragement for location in these designated areas.

That does not mean that the 50 per cent accelerated depreciation must be taken in the first year or the next year. It can be taken in any amounts and over any length of time that the company desires; it is available there, if the company has sufficient profits, to take it in the years when it will produce the greatest advantage to the company. Of course, in most circumstances it would be rather silly to take it during the period of the tax holiday.

Hon. Mr. Connolly (Ottawa West): Does it apply to both equipment and buildings?

Hon. Mr. Hayden: The accelerated depreciation applies to machinery and equipment.

Hon. Mr. Connolly (Ottawa West): Not to buildings?

Hon. Mr. Hayden: To buildings as well.

Hon. Mr. McCutcheon: There is an accelerated depreciation for buildings?

Hon. Mr. Hayden: Yes. In regard to a new industry being located in such an area, you will find the conditions laid down in the bill. I do not think I should weary you with the details of them. Some of them are quite onerous conditions.

I should, however, call your attention to the provision that a new business, in order to qualify for entitlement to these benefits, must have net sales—that is, after taking care of rebates and bonuses, customer discounts, damaged and returned goods—amounting to at least 95 per cent of the gross revenue of the business for the period. Provision is also made that 95 per cent of the machinery and equipment, and of the cost of the machinery and equipment installed for the purpose of

carrying on that new business in that designated area, must be new machinery and equipment.

Therefore, you can see that the requirements, the conditions that you have to satisfy in order to qualify, are very tightly drawn. That is necessarily so, because this is a most generous concession in order to encourage the establishment of industry in these areas.

On the other side there is, of course, the problem of competition which has to be looked at. In some sense, this plan could work a hardship on a man who is already carrying on a business in that area and therefore would not qualify for entitlement under the provisions of the bill. He might be faced with a competitor with a brand new plant, enjoying a tax holiday for three years, and having these special write-offs by way of accelerated depreciation. I am told that is the reason the conditions for qualification are drawn so tightly. It may well be that this would not be the final word, and that in the course of the operation of this section problems will develop which cannot be anticipated at this moment and changes may have to be made. However, that is to be expected in legislation of this kind, which is sort of breaking new ground for a very worthy purpose.

I should point out—and then I am through with this part of the provisions in the act on the subject of incentives—that before you become entitled to these benefits, the minister has to certify at the end of your first fiscal year, that you are located in a designated area, that you have met all the conditions of entitlement as to the new machinery and equipment, and also the required percentage of gross revenues from the business. The only problem I see there is that if the minister does not issue the certificate until after the year has run, and the industry has been proceeding on the basis that it was entitled but fell short of entitlement, it would create a lot of problems. I understand there is in contemplation something in the nature of what might be called a letter of intent which would stipulate a program at the beginning. The minister would, in effect, say: This is what you say you are going to do, and if you do these things you will be entitled to a certificate at the end of the year. It seems to me that something of that kind will be necessary, otherwise there is quite a risk inherent in undertaking an operation of this kind.

Hon. Mr. Connolly (Ottawa West): That is provided in the bill, I take it?

Hon. Mr. Hayden: No, it is not. It is a matter of practice that will have to be developed.

The only other thing I should point out is that the legislation which was presented in 1960—in what I call the December budget of the then Minister of Finance, and which dealt with this subject, provided a benefit of accelerated depreciation only in respect of new machinery and equipment purchased in the first year and that it had to be taken advantage of at some time or other within a period of three years. That legislation runs out at the end of this year. The legislation contemplated by the bill now before us is broader in its scope; it will take effect during the year 1963 and will continue.

The next group of amendments which I listed was to close loopholes. There are a number of provisions in the bill dealing with loopholes. One grouping which the minister referred to was lease-option agreements; another was loss carry forward. That is the practice of companies with profitable operations putting their profits into a company with a deficit, and thus gain tax advantages by applying the losses of such a company against profits. The third thing he included under this heading is what was called dividend stripping. I will have something to say about this later. It may not be the happiest choice of expression of what he is attempting to do, but I will come later to what he is attempting to do and then you can decide whether it is a proper designation or description.

The next item is corporation subdivision of functions, to achieve for each company the benefit of the tax rate on the first $35,000 of profit. In other words, it is the type of case where two companies are growing, where one company might do the job well, but they grow and prosper on the basis that for each the first $35,000 of profit will be subject to the low rate of income tax. There are provisions here for the exercise of the minister's discretion by which he may determine that one of the two companies is not entitled to the benefit from the low rate on the amount of $35,000.

The first of the various items which come under the term "loopholes" is the item of lease-option agreement. You will find this covered in the bill at pages 2 and 3; it also implements budget resolution No. 20.

This bill proposes the repeal of section 18 of the Income Tax Act, which has been in the act for some years. I can recall when it was first introduced, and I also recall the explanations and expressions that were made about it at that time. Apparently section 18, which was supposed to be the cure for this situation, has possibly become a little worse than the disease itself; so it is now proposed to repeal the section.

Let me give an illustration. When section 18 was enacted it was intended to cover this

kind of situation and an infinite variety of others. For instance, a farmer might lease a tractor or a threshing machine with an option to buy, and if the regular sale price of the machine was, say, $10,000 he might agree to lease it for three years at an annual rental of $3,000 or $3,200 a year, with an option to buy it at the end of three years for $500 or $700, and he would write off the rental in the first three years as an expense of operations. It is that type of transaction that brought about the enactment of section 18.

Section 18 provided that such a lease-option agreement was really an agreement of sale and that the vendor, as you might call him, the lease optioner, was required to treat this on the basis of a sale and he got his capital cost allowances; and the purchaser, the lease optionee, was not permitted to deduct the rental as an operating cost, but he also got capital cost allowances, and the value for purposes of calculating those capital cost allowances would be the annual rentals which were paid, plus the option price.

Of course every time a measure is proposed that is intended to frustrate things of this kind, then ways out are found. Abuses have taken place to the extent that the Government now proposes to repeal this section. One of those so-called abuses is now in the courts. The method followed was that the lease-option agreement called for a lease for 100 or 200 years, with an option to buy at the end of that period. If you take the combination of the rental payments plus the option price, and then figure out your capital cost allowances on the basis of that value, you can see that your capital cost allowance in each year would be substantially more than the rent you were paying for this period of 100 or 200 years. Therefore, it became quite an interesting exercise and one which was employed very often in a variety of ways. As I have stated, the abuses have gone to such an extent that the Government now proposes to repeal the legislation.

I was curious enough to inquire: When this section was enacted we were told about the horrible situation we had to prevent. Now since it has developed in the other direction we are now proposing to repeal that section. What is going to happen? Is the field going to be open to the practices that brought about the enactment of section 18?

The answer, it seems, is that the thinking and progress of law has moved ahead a little. Time alone will tell whether without this special provision in the Income Tax Act advantage can be taken, as it was taken before section 18 was enacted. I have no comment to make on that.

I should call attention to the fact that this bill deals with situations governing lease-option agreements presently in force. I would have thought—and perhaps this is a gratuitous comment—that if it is likely the conditions which led to the enactment of section 18 may be repeated, possibly consideration should be given not to repealing section 18 but rather to enacting some amendments to provide for a limitation of the capital cost to the fair market value. This, of course, would defeat the schemes which envisage the benefits of a lease for 100 or 200 years. I understand that in England they deal with this situation by determining the fair rental value, and then say that the rest is capital value on which you get capital cost allowance.

The third item I enumerated in this series of loopholes was what the minister called loss carry forward. There is no very substantial change brought about by the amendments that are proposed. A loss carried forward, let me tell you, is this: A company that sustains a loss in a given period may in its next year's accounting, if it has a profit, carry forward the loss from the previous year and apply it in reduction of the current year's profit before any tax is calculated. If there is still no profit, the loss may be carried forward for a period of five years. If the loss is not used up in that period of time by profits which may have been earned in that period, then it is gone forever.

There have been all kinds of schemes put forward as a result of which a company with a loss has become a valuable thing and its shares can command a price. It does sound a bit silly to state plainly, without giving serious consideration to what the legal implications are, that you can actually sell shares in a company which has nothing but a loss accumulated on paper. A value is put on these shares, and always there are people looking to buy the shares of such a company.

The present law provides that you are not entitled to a deduction for a business loss if

> (a) more than 50% of the shares in the capital stock of the corporation have, between the end of that preceding year and the end of the taxation year, been acquired by a person or persons who did not, at the end of that preceding year, own any of the shares in the capital stock of the corporation.

The second requirement which fits in with this one is that the company was not continuing to carry on the same business as it was carrying on when the loss was incurred.

Thus, if you owned a minority interest and subsequent to the end of the year you acquired

enough shares to give you control, under the present law you are entitled to carry forward the losses.

The new test, which is simply a variation of this, provides that if you acquired control before June 13, 1963—that is budget night—or if you acquired more than 50% of the shares before June 14, 1963 and you did not own any shares of that company at the end of the proceeding year—the year in which the loss was incurred—then you cannot carry forward the loss unless the company is still carrying on the same business as that in respect of which the loss was incurred.

Some people may say there are significant changes in the conditions, but they are not too significant. A few less people may be able to fit themselves into the conditions that will exist when this enactment becomes law as against those who might have done it earlier.

Another loophole to be closed is one in respect of which an actual case is before the courts. A decision was given by the Income Tax Appeal Board to the effect that the company in a loss position had passed a resolution for winding up. Then some person decided to buy the shares of this company and take advantage of the loss position. This was done. The decision of the court was that the company, having passed a resolution to wind up, then had no business and therefore was unable to take advantage of the loss to carry forward provision.

There is a proposed amendment by adding a new subsection (5a) to section 27 of the act, which does not permit

> ...a corporation to deduct, for the purpose of computing its taxable income for a taxation year, a business loss sustained by it in a preceding taxation year from the carrying on of a business if during that preceding taxation year
>
> (a) the business of the corporation in which the loss was sustained was wound up or discontinued; and
>
> (b) control of the corporation was acquired
>
> (i) after the winding-up or discontinuance of the business, and
>
> (ii) after June 13, 1963,
>
> by a person or persons who did not control the corporation at any time during the preceding year when the business was being carried on.

So it is just closing another door.

The next type of loophole which the minister is proposing to close is the operation known as dividend stripping.

Hon. Mr. Farris: May I ask the honourable senator a question? Does that last amendment affect the case that is in the courts now?

Hon. Mr. Hayden: Yes. Perhaps I should not say yes without knowing more about the facts of the case. I can give my honourable friend the citation as to when the discontinuance was determined, and so on. Certainly this amendment is intended to be applicable to 1963 and succeeding years.

I had no part in the case, and I do not know when these events occurred which gave rise to the claim to carry forward a loss, which the courts said in the circumstances you cannot do. It may be earlier than 1963; I do not know.

In the matter of dividend stripping I would refer you to clause 26, set out on page 23 of the bill, which implements resolution No. 16. If I might express it in broad terms, without too much stress on the exactness of the language I use, I would say that dividend stripping covers the situation where all or part of the surplus of a company is paid out to a shareholder or shareholders in a way that income tax is avoided or its impact is substantially lessened.

Honourable senators know that in the ordinary way a company earns profits and it is taxed at the end of the year on those profits. To the extent that it retains those profits, they are carried forward into what is called surplus or earned surplus, and distribution can be made of all or, from time to time, of any part of that earned surplus. Originally, you as an individual were faced with declaring this distribution as part of your income and paying income tax on it.

This is the sort of situation which the minister is intending to cover where, without paying income tax at all or without paying what might be regarded as the income tax which should be paid on such transactions, you are able to clean out that surplus. He is endeavouring to close that door of escape from tax.

I suppose the principle is sound that if in various operations by which dividends are taken out of a company, with what I would call statutory dividend stripping sanction, some percentage of tax is paid, then in the interest of preserving and maintaining the revenues of the country it is fair that the minister should attempt to block as many escape routes as he possibly can whereby such course may be taken without payment of tax. Otherwise it can be suggested that it is unfair to impose taxes on those who carry out their transactions in accordance with the statutory dividend stripping provisions in the act, and allow others to do that without paying any income tax.

I have some criticism of the wording of the section. It is very difficult to understand, and it does import into our tax law on this point a ministerial discretion. Much has been said in the past about ministerial discretion in taxation law; one of the difficulties, of course, was how an appeal might be taken from the exercise of ministerial discretion.

Under this section there is provision for challenging by appeal to the Tax Appeal Board or to the Exchequer Court the direction which the minister may have given in the exercise of his discretion. It is not an appeal from the direction; it is an appeal from an assessment where the exercise of the minister's discretion has contributed to the increase in the amount of the assessment and to the amount of tax the taxpayer is called upon to pay. You can, as a matter of law, by virtue of this provision in the bill, raise the issue as to the correctness or otherwise of the decision or direction which the minister gave—and I will have something to say about that in a moment.

However, at this point I am referring to the language. I say to you that it would be a very interesting exercise for you to read the language of section 26, on page 23 of the bill, and attempt to determine the scope, or the applications that could be made, of this provision, and particularly the application that could be made in relation to paragraph (c) of subsection 1 of the new section 138A. There it says, in effect, that in the case of any payment of money where the transaction is an exempt one the minister may, in certain circumstances, exercise his discretion and determine that the purpose of the transaction was to avoid income tax or to accomplish a substantial reduction in income tax.

The danger is in the broadness of the language. We have quite a number of provisions in our law at the present time which provide for what I call statutory dividend stripping.

May I refer to one or two of those? For instance, under section 105 of the Income Tax Act a method is provided for paying tax on undistributed income and capitalizing it at a cost of 15 per cent. You can then issue redeemable preferred shares and subsequently redeem them, and your total tax cost is the 15 per cent of what is paid out.

What I am concerned about here in the broadness of this language is whether this section is intended to give the minister an overriding authority in relation to the present provisions for what I call statutory dividend stripping, or whether they are to be excluded from the operation of this section. Certainly, I for one cannot say, on my reading of the language, which way it is intended to go. You can see it is important, because under section 105, to which I have referred, you can release your undistributed surplus or income by the payment of 15 per cent.

In another provision, section 105B, a tax of 15 per cent or 20 per cent is provided, depending on the circumstances, wherein a dividend is paid in whole or in part out of designated surplus.

"Designated surplus", of course, raises another question—and I do not want to appear to be lecturing on the law of income tax here. We did enact this provision years ago when there was a practice of buying the shares of a company that had substantial undistributed income, then paying a dividend out to another company, and then winding up that second company. Ultimately, you ended up by extracting the earned surplus in a manner in which really two things were accomplished. First, you avoided any tax; second, you got the money to pay for the shares which you bought by this operation. They closed the door on that many years ago, and I recall that there was quite a discussion in the Senate at the time.

Then we have gone on from there with what I call permissive legislation under which, by subjecting yourself to a certain rate of tax, in certain circumstances you can extract undistributed income. I have referred to two of them, and there is also section 105C. The circumstances delineated in that section are that you may release undistributed income by the payment of a 20 per cent tax.

So the problem which I have in reading this section is to decide what is the extent of it. Is it an overriding authority to the minister, or is it subject to the present provisions of the act? These are questions, of course, we can pose in committee—

Hon. Mr. Farris: Who will answer them for us?

Hon. Mr. Hayden: The officials who will be there. I had not finished my sentence.

Hon. Mr. Farris: I am sorry.

Hon. Mr. Hayden: These are questions which we can pose in committee. We can ask the departmental officers and even the minister as to what is the intention; but, of course, you realize that at the same time, when this section passes into law, the answers we may have are not the things that will govern the situation in the future. Then it would be a question of the interpretation the courts would put on it.

Therefore, I pose the question: Does this section propose that all distributions of surplus must bear tax; and to the extent that a way is found to do such without liability to pay income tax, is this section to give, or

is it intended to give, the minister a discretion to make any such payments taxable? If it is not intended to give him that broad power we should say, "subject to the provisions" of these various sections I have mentioned. If it is intended to give him that broad power, then these sections to which I have referred no longer have any meaning or effect, because one can hardly imagine that some people would be able to take the route of section 105A, B, C or D, while others would have to pay the full rate of tax, depending on whatever may be their status and the amount of income they have when assessed in whatever manner the minister directs. That would be a situation we would not want to contemplate because, in effect, the minister in those circumstances would be determining the rate of tax. Whether he would say, "The remedy is to go under section 105", or "In my opinion this transaction violates this provision of the new section 138A, and this amount you have received is to be added to your income"—that would be subject to the general rates of tax, which would conceivably, or almost certainly, be higher than these special rates which are provided.

The very generality of this makes it necessary that in all financial transactions or capital reorganization, the parties should have access to the income tax division to get their opinion before transactions are undertaken. Secondly, financial markets are sensitive; they are here today and gone tomorrow. You have to move while the temper is there, and if you are delayed too long in getting rulings you lose your market.

Surely, this language is not broad just because the draftsmen have run out of their ability to use more words. I hope they are not like the man who, apologizing to his friend for having written him a long letter, said, "I am sorry I had to write you a long letter, but I did not have time to write a short one." That sometimes happens in legislation; sometimes draftsmen find that to draft concisely takes time.

The only comfort I get is that I am not opposed in principle to what the minister intends to do, and I do not think any Canadian who is concerned about the operations of business and the objectivity of tax legislation and enforcement would oppose the principle that in transactions of this kind which end up in a distribution of earned surplus to various people, at the discretion of the minister, might be subjected to different rates of tax.

Secondly, I am not so concerned about these provisions and their vagueness and generality, because I think even the minister himself is concerned. I say that because in giving his explanations he did point out that even a limited discretion in these times, certainly in taxation, is regarded as being distasteful and, therefore, the sooner you can provide something where you do not have to call on ministerial discretion the better.

He indicated that he had asked the chairman of the Royal Commission on Taxation if he would attempt to bring forward the recommendations of the commission in relation to this phase of dividend stripping even ahead of the main report. The minister would hope there would be something useful in those recommendations whereby you could get fast action to deal with dividend stripping on a basis where its application is concise, clear, and the incidence of taxation is also clear.

Now, that is the comfort I get from agreeing to accept the language of his proposed section 138A. However, I am a little concerned when it comes to the question of appeal, but this matter can possibly be clarified in committee. May I explain this aspect? When you receive an assessment, if there is income added back to your declared income, and you are assessed on a larger amount than you have declared, you are usually informed as to the places where the additional income has been found to warrant the increased assessment.

However, there have been times when this has not been done, and it becomes very important, if I am permitted on an appeal from assessment to challenge the exercise of ministerial discretion leading to this direction, that I should know what the direction is, and I should know what is the basis in fact upon which the direction is founded. I should be furnished with that because otherwise when I go before the court on argument of appeal from assessment I might have to make assumptions as to the direction and what facts were involved influencing the minister in exercising his discretion.

Therefore, I say as a matter of principle, the direction should be part of the information furnished to a taxpayer with his assessment so that he may be in a position to understand why that amount of income, by virtue of that direction, has been added back to his taxable income. That is something that in my opinion good judgment dictates. If the department follows its general practice up to the present time, it is not likely that anybody will be hurt in the near future, and possibly within that period of time there may be some corrections and changes made in the section itself, as now proposed, which might do away with ministerial discretion. As long as we make the local ground rules on the basis of our understanding, perhaps that is as far as we should go at this time.

Now there are two other points I wish to mention—in fact, there are many points I wish to mention but I certainly did not intend speaking at this length when I started. But I mentioned these group insurance policies; the provisions are in clauses 1, 2 and 3 on pages 1 and 2 of the bill.

Broadly speaking, the point I wish to make is that under the act as it presently stands an employer is entitled to deduct his contributions on behalf of an employee to a group life insurance policy, and over the years a substantial practice has developed where the benefits under that group insurance policy are much greater than a simple benefit in the event of death or disability. In order to call a halt to these extensions beyond what was considered to be the true concept of group insurance, we now have a definition proposed in what is called a group term life insurance.

The premium which is paid by the employer for a group term insurance policy, as defined, is deductible by the employer and is not added to the income of the employee in the year in which it has been paid. A distinction is made between a group term policy, as defined, and any other additional features of the policy; and where there are other and additional benefits in an existing policy the portion of the premium in relation to those would have to be added, after this becomes law, to the income of the employee for the year.

Now the only problem I see in connection with this type of legislation is that the bill seems to contemplate that the premium paid by the employer for a group term life policy is not added to the employee's income, to the extent that the policy provides a benefit to the employee on death or disability. The portion of the premium for any additional benefits to the employee would be taxable as income to him. At the moment I do not know whether policies now outstanding, which have those added benefits in addition to that accruing on death or disability, can be broken down so that only the portion of the premium covering those additional benefits may be added to income for the year. If recognition is not given to that aspect it would mean outstanding policies would have to be cancelled and two new policies issued, which would involve additional expense; you would have to have a true group term life policy, and another policy which would contain all the additional benefits.

This is a matter about which we would certainly hope to obtain full information in committee. I would hope that the department would evolve a practice under which the premiums could be split rather than have to cancel the existing policies that have those added provisions.

Another matter I wish to discuss is that of the withholding tax. I am sorry to take so much time in dealing with these provisions, but I shall try to make this as brief as possible. First of all, you will find the provisions and the formula to determine the degree of Canadian ownership in clause 28, at page 25 of the bill. The withholding tax provisions start on page 19. May I try to summarize these so as not to take too much time, and to tell you what the purpose of this proposed legislation is.

First, you start out with the concept that you are going to determine a degree of Canadian ownership in the voting shares of a Canadian company. This definition to which I have referred on page 25, which enacts the new section 139A, gives you that formula. If you can establish that 25 per cent of such shares are owned by Canadians, then you have a degree of Canadian ownership which fits into the subsequent provisions of the act. But if you cannot do that, and if the shares of the company which are voting in all circumstances are listed on a prescribed stock exchange in Canada, and not more than 75 per cent of those shares are held by one non-resident, or by one non-resident and others who may be related, then you have established a degree of Canadian ownership under this bill. This degree of Canadian ownership determines the rate of withholding tax.

At the present time our withholding tax rate on dividends paid to non-residents is 15 per cent. In 1960, before the December budget we had varying rates; we had no withholding tax on some transactions, 5 per cent on others, and a maximum of 15 per cent. What is proposed here is that as and from budget night the withholding tax on dividends paid to a non-resident where the company has a degree of Canadian ownership shall be 10 per cent instead of 15 per cent.

Then there is a further provision that in companies that have not a degree of Canadian ownership on and after January 1, 1965 the rate of withholding tax on dividends paid to a non-resident in such circumstances would be 20 per cent. That is the broad concept, and there are penal provisions so as to prevent companies which do not have a degree of Canadian ownership in the period from now until January 1, 1965, from taking advantage of the interval and paying out the surplus at the lower rate of 15 per cent.

Broadly speaking, the provisions are that you take a period prior to budget night equal to the period from budget night to December 31, 1964, and you determine the percentage of dividends paid in the earlier period, and you

can pay dividends of not more than five-fourths of the dividends paid in that period before budget night. Any excess would be subject to this 5 per cent penalty. Or, if you have not any history of paying dividends you could pay dividends in an amount not exceeding 5 per cent of your capital.

Broadly speaking, those are the provisions with respect to withholding tax. I really have not gone into them in any detail. There is a requirement that you must have a certain number of Canadian directors in order to maintain this position or degree of Canadian ownership, but the fact I wanted to call to your attention is that we have many tax conventions outstanding, and generally speaking, they fall into three categories.

We have a tax convention with the United States. Under Article XI of that convention we provide for a maximum or a ceiling of 15 per cent withholding tax. That is, the Americans would assess 15 per cent on payments to residents of Canada—that is, American companies paying to Canadians—and in turn Canada would assess 15 per cent in the reverse situation.

There is a provision in that treaty under which this section is terminated by either party's changing and increasing that rate of withholding tax. That provision is in addition to the general provision in the treaty for termination on notice. This is only termination without notice, by virtue of increasing the rate above 15 per cent.

We have a series of tax conventions in which the provision with respect to withholding tax is that the rate shall not exceed 15 per cent, and there are some which have no particular rate considered in them but which have other provisions.

One can consume a lot of time pointing out the detail of this, but I think skimming it in this fashion is sufficient for my purpose. If there is a principle involved it is this: So far as the United States is concerned, if on January 1, 1965, when the 20 per cent withholding rate under this legislation becomes effective on the payment of dividends to non-residents by a Canadian company which has not a degree of Canadian ownership, we have not renegotiated this Article XI in relation to withholding tax with the United States, we are in the position where we may be subject to the general withholding tax rate of the United States, which is 30 per cent. If we can renegotiate in the meantime—I would think there is grave doubt as to whether there is time enough to do that—the best, it would seem, that we could hope for would be 20 per cent. Then you have to figure out what is the incidence in relation to 20 per cent instead of 15 per cent on Canadian companies and, in particular, Canadian holding companies.

As to this other group of countries where they have a fixed rate, in the sense that it shall not exceed 15 per cent, if you come up to January 1, 1965 and you have a 20 per cent rate here, having repealed your 15 per cent rate, the question is: Is there any rate of deduction that you can make for withholding in respect of dividends passing from a Canadian company without that degree of Canadian ownership to such a non-resident?

It would appear from my reading of the documents—I do not profess to be giving an opinion—that in those circumstances, remembering that the act which approves each one of these tax conventions contains a provision that where there is a conflict between the treaty and the law of Canada the provisions of the treaty shall prevail, if our income tax law provides something that is at variance with the provisions of the treaty, then the provisions of the treaty apply. I think there are only two ways of getting out of it: either by renegotiation or by a notice of termination under the treaty itself. Therefore, with respect to these countries where we have treaties with a provision that the withholding rate shall not exceed 15 per cent, we can be in the position on January 1, 1965, if we have not been able to accomplish any renegotiation, of there being no authority under which any withholding would be justified in respect of dividends being paid by a Canadian company without the degree of Canadian ownership to a non-resident of these countries with which these treaties exist.

So, we have a confusion in the area of tax conventions, and some determination will have to be made for an assessment of the degree of confusion, the likelihood of being able to do anything about it in the interim, and setting that off as against the benefits which it may be felt would flow from bringing in these changes.

May I make this observation in connection with these changes? These changes in withholding are designed, it is said, to increase the share of Canadian companies in the North American market on the basis that if you had some Canadian interest, or a degree of Canadian ownership as defined, such a company would be more likely to be venturesome and get into the North American market, as against a company which is a 100 per cent owned subsidiary of an American company, and having that company go into the North American market in competition with its parent. That is a policy that has been asserted in the budget. It is Government policy.

So far as I am concerned, I look at venturing into any market as being a case of whether there is profitability or not. If there is not profitability you do not go into that market. I cannot conceive, for instance, how

in that relationship of a United States parent and a 100 per cent owned Canadian subsidiary the parent would say: "Yes, I have a share of this market in the United States, and you can sell some of your goods here". Unless that parent company in the United States has a monopoly in the operation, it has competitors in its own home market and these competitors may have something to say about this unilateral parcelling out of a portion of the market to somebody from Canada. I think the only way you can get into the markets is to get in on the basis that you can compete.

I am not prepared to challenge the policy as such, but I am certainly prepared to express an opinion as to what leads companies into the export field and into export markets. The way in which I look at it is that you go in there on profitability. That is the only way in which you can get into a market. You may be able to get in because you have a monopoly, or you have a patented article, but that presents an entirely different concept. I am talking of general commercial manufacturing operations.

Honourable senators, the Minister of Finance in 1960 proposed methods of dealing with this situation. I do not think that we are much, if any, further into the North American market by virtue of what he introduced, when I compare our position in 1963 with our position in 1960. He said at that time:

> I have some important changes to propose in the taxes on income paid to non-residents. These are frequently called the withholding taxes. As I have already made clear in this speech, and frequently on other occasions, it is my view that the Canadian economy has derived great benefits from the inflow of capital from abroad and benefits still continue to accrue. Our national development has been accelerated thereby; the breadth and depth of our industrial structure have been increased; the scope of productive occupations for our own citizens have been extended. There is no intention, therefore, of recommending policies antagonistic to foreign capital. To do so would not be in the best interests of Canada.
>
> At this stage of our national development it is appropriate to withdraw some of the special incentives which were designed in past years to attract foreign capital. As a result of such special concessions, non-residents profiting from investment in Canada do not always bear their fair share of the general costs of government and administration, although they benefit in full measure from them. To redress this situation, I shall be recommending several amendments to bring the principal non-resident withholding taxes up to a uniform level of 15 per cent, which is recognized in our law as the standard or normal rate.

Now, that was done, but I understand that in the interval between 1960 and now, because of our position under some of our tax conventions, we are still applying varying rates of tax. In other words, we still have not got to a basis of a uniform 15 per cent, even in relation to this resolution which was enacted in December of 1960. That is because of the conflict and the manner in which the provisions are drawn in these various tax concessions. Therefore, there is a broad area in which assessment must be made to determine the best way of getting into the North American market.

I can accept a statement of policy as such, with the Government saying this is the design of it, that it should have a chance to try out such policies. We have approved of legislation of that kind even in the course of the last four or five years, and before that time.

However, for myself, the difficulty is that the imposing of a penalty so as to provide a degree of Canadian ownership, and offering a bonus for the provision of a degree of Canadian ownership in the manner provided in the proposed legislation, is not going to open the door of the North American market.

Bargaining and negotiation will still be necessary and there will be many cases where, even with the degree of Canadian ownership stipulated, or even with a complete Canadian ownership, it will not be possible to get into that market because the economic aspects of it just would not permit it.

Therefore, to have a partial Canadian interest in itself, while it may be desirable and stir up nationalistic pride, is not, I think, going to do any more business for a Canadian company.

I may be wrong. At this stage I would say I hope I am wrong, but I do not feel that I am. I am still willing to let the Government have a go at it, on the basis that we seem to have been doing this for some time in various ways and this is just another aspect of it.

What I do object to is the connotation in which this Canadian participation is used or exploited in the sense that "foreign capital and United States capital is a bad thing to have in Canada".

I think the two must be completely disassociated, because the moment foreign money

comes into Canada and is invested in a company here, that company is subject to every law in Canada, just the same as a 100 per cent Canadian company.

True, dividends may go out of Canada; but take the percentage of dividend, even on a 5 per cent basis, being exported from Canada out of earnings, compared with the amount of money that is invested, the amount of employment being given, the amount of taxes being paid, and the amount of purchasing power that is being provided for the people of Canada.

I say that we have to hit a balance somewhere. This should never be presented on the basis that "foreign capital is a bad thing" and that if you have foreign capital, then you have "economic serfdom".

Whoever coined that expression must have been up on the heights between the seventh and eighth or ninth clouds, and must have been in a rarified atmosphere, as it was completely lacking in intelligence to suggest that the situation that we have in Canada bears any resemblance to what is called "economic serfdom".

Honourable senators, perhaps I should take a moment or two to explain that. Between 1951 and 1956, when we had a great period of prosperity in Canada, when business was improving, when we had made successfully the transition from war to peace, the greatest spur that our economy got, and the added buoyancy that it got which enabled it to go to those heights, was provided by the tremendous inflow of foreign capital in that period.

All you have to do is look at the figures. If you want to look at the figures to account in part for the economic position we got into in the last three or four years, look again at the imbalance of trade as between Canada and the United States. Look at the decrease in the flow of foreign capital into Canada.

We need foreign capital in Canada and we are not going to be able all the time to dictate the terms on which it must come in, that it must come by way of loaning money on which they receive interest.

We have to accept the situation where there is investment. We welcome investment. We also welcome Canadian participation. If we feel that there is a necessity to harmonize these two now, let us start as of this date, with some kind of legislation which would require new companies coming into the field to provide for an element of Canadian participation.

Countries in other parts of the world have that kind of legislation, only in some countries the government of the country takes that percentage of interest and the company is carried on to the mutual advantage of both.

But, after the event, to go after these companies which have put in their venture capital, at a stage when it might have been a real venture, and then at this stage to attempt a system of penalty as a way of forcing your way into the North American market, is not a policy that appeals to me. But I am prepared to give it a trial.

It may be that I have said too much now, but I certainly have not said nearly a quarter of what I think I could and should say in relation to this particular subject. I feel very strongly on it, because I for one am not prepared to accept designation as a second-class citizen. I think I am as strongly Canadian as anyone else and I take pride in Canada, at least as much as any other person, and I am concerned about the economic development of Canada as much as any other person. I want to see Canada continue to grow, but at some stage we have to recognize a number of things.

We must have foreign capital. We must get our internal housekeeping on a better basis than we have it at present. Then we must encourage our own Canadians to get a little bit of venturesome spirit and put more of their money in these things when they are starting.

You cannot ask a foreign-owned company to do more than list its shares on the exchange. It is up to the public then to buy them if they wish to buy them. We must recognize these things and put them all together. We must have good housekeeping, and by that I mean trying to work out a basis upon which we get away from our deficits. Then there is the encouragement of foreign capital into Canadian business and Canadian operations. And, there is the instilling into Canadians of a little more venture in the field of investment. These are factors that would lead to a greater development in Canada.

As a parting word, why do we have to design penalties and bonuses to get into the North American market? Is that the only way to get more exports, or is that the only way to correct the imbalance of trade?

We can of course reduce imports. It may be that we would have to tighten our belts a little bit, but that is a process which is available to us, and it is a good process.

We could increase our trade with other countries in the world. True, some of them are complaining now about the imbalance of trade as between Canada and their countries. And so it goes on.

No matter what I have said, this is a question which is not going to resolve itself; and we are not going to resolve it today or tomorrow.

Anything that appears to have a chance to help it, I am ready to support. At the same time, I thought I must express the views which I hold.

I am sorry I cannot propose answers and solutions to the questions. It may be that it is always easier to say something will not work than to propose something that will work. At least, I have expressed my views on this subject.

Hon. M. Wallace McCutcheon: Honourable senators, I intend to be very brief this afternoon. I shall touch very shortly on one or two points which Senator Hayden raised and also on one or two points which he did not touch.

I am sure we are all very grateful to Senator Hayden for the manner in which he has presented this bill to us. He told me he intended to explain the purposes of the bill and what the Government sought to achieve by it, and to describe the methods by which the bill attempted to achieve those ends. He also said he would approach the whole thing on a non-partisan basis and that he hoped I would do likewise. I hope that I can be even more objective and less partisan than Senator Hayden was, for toward the end of his speech, when this lack of comment was more eloquent than a statement, I wondered, as the Irishman said, "On whose side is he neutral?"

In his closing words, Senator Hayden referred to the need for foreign capital. With that I agree. That brings me to one question which I think we should discuss with the officials and the minister in the Banking and Commerce Committee. I am looking at section 23 on page 19 of the bill. That section, coupled with another definition later on, provides in effect that an institution which is not subject to income tax in its own country—thinking broadly of the pension funds of the United States—will not be subject to Canadian withholding tax on interest payable on any bond, debenture or similar obligation issued after June 13, 1963. To the extent that that will open the American bond market to institutions or to businesses in Canada, it is to be commended. What real effect it will have, of course, we shall only know after the Kennedy proposals have been finally determined by Congress.

As to whether we need foreign capital, even the minister did not suggest that we did not need it; however, from some of the statements he made as reported in the press, I gather that he was objecting to the form in which foreign capital was coming into this country with the degree of control that it might exercise. If we need foreign capital, I suggest that this exemption might be extended to include dividends on preferred and common shares. In other words, the best kind of foreign capital that we can have coming into this country—and I am not as fearful of control as some people are—is surely a portfolio investment by pension funds and similar tax exempt institutions which are merely investors who make an assessment, who buy or sell based on the assessment, but who at no time attempt to interfere with management or the details of the business. I suggest that section might well have been broadened.

I am now going to deal with the four groupings of the bill as Senator Hayden did, but I shall be less eloquent and somewhat more brief. First, he dealt with the incentive sections. I will comment upon one incentive section he mentioned. I refer to clause 19 on page 16 of the bill, which amends section 83A of the act by inserting a new subsection (ea), which reads:

> operating a pipeline for the transmission of oil or natural gas,

The effect of that amendment, if passed, will be that companies principally engaged in operating a pipeline for the transmission of oil or natural gas will be able to deduct, in computing income, the drilling and exploration expenses, including all general geological and geophysical expenses incurred by it on or in respect of exploring for petroleum, and so on.

Prior to this amendment such companies would not have been able to deduct those expenses from their income. I suggest that if it is desirable for us to encourage the exploration of oil and gas, particularly if we wish that to be done by Canadians, so that there will be Canadian ownership and control of these assets, this and similar limited exemptions might well be extended to Canadian individuals and corporations, no matter what businesses they are engaged in, just as is done in certain other jurisdictions. I have in mind one great Canadian company which has a number of wholly-owned subsidiaries, which in magnitude are many times the size of the Canadian company, substantially engaged in the oil and gas business in the United States.

I turn now to the main incentive sections. When the Department of Industry bill was before us, I had something to say about this business of designated areas and attempting to lure companies to go to areas that were uneconomic, and I opposed the bill. Nothing that has happened since has led me to change my mind; in fact if anything, the events which have taken place since that date have strengthened my feeling that I was right in the views I expressed at that time.

The objective of the Government is laudable. It is an objective with which all are

in complete agreement, namely, to reduce unemployment. The objective is to direct industry to areas where there is a labour surplus; although I assert without hesitation that we will never be able to reach a situation in this country where there will not be a labour surplus here or there. Mobility of labour, on which we always pride ourselves, is something we should not now discard and say, "you must stay there, and we will bring a plant to you". It won't work.

It is quite obvious that after the minister delivered his budget speech—and this section is based on paragraph 2 of the income tax resolution—that he had some second thoughts. Senator Hayden said that one of the reasons for the strict conditions was that it was realized there would be competitive advantages and disadvantages if conditions were not made very strict. The condition I want to refer to is the one which is not referred to in the resolution at all. It is the condition that says that the person shall be deemed not to have been carrying on a business in a designated area unless throughout the period—and I am now paraphrasing—the capital cost of all machinery and equipment and buildings situated in that designated area used by the person in the business, and the value of all machinery on the same basis, is at least 95 per cent of the aggregate of the capital cost of all machinery and equipment wherever situated or owned by the person in the business, and the value of all machinery and equipment and buildings wherever situated and used for that purpose.

Automatically, unless you go to the device of a subsidiary, no large Canadian company can take advantage of this. The only result of this section which I know of to date, and in due course we will hear of others, was recorded in a newspaper. The account stated that a wholly-owned subsidiary of an American company had been moved from Guelph to Brantford, and that it will get all these advantages because Brantford is a designated area. It will not be in that circle of towns and cities that the unemployment problem will be solved. The unemployment problem would have been solved just as well, I suggest, had the plant been located in Guelph. Yet Senator Hayden says that is what the Government intends to do.

I suggest this is an invitation for Americans to come here and incorporate subsidiaries in designated areas in special circumstances; and certainly the circumstance I referred to was a special one. Senator Hayden is willing to go along with the Government and give it a chance. I think that is what we shall all do in the final analysis. But I do suggest that this section is not going to do what it was designed to accomplish; it is simply another addition to an already over-complicated tax system, concerning which Senator Hayden has spoken so eloquently from time to time in this chamber.

Senator Hayden referred to the term "loopholes". He objected to the term and I too object to it. I think it is a rather amusing commentary on what happens when tax provisions have become as complicated as they are.

Some years ago—some time prior to 1958—we inserted section 18 into the act. The section has been amended since. It was enacted in order to take care of one vice, and now we find that lawyers, auditors, and people with imagination have gone to work on that and it has got so bad that we are now repealing the section and going right back to where we started. I hope the Royal Commission on Taxation will recommend simplifying the act and so get rid of a lot of special cases and special exemptions. Let us get down to something simple so that we can base our business decisions on good, sound business reasons rather than on tax reasons.

Having said that, I want to refer for a moment to the new section 138A, clause 36 of the bill, on page 23. True, the minister has said this is only temporary, but things which are temporary have a tendency to become permanent. The Income War Tax Act of 1917 was repealed only in 1948.

Hon. Mr. Hayden: We only changed the name then.

Hon. Mr. McCutcheon: Technically, we repealed it but really we just changed the name to make it permanent.

Honourable senators who served on the Senate committee back in 1946 or 1947, which was set up to consider the basis for the new act, will no doubt be discussing the contentious matter of ministerial discretion. I have just one or two comments to make on this.

I do not think anyone in this chamber will defend the principle of ministerial discretion; I do not think they would like to see such a provision in the act. I do not know—I am not practising law now—how advice could be given on certain capital reorganizations if section 138A (1) becomes law, without a prior ruling. Yet the Minister of National Revenue is reported in the press to have said that his officials would be available at all times for discussion. He indicated as clearly as possible, if I read the press report correctly, that there would be no rulings.

My understanding of the law is that unless this bill provides that the minister's ruling shall be binding as between himself and the taxpayer, then the ruling would be worth nothing in any event. That is the position we are in today. I do not see how any of my

friends engaged in corporate reorganization can advise their clients in that regard in the face of that section.

Subsection (2) of Section 138A strikes me as being completely unnecessary. We already have a set of rules which define the meaning of an associated company, indicating that only one of them can take advantage of the lower corporation tax rate on $35,000. Surely, if the rules are not satisfactory we should change the rules, and if we cannot find language to change the rules we should leave them alone and not prejudice every taxpayer in the dominion in order to take care of one or two people who the Department of National Revenue think are just a little too smart.

Hon. Mr. Crerar: I agree with that.

Hon. Mr. McCutcheon: Honourable senators, I make no comment on the section dealing with group term life insurance and annuities. It is obvious there were abuses there. Employees were receiving benefits for which their employer was getting a tax-exempt allowance and they were not paying any income tax. I do hope we can resolve the feature that Senator Hayden referred to so that it will not be necessary to wipe out a lot of policies now in force. I am sure that that can be done.

I come now to the section dealing with rates of withholding tax. This is Part IID, found on page 18.

First I want to say that I am repeating what Senator Hayden said. I think it is worth repeating, and it will probably be repeated again: We are now introducing the principle of discrimination in taxation between two foreign investors in order to accomplish an objective which may be laudable. I will come to that in a minute. All taxation is discriminatory but we try not to discriminate between persons in the same class.

As far as I know, Canada is the only country in the free Western world that has devised this means of controlling the domestic content in domestic business controlled outside the country. Other countries have plenty of controls. I have had some experience with them. If you want to do a takeover in England, or in the Republic of Eire or elsewhere, you go to the treasury officials and get their permission or you don't get their permission. They lay down, or do not lay down, certain conditions. If you want to build a new plant they say where you can build it.

I am not advocating we do that. But there are direct controls in those countries, and you know what the rules are when you move in. Here we are dealing with people who moved to Canada over fifty years ago; we welcomed them then, and now we are going to divide them into two classes, the good boys and the bad boys, the 10 percenters and the 20 percenters.

Let me turn to this definition and see just how ridiculous the situation is. I will leave out the companies whose shares are not listed. In those cases I think it is very clear that you must demonstrate that at least 25 per cent of the voting stock is held by Canadian residents—not by Canadian nationals but by Canadian residents. If you refer to a test for a company whose shares are listed on a recognized stock exchange you will see that the test is in reverse, wherein a corporation is said to have a degree of Canadian ownership, provided it is established that no one non-resident shareholder of the corporation owned more than 75 per cent of the shares of the corporation, having full voting rights under all circumstances, alone or in combination with any other person related to him.

So we look to see if there is any one person or any associated group of persons—foreigners, that is—who own more than 75 per cent of the shares of the corporation. If that exists, then the company is considered not to have a degree of Canadian ownership; if it does not exist the company has a degree of Canadian ownership, provided always that those shares are listed on one of the designated stock exchanges, and that the number of directors resident in Canada is not less than 25 per cent of the total number of directors.

I remember a company I was associated with that moved into the State of Massachusetts, and we were faced with the law that the majority of the directors of that type of company had to be United States citizens. You should see the number of lawyers on that board, but there is very little degree of U.S. control of that company.

Now, what this really means, just to show you how ridiculous it is, is that if 76 per cent of the shares are held in one hand in the United States, and the balance of 24 per cent in Canada by bona fide Canadian residents, that is a bad company. However, if 74 per cent are held in one hand in the United States—or, I should say, outside of Canada, and 22 per cent are held by other non-residents not associated with the holder of the 74 per cent, and there are only 4 per cent held in Canada, provided they have the requisite percentage of directors, that is a good company.

I hope by the time we get into committee we may have the opportunity to do something about this situation. It seems to me that if that is the best that can be done, then nothing had better be done.

There is a very serious feature of this. Senator Hayden has pointed out that the

changes made in the December 1960 budget and the changes contemplated today, as far as withholding taxes are concerned, have affected or will affect only residents of the United States of America, except that other residents may be affected where they are holders of shares in good companies, and they will have only a 10 per cent deduction instead of 15 per cent. But there are cases where the withholding tax is still as low as 2½ and 5 per cent, because we have not renegotiated these treaties. It is only with the United States we had the right unilaterally to denounce the section to which Senator Hayden referred. He raised the interesting question as to what the situation would be on January 1, 1965, when this 30 per cent comes in.

I do not profess to be capable of interpreting statutes, but I am looking at Article XI, section 3, of the tax convention. I will not read it all but, in part, it says:

> ... paragraph 1—

That is the paragraph where we agree on the withholding tax.

> —of this Article, may be terminated without notice ... by either of the contracting States imposing a rate of income tax in excess of the rate of 15 per cent prescribed in paragraph 1—

I ask Senator Hayden—and, no doubt, he will tell us when he closes the debate—whether the denunciation of the treaty becomes effective on the day this bill receives royal assent or whether it becomes effective on the 1st day of January 1965. It seems to me it makes a considerable difference, and it also seems to me that it is arguable, that probably a good case can be made out either way.

What I am concerned about in this whole thing is that we may not be able to renegotiate the treaty with the United States before this denunciation becomes effective; and let us assume, for the moment it will not become effective until January 1, 1965. I can recall when this Parliament repealed the Succession Duty Act and passed the Estate Tax Act. It took two years, and there was no difference really from the standpoint of the treaty between the position of the United States under the one act and under the other. As I say, it took two years to get us back to the position where we had reciprocity with the United States.

I am not as optimistic as some people seem to be who think that once this legislation is passed we will be able to renegotiate anything which will save some important Canadian companies from the impact of the full 30 per cent withholding tax.

The minister is purported to have said that he has had no assurance from the United States government on this at all. He has been told, "Well, you pass your bill, and we will see." When he goes to renegotiate I am afraid, in the light of the sentiment existing in Washington today, he will not be negotiating from a very strong position.

If I am right, and if on January 1, 1965 the 30 per cent withholding tax becomes effective, then we will imperil the continued existence as Canadian companies of four, five, six companies of which we should be very proud, who have moved into the United States, moved into the foreign field, demonstrated they could compete, but who in common justice to their shareholders could not allow their earnings to be subject to a 30 per cent withholding tax, if their advisers could find some way to avoid it. I am confident, knowing some of their advisers, they will find ways to avoid it.

Incidentally, this whole business of avoiding this discriminatory withholding tax has already set lawyers and auditors to work to see what kind of deals can be made. The financial press has been carrying examples of how the Americans can have their cake and eat it too. They can sell enough shares in Canada to give the 25 per cent holding, and then do a real dividend stripping operation and move the capital they require in Canada back to the States, and upset our balance completely. Indeed, there may even be more ingenious schemes of which the *Financial Post* has not yet heard.

Honourable senators, I am not going to keep you longer. There are a number of matters I want to discuss in detail when we get into committee. As in all bills of this nature, there is some question of draftsmanship. I think there are some areas which the draftsman has overlooked, which he would have dealt with had he thought of, and so on. Those are details that should not be discussed here but should be taken up in committee. I look forward to having the bill go to committee in due course.

Hon. T. A. Crerar: Honourable senators, I think you will all agree with me that Senator Hayden gave a lucid explanation of this quite complicated bill. Of course, that is nothing new, particularly to those of us who have been in the Senate for a number of years. I was interested also in the observations made by Senator McCutcheon. Some of them I thought very pertinent in relation to certain sections of the bill. However, I do not propose to discuss in detail the proposals in this measure. If I may be permitted, I should like to discuss the general philosophy upon which this budget has been based. There are

many features in the budget, and there are some aspects of it with which I wholly disagree. The impression left in my mind is that in the framing of the budget two considerations predominated. One was the economic consideration, which is the proper one of a budget, that is, to discuss the economic state of the country. The other was a political consideration based on the alarm, fear if you like, that Canada is in danger of becoming an economic slave of the United States. This I think is utter nonsense. And the complement of that is that if we become economic slaves of the United States we shall also be in danger of losing our political independence. Now I have no hesitation in saying to this house that to me that way of thinking is utter and complete nonsense; not only is it utter and complete nonsense, it is also dangerous nonsense and I shall state my reasons for this view.

It is interesting to look back over the history of our trade relations with the United States and our financial relations as well. Back as far as 1854, over a hundred years ago, a reciprocity treaty was arranged between Canada and the United States. It was a treaty that was to stand for 10 years, and at the end of that period either party could give one year's notice of its termination.

In 1864 the American government served notice on the Canadian government of the day that they were terminating the treaty at the year's end. It is not necessary here to discuss the reasons for that. A hundred years ago the civil war was raging in the United States, and during that period tensions, deep tensions, developed between Great Britain and our American friends.

But there is no question, if we read history, of the benefits which even that limited reciprocity treaty in 1854 in natural products brought to Canada; and it is not a strange thing, but interesting, that following the denunciation of the treaty by the United States, for the next 40 years the dream of Canadian statesmen was that they might again be able to arrange a treaty of that nature with the United States. And that opportunity came in 1911.

Now, many honourable senators here will recall the debates on the reciprocity treaty of 50 years ago. There was no question that when Mr. Fielding, then Minister of Finance, announced in Parliament the arrangement he had come to with the United States, there was almost universal approval all across Canada. And it was not until a number of Liberals in Ontario, protectionist Liberals, raised their cry that this was selling out to the United States, that opposition arose. We had the appeal to the British born to resist ratification, an appeal to Canada "Don't sell your soul to the United States", and the result was that the treaty was defeated and Canada lost an opportunity for the development of trade with our nearest neighbour.

I was out on the hard-bitten Prairies at that time, and I know with what eagerness a great many of our farmers in western Canada looked forward to getting into the American market with their cattle, oats, barley and other commodities. Lumbermen also wanted to get into the American market with their lumber; but the project went down, and it went down on the false issue that if we traded with the United States we were liable to lose our political identity, which was complete nonsense.

Now we have an echo of that in this budget, because we have been told that the main reason for some of these provisions is that we are in danger of coming under economic domination by the United States and that economic domination may lead to political domination. I have no doubt that those who hold that view hold it earnestly, honestly and sincerely, but I profoundly disagree with it; and I submit further that there is not a single fact of history or of our economic experience that warrants any such assumption.

Let me outline a little history to you. The western country, the vast Prairie country that was regarded as a wilderness for so many years, commenced to open up about 20 years before the end of the last century. Imagine this vast expanse of Prairie country, nothing but Indian tribes roving over it, and herds of buffalo. I often think of those lines of Longfellow in *Evangeline* where he describes the Prairies, but I do not intend quoting it to you today. What happened? Settlements began to develop; the area had been taken over by the Canadian government from the Hudson's Bay Company. The fertility of the soil and the resources of the country quickly became manifest, and that country which only a short 80 years ago was nothing but waving Prairie grass, this very year produced over 700 million bushels of wheat, and by a happy conjunction of circumstances this wheat is going to add significantly to the stabilization of our exchange.

At that time, we had a tariff against the United States, and the tariff on farm implements ranged from 25 per cent to 40 per cent, and consequently proved a handicap to the development of agriculture in the west. Our farm implements came from factories in Ontario and Quebec. Some came in from the United States over the tariff, but the first real entry of American capital to Canada

came to establish implement manufacturing industries in order that they might share in this growing market.

The next interesting development in the entry of American capital occurred about 20 years later when grain production was increasing rapidly, increasing production of wheat by tens of millions of bushels a year. We had to have facilities for handling it, and those facilities were grain elevators located along the railway lines.

Now I will venture to say that 60 years ago 90 per cent of the capital invested in these facilities for moving grain was American capital, coming in from Minneapolis and St. Paul. I am sure my honourable colleague Senator Paterson, who is familiar with this, will bear me out in that. But what has happened since? Those elevators today are nearly all Canadian owned. The farmers of western Canada, as they accumulated savings, invested in the elevators of their farmers' companies, and today they control at least 2,500 of these country elevators, and vast terminals on the Pacific coast and at the head of the lakes. The American capital that came in at that time served its purpose. It earned its dividends. There was no withholding tax in those days, but by natural evolution these elevators came into Canadian ownership.

Let me give you another illustration, honourable senators. I must mention the Hudson Bay Mining and Smelting Company at Flin Flon, Manitoba. I mention this because I feel that you can sometimes illustrate your argument with a stated case. In the early 1920's—more than 40 years ago—two prospectors operating in northern Manitoba discovered what they thought was an extensive body of ore. They interested some friends, and got enough money together to enable them to sink a few diamond drill holes. They knew they had something rich, and it turned out they did have something rich.

They tried to interest Canadian capital in the development of the mine, but they were completely unsuccessful. No Canadian wanted to risk his money in a mine in northern Manitoba. That continued for several years. The mine had changed ownership by this time, and finally the new owners went to New York in order to try to get money to develop the property.

They interested the Whitney interests in New York, who were extensively engaged in base metal mining in Arizona and Chile. These people investigated it. They diamond-drilled deeper. They organized a pilot plant to see if they could find a system for separating the complex ores, and they succeeded.

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What was the result? They invested about $36 million at that time in northern Manitoba in the building of a mining and smelting plant, and in the building of a power plant on the Churchill River and a transmission line of 90 miles. Since that time that mine has operated every year, and every day of the year. It has produced hundreds of millions of dollars of new wealth. It has paid scores of millions of dollars in wages, and those wages have fertilized the economy of this country.

Hon. Mr. Thorvaldson: Hundreds of millions of dollars.

Hon. Mr. Crerar: It has done all that and in addition, I am reliably told, the Hudson Bay Mining and Smelting Company that was owned utterly and completely by the Whitney interests 33 years ago is now in Canadian control. I think that is true because when I look at the reports of Canadian investment companies and at the statements of their assets, I find Hudson Bay Mining and Smelting Company stock in almost every one of them.

The question I want to put to the house is this: Has this been a good thing for Canada, or was it a dangerous thing for Canada? There can be no doubt about the answer. Canadians did not, in the first place, have the capital to invest at that time; and, secondly, they were afraid of these new plans to get their money. But once they saw the Americans, whom they thought were very shrewd in these matters, come in and invest their money, then they started to buy the shares of the company.

There are other illustrations. Take the vast iron ore development in Labrador. Hundreds of millions of dollars have been spent there in the last ten years. Where did this money come from? It came largely from the United States. Is there any one who is going to argue that we are not a richer country because of this development? What nonsense! Of course we are a richer country. The development is paying wages and salaries, and we are getting the income tax on them. It is buying supplies to the extent of tens of millions of dollars, and our economy benefits from that. How can it be argued that because we do this we are in danger of becoming economic slaves of the United States and of losing our political identity?

Again, take the oil development in Alberta. I live in western Canada. As my western friends know I was in the grain business —a pretty honest business. So was Senator Paterson. Perhaps I might interject that I remember Senator Paterson when I was a green young farmer trying to learn something

about the grain business and Senator Paterson was a telegraph operator also with his eyes on the future. Senator Paterson ultimately bought back some of these lines of elevators from the United States. That is the way these things happen.

Take the oil development in Alberta. You could not interest Canadian capital in coming in and raising a million dollars to look for oil. Our Texas friends—the Texas tycoons, as they came to be called—came in from Texas. They had the know-how. They understood oil geology. They took their chance, and spent tens of millions of dollars in doing it. They found oil. That stimulated development in exploration, and today the oil industry of Saskatchewan, Alberta and northeastern British Columbia is a great industry. More capital came in. They drilled more of these wells. They found gas, and then they established petro-chemical industries and the oil complex that followed.

How is it possible to argue that that was a dangerous thing for Canada? They are here. They cannot take their wealth away. They cannot take their machines and everything else back to the United States. They cannot take the oil or the ore out of the ground, or the timber out of the forest, back to the United States. That remains here. They have to operate here and live here.

It is interesting to note in passing that, so far as the grain interests are concerned, the old firms that came in from Minneapolis to establish a line of grain elevators still partly own some of these grain elevators. They are still in family control, but the sons and grandsons are living in Winnipeg. They are good Canadian citizens serving on our bank boards and our insurance company boards and helping our hospitals. They are first-class Canadian citizens, and I certainly argue that our country has been enriched by this experience.

The greatest impetus, however, that came from American investment in Canada followed the Ottawa agreements in 1932. Many honourable senators will remember that economic conference. It really was a trade conference of the Commonwealth countries and Great Britain. As a result tariff arrangements were made for preferences between these Commonwealth countries trading with each other. Britain, by a device, gave the Commonwealth countries and Canada important preferences in the United Kingdom markets for foodstuffs and manufactured articles. That gave the greatest single impetus to American capital coming into Canada. This capital came in in order that it might share in the markets of Britain, Australia, New Zealand and South Africa. Many of you will recall—I am sure Senator Davies will recall—the acclaim with which we welcomed this. This was considered a great development and a real gain for Canada. We were bringing in capital and our American friends were establishing industries here, and we thought it was a grand thing.

Now, after they have been going for 40 years, we are leaving them with the impression that perhaps after all they should not have come here, and, as I said earlier, I think this is nonsense and dangerous nonsense.

I do not agree with the withholding tax provisions of this act. I do not agree with them at all. I feel that the purposes, not only of the withholding tax but of the take-over tax which was dropped, have as much a political inspiration as an economic inspiration, and that is where I completely disagree. I do not think that Canada is ever in danger of being taken over by the United States—not for economic reasons.

At some time in the far distant future, after we have all passed away, conditions may arise in the world where for our protection we might join the United States, if, for instance, there was the possibility of great invasions from Asia or something of that kind. But if you put it on an economic basis, I submit it is just foolish to think that we are in danger of becoming a political annex of the United States. As a matter of fact, they do not want us; their country is big enough now.

Our business should be to get capital, to treat it fairly at all times and not mix it up with other things. We should bring capital here; we should develop our resources; we should find markets for products. I want to tell honourable senators that in my humble judgment that is the only way we are going to get out of the sort of mess we are in at the present time. To my mind, it is unfortunate and foolish to be basing a budget on considerations of this kind at all. It may be denied; I do not think it can be successfully denied that high political considerations were involved. Heaven knows that we have enough problems of our own in this country, without risking a quarrel over matters of this kind with the United States.

I am bound to say this: I think the United States in most matters has shown a disposition to treat Canada fairly in every way. We lie alongside each other for thousands of miles. I think we are a very fortunate country, in the troubled world in which we live, in that alongside us as our nearest neighbour is a great country of 200 million people, today the leader of the world, with ideals not different from our own and speaking the same language.

Let us cultivate the relationships that will enable us to continue as good friends without any danger of our ever being absorbed by the United States.

I have no hesitation, honourable senators, in saying this is my political credo, as far as this question is concerned, and I shall oppose with what vigour I may have any efforts to change it.

What this country needs today, above everything else, is clear thinking on these matters. It needs wisdom and sometimes I wonder, when I read the debates in the House of Commons, if we have as clear thinking and as much wisdom as the country requires at this juncture of our affairs.

At any rate, whatever that may be, let this house, this chamber, be an illustration to our country of what temperate, well-considered, wise judgment may produce in the way of our contribution to the national business.

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

CONSUMER CREDIT

PROPOSED JOINT COMMITTEE—DEBATE ADJOURNED

Hon. W. Ross Macdonald: Honourable senators, you will recall that during this session, and also during the former session, there was a bill on the Order Paper entitled: "An act to make provision for disclosure of information in respect of finance charges."

The bill received second reading last session and was sent to committee but, if I recall correctly, it did not come out of committee. In this session the bill has been considered and is now before this house for second reading. The debate has been concluded on the bill, with the exception that the mover of the motion is to close the debate.

During the course of the debate it was intimated that it would be in the interest of the Senate and of the House of Commons to have a joint committee set up to inquire into and report on the problems of consumer credit.

The House of Commons has already passed a resolution to provide for the setting up of such a committee and has requested this house to unite with it in the formation of a joint committee of both houses on that problem.

If this house decides to join with the House of Commons, I shall move, when Senator Croll's bill is called—I might say I am entitled to speak on the bill, as I have not already spoken—that the subject matter of the bill be referred to the joint committee.

Under those circumstances, I would now move:

> That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses of Parliament to enquire into and report upon the problem of consumer credit, more particularly, but not so as to restrict the generality of the foregoing, to enquire into and report upon the operation of Canadian legislation in relation thereto;
>
> That twelve members of the Senate to be designated by the Senate at a later date, be members of the joint committee;
>
> That the said committee have power to call for persons, papers and records and examine witnesses; and to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee; to sit during sittings and adjournments of the Senate; and
>
> That a message be sent to the House of Commons to inform that house accordingly.

Hon. A. J. Brooks: Honourable senators, I see no reason for objecting to this resolution, nor do I see that it calls for any extended comment. It seems to be a logical thing to do, considering the fact that we have a bill which has been before the Senate for some time, and also the fact that in the Commons there are about six bills of a similar nature which they are anxious to have considered by this joint committee.

Joint committees in the past have produced good results, and I am satisfied that one of this nature will also serve the country well. This is a matter in which the public is very much concerned; I know that from having discussed it with many people.

I see no objection to the proposed committee. As far as the Opposition is concerned, I think we are all very much in favour of the setting up of this committee. I believe there are to be 24 members from the House of Commons. Is that correct?

Hon. Mr. Macdonald (Brantford): Yes; 24 from the House of Commons.

Hon. Mr. Brooks: And 12 from the Senate.

Hon. Mr. Macdonald (Brantford): Yes.

Hon. Mr. Brooks: I suppose there will be some agreement later on as to the number from different groups or parties to serve on the committee.

Hon. Mr. Macdonald (Brantford): There never has been any disagreement.

Hon. Mr. Brooks: I am sure not.

Hon. Norman P. Lambert: May I add a word as to this proposed joint committee? Will there be any further opportunity in this house to debate this resolution, following the report?

Hon. Mr. Macdonald (Brantford): Oh, yes.

Hon. Mr. Aseltine: Not the resolution; just the report.

Hon. Mr. Macdonald (Brantford): When the committee reports, there will be a full opportunity for discussion in this house.

Hon. Mr. Lambert: That is on the report of the committee. What I have in mind is debate on the setting up of the joint committee to discuss consumer credit. I take it there will be no opportunity to discuss the question of whether it is advisable to have a joint committee or not. Personally, I have some reservations about it. As I want to say a word about it, I will adjourn the debate.

On motion of Hon. Mr. Lambert debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 21, 1963

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

Prayers.

PRIVATE BILL

THE CANADA NORTH-WEST LAND COMPANY (LIMITED)—FIRST READING

Hon. A. K. Hugessen, for Hon. T. D'Arcy Leonard, presented Bill S-49, respecting The Canada North-west Land Company (Limited).

Bill read first time.

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

Motion agreed to.

FEDERAL-PROVINCIAL CONFERENCE

CORRESPONDENCE WITH PROVINCES

Hon. W. Ross Macdonald tabled:

Copy of letters, dated November 2, 1963, addressed by the Prime Minister of Canada to the Premiers of the Provinces concerning the agenda and procedures for the Federal-Provincial Conference proposed for November 25, 1963. (English and French texts).

INQUIRY

On the Notice of Inquiry by Hon. Mr. Pouliot:

What is the final draft of the agenda of next week's Federal-Provincial Conference?

Hon. W. Ross Macdonald: Honourable senators, while I am on my feet may I say that I have the agenda of the conference, in answer to Senator Pouliot's inquiry, of which he gave notice on November 19.

[The answer follows]

FEDERAL-PROVINCIAL CONFERENCE

(November 25th, 1963)

PROPOSED AGENDA AND PROCEDURES

A. Proposed Agenda

It is proposed that the following agenda be submitted to the Conference for approval:

1. State of the Canadian economy
(including: (a) employment measures and unemployment; (b) economic and industrial policies.)

2. Conditional grants and shared-cost programs
(including: (a) hospital insurance costs and operation; (b) categorical assistance programs.)

3. Fiscal relations.

4. Special topics
(including: (a) national agricultural marketing boards;
(b) the administration of Indian and Eskimo affairs;
(c) provincial lotteries;
(d) Canada Pension Plan;
(e) Medical Services.)

5. Continuing federal-provincial liaison arrangements.

6. Other matters.

B. Committees of Conference

It may be desirable to set up committees of the Conference to which certain individual subjects or groups of subjects could be referred for detailed examination and recommendations to the plenary Conference in due course. It is proposed, however, that decisions concerning the establishment of specific committees be left to the Conference itself. While the plenary meetings of the Conference will be devoted to the discussion of the main items on the agenda, and of the broad principles governing federal-provincial relations in various fields, the Conference might decide in due course to establish committees to consider such specific problems as, for example, hospital insurance costs and operation, categorical assistance programs, national agricultural marketing boards, the administration of Indian and Eskimo affairs, etc.

C. Opening statements

It is proposed that formal opening statements not be read but circulated prior to the Conference. It is also proposed that each delegation provide the Secretary of the Conference with 100 copies of its opening statement on Sunday, November 24, for circulation to the other delegations during the evening of that day, and for release to the press at the time of the opening of the Conference in the morning of Monday, November 25.

D. Press statements

It is proposed that no statement should be issued to the press regarding subjects under discussion until the conclusion of the Conference, except by unanimous agreement.

Prime Minister's Office,
November 1, 1963.

Hon. Jean-François Pouliot: If I am permitted, honourable senators, I thank the honourable Leader of the Government for giving

me an answer. I am anxious to see it, but I would like to have the answer given on the eve of the conference because the honourable Minister of Justice said that the documents tabled, including the agenda, cannot of course be regarded as final.

My question concerns the final agenda. For that reason, I hope that inquiry No. 3 will stand, by leave of the Senate, until Tuesday next.

Hon. Mr. Macdonald (Brantford): If there is another agenda drawn up and received by me I shall table it at the first sitting of the house next week.

Hon. Mr. Pouliot: I understand the honourable gentleman will table the agenda on Tuesday, if there is any change made to it.

Hon. Mr. Macdonald (Brantford): That is correct.

Hon. Mr. Pouliot: And in the meantime I ask leave of the Senate to let inquiry No. 3 stand until Tuesday.

The Hon. the Speaker: Stand.

BUSINESS OF THE SENATE

On the Notices of Motion:

Hon. Mr. Macdonald (Brantford): I give notice of a motion which I intend to present later this day respecting the adjournment, and which I should like to mention at this stage for the information of honourable senators. I shall move that when the Senate adjourns today it shall stand adjourned until Tuesday afternoon next at 3 o'clock.

INCOME TAX ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Honourable Mr. Hayden for the second reading of Bill C-95, to amend the Income Tax Act.

Hon. David A. Croll: Honourable senators, this bill to amend the Income Tax Act has been fully considered and amply criticized in the other house where it passed after traversing a tortuous route which took almost five months. Yesterday afternoon we had an interesting but difficult time when we were introduced to a glossary of tax terms: capital costs, closing loopholes, fair market value, loss carry forward, dividend stripping, associated and related companies, group term benefit policy, designated areas, and withholding tax tests. I assume—and I hope I am right—that every one here understood the meaning of these terms. In so far as I am concerned, I must admit that I am somewhat uncertain. If you get involved in any of these things, my advice is that you quickly obtain the services of a very good taxation accountant and an expert taxation lawyer, pray for the best but be prepared for the worst.

Senator Hayden made some criticism of the ministerial discretion, and said that if you receive an additional assessment you may now obtain the basis in fact on which the direction to reassess was founded, and also all of the facts which influenced the minister in making that decision. I have some more advice for you in that respect. If you get a reassessment the best thing you can do is to pay it and sleep easy.

It seemed that the discussion yesterday was in a vacuum. For a time I wondered what we were talking about. There was not one word in the three speeches made here yesterday concerning the solution which the bill attempts to bring about. This bill is an attempt by some means to control foreign investment.

I picked up the *Globe and Mail* this morning to read the heading: "Liberals, PCs join to denounce Tax Bill". The news item below the heading reads:

> Amendments to the Income Tax Act proposed in Finance Minister Walter Gordon's June 13 budget ran into a wall of Liberal and Conservative opposition in the Senate yesterday.
>
> Main criticism was aimed at the proposed change in withholding taxes...

The article went on to say:

> Senator Salter Hayden (L., Ontario), a Toronto corporation lawyer, attacked this amendment although he was chosen by Government Leader W. Ross Macdonald to explain the amending bill to the House.
>
> Sen. Hayden opened by saying he would explain the bill. He said he would not express any opinion as to whether its provisions would work.
>
> He was joined in his criticism of the bill by Senator M. Wallace McCutcheon (PC, Ontario), a business executive, and Senator Thomas Crerar (L, Manitoba), a former Liberal cabinet minister and a director of several large companies.

I listened to the debate yesterday, and I think that is a fair statement of what went on in the house and represents what was said.

I realize that these distinguished members of the Senate function in the rarefied atmosphere of high finance. Consequently the approach they make is the one they made yesterday, although, as a matter of fact, what is involved in the bill is contained in this statement in the *Globe and Mail* article:

> When the bill was introduced in the Commons, Mr. Gordon said it was designed to encourage foreign parent companies to permit a minority Canadian ownership of at least 25 per cent in the subsidiaries. He said the government must take action to reverse the trend to increasing foreign control over Canada's economy.

I wonder if this house really appreciates the conditions which Mr. Gordon was trying to correct.

When we are faced with the fact that 57 per cent of the manufacturing industry in this country is in foreign hands, the gas and oil industry similarly to the extent of 75 per cent, and mining and smelting to the extent of 61 per cent; and when we break that down and realize that the rubber industry is in foreign hands to the extent of 98 per cent, the automobile industry to 97 per cent, the electrical apparatus industry to 81 per cent, the chemical industry to 77 per cent and the transport equipment industry to 73 per cent, can it be said that we do not have a problem in this country? These conditions have increased and are continuing to increase even as we sit here now.

I repeat, the discussion which took place yesterday was in a vacuum. No one even mentioned the reason why this bill was presented.

I know that they deplore the present action being taken to stem the tide. In effect, it was said: "Leave it alone; stop meddling with it." Moreover, they say to the Government: "What you are doing, you are doing the wrong way". If that is so, how would they do it the right way? I think it is a barren kind of criticism, which tells you what the thing is not.

The problem of foreign ownership in this country cries out for attention. It is time we did something meaningful about it.

Honourable senators, my principal reason for intervening in the present debate is twofold. I want to take advantage of the invitation extended by the Minister of Finance that suggestions be made to him. I will of course make a suggestion, and I hope it will be acceptable. I shall have something to say about the withholding tax.

Honourable senators, if there is any doubt in your minds at all, I assure you that I support the bill as is, with the hope that any suggestions made can be usefully incorporated in the next measure.

There are several factors in our economy which should concern Canadians almost continuously. In the first place, we are concerned with our imbalance of payments with the United States, an imbalance which costs us $700 million to service. That is money that goes out the window and down the drain. It is paid to people outside the country; it is a dead loss to us.

Secondly, we are concerned about the increase in foreign investment in and, indeed, control of Canadian companies. Finally, we should be concerned about the fact that $8.6 billion in Canadian savings is lying dormant in the chartered banks from the point of view of Canadian investment in Canadian enterprise. Moreover, there are hundreds of millions of dollars in undistributed surplus in Canadian companies. In addition, the insurance companies were given the right to invest up to 15 per cent in equities. Up to the present time they have invested only 3 per cent. These are just some of the sources available for capital equity investment, not to mention the mutual funds.

I realize that the money in the banks and in corporations is not lying idle gathering dust. It is being used; but is it being used in the best possible way? My suggestion is that much of it should be channeled by incentives into Canadian risk and Canadian equity enterprise.

In the United States there is a very substantial pool of capital. The Americans have been and are quite willing to export risk and development capital for employment in Canada. Canadians have been and are somewhat unwilling to similarly commit their limited capital, seeming to prefer the safety and dullness of dead security. So Canada is dangerously dependent upon the United States for its capital needs. Even worse, we are to some extent dependent on them for the moneys necessary to service our existing debt.

Foreigners, chiefly Americans, have emerged as very important owners of shares in Canadian natural resources and in manufacturing industries, and are thus able to exert on the Canadian economy pressures and influences which may not always be helpful in our present effort to greatly expand our secondary industries and our export potential. Although American companies have done nothing to infringe on Canadian independence, yet there is a fear of American domination which I feel is exaggerated. That it is present, we fully recognize. The simplest solution to the problem would seem to lie in achieving more Canadian and less foreign ownership of our equities. In attempting to arrive at this desirable end, various measures have been suggested. Some of them have been incorporated in the present bill, but the need is for far bolder action than we have undertaken to the present time.

I share with honourable senators who spoke yesterday their attitudes towards Americans and American capital. I am not too concerned about the preservation of our sovereignty, for I don't think it is in any

danger. Absolute political sovereignty today is unreal and incapable of attainment, as is absolute freedom. We live and exist in a world becoming increasingly interdependent. We have political sovereignty in Canada today. We write our own laws, we enforce them, and we intend to continue to do so come what may, Mr. Banks and Mr. Meany notwithstanding.

Much of the same thing is true of our economic sovereignty. We are not self-sufficient; there are and there will be inevitable restraints upon our economic nationalism. We need and we will need for years to come an inflow of foreign capital to aid us in harnessing our vast resources. So a favourable climate for foreign capital must be maintained. We have got to pay a price for this, but we can minimize the cost. This does not mean that we Canadians should do nothing, or indeed give less than our best, in spite of the economic expansion which lies ahead of us. We have to play a full part, and our policies must be such as to encourage us to do so. We need to act in a manner that will promote a freer flow of Canadian capital in Canadian enterprise to speed our growth rate.

I think the first step should be a dramatic improvement in the tax treatment of dividend income in the hands of investors. To tax dividends at all after disbursement to shareholders is to indulge in double taxation. Any liberalization in the area would be welcome, and moreover a potent factor, in attracting Canadian savings into risk capital enterprises.

The proposal I suggest is simply that dividends from Canadian corporations paid to Canadian residents be tax free, and the resulting loss of revenue be recovered by a 2 per cent increase in the tax on corporate profits.

The purpose of this suggestion is to sell Canada to Canadians by inducement if necessary, and it appears necessary. We need will, faith and effort to mobilize our resources so that in the days ahead we can at least minimize the amount of foreign capital necessary for our leap into secondary industries.

We have to prepare a vigorous campaign of "Invest in Canada," and promote it as we do the sale of Canada Savings Bonds at the present time.

I repeat: We have $8.6 billion in savings, which is out of all proportion to the money usually held by the same number of people, and as compared to other countries. This money is in savings accounts in the banks. There are hundreds of millions of dollars in undistributed surplus in various corporations of this country and, as I have pointed out, the insurance companies have not used up their allotment for equities.

What I have suggested you will realize, on reflection, will be of tremendous advantage to those people who wish to invest in equities. It is a positive suggestion.

I think it is well to understand that in another day British capital helped build up the United States. In time they bought themselves back. We have to do what the United States did in their day. It can be done without discouraging foreign investment, merely lessening it by giving Canadians inducements and inviting them to join with and benefit from equity enterprises.

I know the charge will be that the well-to-do will benefit most. Well, that is true. But even now the rich and the well-to-do in other countries benefit as a result, at the expense of Canadians. Surely if there are going to be benefits we might as well let the Canadians have it.

Those who do not benefit won't be hurt. Is it better that the dividend be paid out to an American and leave this country rather than be given to a Canadian who would reinvest it here?

All I am saying is, we should shift the burden from the shareholder, small or large, to the corporation, and thus induce—entice, if you like—the Canadian, into dividend-producing enterprises in Canada. True, it may be argued that the 2 per cent in corporation tax would have some effect upon exports; the fact is, it will require these corporate empires to work 2 per cent harder.

We have tried limited exemptions, but they won't do the job. What we require is a massive attack to sell Canada to Canadians so as to lessen the burden on the Canadian economy of money going out the window, and to permit greater use of our own capital and less need of foreign capital.

The suggestion I made is simple to understand, but I repeat it to make it abundantly clear. It is this: that dividends from Canadian corporations paid to Canadian residents be tax free, and that the resulting loss of income be recovered by a 2 per cent increase in tax on corporate profits. This should be a first step towards starting to run our own show.

This present bill, by tax devices, encourages foreign-owned firms to sell shares to Canadians. My proposal is to encourage Canadians to own themselves.

The real question is, how much can we afford to borrow abroad? I think the answer should be so much and no more and the rest of our needs must be met here in Canada in the best way possible, and I suggest one way. Let there be no misunderstanding on this point: I do not advocate discouraging further United States contributions to Canada's economic growth. What I am advocating is the encouragement by inducements

of greater Canadian investment, and the lessening of the growth of outside investment and control.

A 2 per cent increase in corporation tax will raise great shouts of pain from the automobile, paper, lumber, oil, mining and construction industries. The truth is that next year they will produce more, sell more and will make increased profits, despite a 2 per cent increase in the corporation tax. The best example I can give you is that of the construction industry. Five months ago, when the Minister of Finance decided he would impose a new tax, you will recall that the lobby by the construction industry was something to behold. They obtained the services of the best public relations people, and in the Madison Avenue tradition they let loose briefs, and telephonic and telegraphic communications on members of Parliament, the press and radio, setting forth the dire consequences to the construction industry if the tax were to be imposed. The truth is, they have never been more prosperous than in the last six or seven months. They are building and selling more houses, and are making bigger profits. Whereas, once upon a time they used to go to Florida in the winter, they now take long weekends in Bermuda and Nassau in the summer. I think it is time for us to "blow the whistle" on some of these phony representations that are made to us from time to time.

I have made a proposal, and I suggest to honourable senators it is a positive measure that will have the effect of encouraging more investment from idle savings; it can stir Canadians and Canadian institutions into greater participation in our industrial development, and make a far better and more attractive economic climate in this country.

I have already indicated that I support the bill. I support it in the hope that the suggestion I make here today will at least be thoroughly examined, discussed and considered, and if it has merit, it will be taken up.

Hon. Mr. Farris: I would like to ask my friend, has this suggestion ever been submitted to the Minister of Finance?

Hon. Mr. Croll: I am afraid you missed the early part of my speech. I began by saying I had accepted the invitation extended by the Minister of Finance to make suggestions; that I was making my suggestion here because I had a forum and did not care to submit it behind closed doors but out in the open; and, what is more, that I thought I would be able to obtain the collective views of the Senate. I thought it was pretty good myself, and that is why I did it in that way. Anyway, I have left you with a thought.

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Honourable senators, I repeat that I support this legislation, not because it is a perfect bill—and I have seen very few perfect bills here in the course of the years—but because an attempt is being made to deal with the problem in the only way the Government knows how, and the hope is that as time goes on we will be able to induce Canadians to provide the necessary risk capital in order to give us an opportunity to build up in this country investment capital of our own, and so lessen our need of outside capital.

Hon. Mr. Crerar: May I ask my honourable friend a question before the debate proceeds?

I admit that it may be entirely my own fault that I am a bit confused by what I thought was an inconsistency in his argument, and I should like to ask him this question: Does he think that because we accept American capital in large measure, to the extent they control many of our industries, that this means we are in danger of falling under the political domination of the United States? That is the point I was trying to make yesterday, and I would like to know what the honourable gentleman thinks.

Hon. Mr. Croll: I devoted a whole paragraph in my speech to that subject—perhaps you did not hear it—because I knew the question would arise, and you will be able to see what I have said regarding it when you read *Hansard* tomorrow. However, I was one of those who said I thought all the views on loss of sovereignty were exaggerated, and I did not think there was anything to it at all. I agree fully with Senator Crerar's view on the matter.

Hon. Mr. Thorvaldson: I wonder if I might ask my honourable friend a question. He suggested the tax on dividends should be abandoned, and that the loss of revenue should be made up by a 2 per cent increase in the corporation tax. My question is: Has the honourable senator made the simple calculation to determine whether or not this 2 per cent increase in the corporation tax will fill the vacuum created by his tax exemption on dividends?

Hon. Mr. Croll: I expected to be asked that question too, but you, a good corporation lawyer, did not state the problem quite properly. I said, and I repeat, that dividends from Canadian corporations paid to Canadian residents should be tax free—

Hon. Mr. Thorvaldson: I heard that. Would you now answer my question?

Hon. Mr. Croll: —the resulting loss of revenue to be recovered by a 2 per cent increase in corporation tax. You will find that is a pretty good equation.

Hon. Mr. Grosart: May I ask my honourable friend a question? Is this suggestion additional or alternative to the suggestions put forward by the minister in the bill?

Hon. Mr. Croll: I said in the course of my speech that I could live with the bill that is before us, but that I was hoping the minister would adopt the suggestion in the next budget.

Hon. Mr. Grosart: With all due respect, I do not think the honourable senator has quite answered my question. Is it additional or alternative to these suggestions in the bill?

Hon. Mr. Croll: It cannot be either an addition or an alternative. All I did was make the suggestion. It certainly has no direct effect on the bill, but it gave me the opportunity to talk about it.

Hon. Mr. Grosart: Would the honourable senator go so far as to move an amendment to the bill to this effect?

Hon. Mr. Croll: I certainly will not.

Hon. Donald Smith: Honourable senators, I shall not follow on and discuss in the same vein the subject we have been discussing thus far this afternoon. I feel it is beyond my competence to do so. I have made no special study of it, but there is part of this legislation before us on which, if my judgment is faulty, it is not because my interest in it is not great. I am going to speak for a few minutes this afternoon on the tax incentives proposed in the legislation for new industries which will be established in designated areas.

I happen to come from a province in which this is, and for some time has been, a most important subject. Therefore, I have made what might be considered a special study of this part of the legislation.

I was particularly interested in what our friend Senator McCutcheon had to say yesterday on this subject. I am sorry he happens to be absent at present. However, I do not intend to be critical of him, but simply choose to disagree with his conclusions. I put it that way because I have the utmost respect for Senator McCutcheon's knowledge, ability and, of course, experience. These are all well-known facets of his make-up. Perhaps one of the best compliments I could pay him would be to say that he is as valuable to his side of the chamber as most of us realize Senator Hayden is to the side of the Speaker on which I sit.

I must say I was disappointed, having regard to his background of knowledge and to the other characteristics to which I have referred, that he could not find it possible to adopt a more positive approach to the problem. However, he did concede that the objective of this part of the legislation, which is to deal with the unemployment situation, was "laudable". But his conclusions were that "it won't work and it is not going to do what it is designed to accomplish". When somebody says something with which one fundamentally disagrees, one is inclined to say "Well, his conclusions are wrongly based." But it was disappointing to me that he could not arrive at other conclusions.

I am rather confused as to what exactly his conclusions really were because when I read in *Hansard* what he said yesterday I find that the implications of what he said are of a critical nature. He suggested this tax incentive proposal was "an invitation for Americans to come here and incorporate subsidiaries in designated areas in special circumstances". That is true, but it is also open for others, and I as a Nova Scotian give an open invitation for American subsidiaries, Canadian subsidiaries, and British subsidiaries to come down into my own area in the eastern half of the province of Nova Scotia and establish industries there because of these special circumstances. I think if I came from the eastern part of Quebec, where there is a large number of these designated areas, I would welcome the establishment of such subsidiaries.

I was, of course, heartened when Senator Hayden in the course of his very fine explanation of the bill expressed another point of view. As we all know, Senator Hayden is a man whose stature and reputation in the Canadian business and professional world is probably unsurpassed by that of anybody in this chamber, and this is a chamber whose membership contains a substantial number of topnotch business and professional men. Because of his background I am satisfied to accept his view, which is a positive one. These are the words he used and I take them as representing his conclusions. He said that these tax incentives "should provide an effective incentive or encouragement for the location of industry in these designated areas".

I find it interesting, and it encourages me to believe that we are on the right track to know that a number of other countries have used the fiscal power of their national governments in dealing successfully with pockets of heavy unemployment. Most of us have read something on this general subject. This power has been used by Britain, Ireland, Belgium, France and Italy, and probably by other countries as well. It is also true that these countries which I have mentioned combined their tax incentives with other incentives of a more direct nature. These incentives have taken the form of grants and loans, and the building of factories for rent or for sale. But one of the few tools available to federal jurisdiction in Canada is the use of

tax incentives. In this particular instance, to compensate for the inability of the federal Government in Canada to accomplish the location of industries in designated areas by more direct means, these tax incentives are much more generous than any of those offered in other countries so far as I have been able to ascertain.

When we consider that there will be an income tax holiday for such industries for three years, accelerated depreciation rate of 20 per cent for machinery and equipment, which means you can write off the costs in five years, and a depreciation write-off of 50 per cent for buildings, which means you can write these costs off in two years, this is something that is really substantial. And a combination of all these things, as was pointed out yesterday by Senator Hayden, can result in a company coming into a designated area being in a tax-free position for six or seven years from the time it starts operation.

This is the kind and degree of incentives which were suggested to the Senate Special Committee on Manpower and Employment just a few years ago. It certainly is the kind endorsed by Mr. Cairncross who made a study of the Atlantic area economic problems for the governments of those provinces several years ago. Incidentally, when I last heard of Mr. Cairncross he was acting as an economic advisor to the British Government.

Surely we must agree that these incentives would certainly be more important than the double depreciation for one year offered by the previous administration, and which was referred to by the then Minister of Finance as a "powerful incentive". I do not think anybody could complain about the degree of tax incentive.

Of course this is not the first Government in our history to use tax incentives. The quotation I have just made about "powerful incentives" proves that. The principle was established by the predecessor of the present Government, and I do not see how any of us in this chamber can seriously complain about the attempt being made to use tax incentives in a real fashion and to an extent which would make them meaningful.

I think it is obvious that whether or not the actual results obtained will measure up to the expectations of the Government, or to my own hopes and expectations, only time can tell. I am also convinced, having given considerable thought to this matter, that the results will depend to some extent on the degree of effort made by other governments, provincial and municipal, in discharging their responsibilities by offering additional direct incentives in these areas of slow growth and heavy unemployment. I think it will also depend on the voluntary efforts of organizations such as boards of trade, chambers of commerce and local industrial development committees. I suppose that at one time or other most members of this chamber have been members of such voluntary organizations, and I think they will agree that one of the first tasks of voluntary organizations should be to inform themselves of the possibilities with respect to the direct and indirect incentives available for industrial development in their communities. I think the voluntary organizations concerned with this problem could do what the boards of trade in my area of Nova Scotia have done—and I would remind honourable senators that this is one of the designated areas in the province—and that is to hold seminars to study various aspects of industrial development with special emphasis on community responsibilities.

The role of the municipal government should be to seek to improve the community environment for industrial development, and this means good housing, good schools, good churches and good recreational facilities. Above all it should endeavour to earn a reputation as an attractive community of friendly people. The only way of making known the fact that a community has such a reputation and such facilities is by telling industry in this country and in other countries about it. Therefore they should get into the field of publicity.

The role of provincial governments is a subject which I rather hesitate to discuss because these days this seems to be a very touchy subject, particularly relations between the federal and other governments in this country. However, coming as I do from Nova Scotia, I feel entitled to say what I consider should be the role of my own province.

It seems to me that in general provincial administrations have been so anxious to have new industries locate anywhere within their boundaries that there has been little attention paid to providing additional direct incentives in order that industries would find it economic to locate in areas of slow growth and heavy unemployment. In my view the time has now come to give consideration to matching the efforts made through these tax incentives by providing the additional direct incentives required, and in this way rounding out the federal program which is directed to doing something about the unequal opportunities for jobs. It is natural that the provincial administrations should be expected to exhibit equal concern regarding pockets of severe unemployment and slow growth within their boundaries.

I believe also that it should be reasonable to expect any provincial administration that has a problem in this regard to give priority to the establishment of vocational and technical schools in the designated areas so that the surplus labour will eventually acquire the necessary skills which fit today's requirements.

Senator McCutcheon mentioned something in his remarks yesterday with which I agree. There must always be mobility of labour in this country. There was such mobility in the days when my father was a young man. There was mobility in his family in that they went all the way out to Red Deer, Alberta, in the 1880s to open up new lands. Our sons and daughters from Nova Scotia are still exhibiting a high degree of mobility. There is nothing wrong with that, but when mobility is carried to the extent where there is a higher than average mobility, and you are still faced with a surplus of labour, it is then that I think this problem becomes all the more serious. Everybody should see what he or she can do about it.

Hon. Mr. Horner: May I ask the honourable senator a question?

Hon. Mr. Smith (Queens-Shelburne): Certainly.

Hon. Mr. Horner: The honourable senator has mentioned designated areas. I wonder if people who come from those areas consider that that fact is a bit of a black mark. I wonder whether a man who comes from a designated area will be able to boast about the fine community that he has helped to build up. Are not some men ashamed of coming from what has been classed as a designated area, or a poor area?

Hon. Mr. Brooks: What about Brantford?

Hon. Mr. Smith (Queens-Shelburne): That is a question I will be very glad to answer. I come from a designated area, as I have said. When I was home last week I found that the people there exhibited no such feelings as my honourable friend seems to suggest. As my honourable colleague who sits next to me, Senator Connolly (Halifax North), suggested, when you have suffered a wound you do not refuse to have it dressed. Perhaps that is a more picturesque way of answering the question.

I think it will be worth while putting on the record of the Senate a little bit more about the designated areas so that there will be a general understanding of what a designated area is. In general, designated areas are surplus labour areas, but some kind of formula, or collection of formulae, had to be produced which would strike at the roots of the problem and deal with the situation created by surplus labour in as fair a manner as possible. I have here a release from the Department of Labour. It is about a month old and it reads:

> The National Employment Service area will be designated:
>
> (a) If it has been a labour surplus area for at least half of the summer months of the past eight years and employment growth has been less than half the national average, or
>
> (b) if it has been a labour surplus area for at least one third of the summer months of the past eight years and employment has declined over this period, or
>
> (c) if it has been a surplus labour area for at least half of the summer months of the past three years and employment has declined in each of these years.
>
> On the other hand, an area will not be designated if there has been a steady and considerable decline in unemployment over the past three years, a decline large enough to take the area out of the substantial labour surplus category.
>
> The criteria for the selection of areas have been based on the employment and unemployment record for the summer months rather than the annual average in order to avoid undue emphasis on winter unemployment in areas where the main problem is seasonal in character.

I was able to get from the Department of Labour for my own information—and I think perhaps it would be useful to have it on the record—a table indicating the position of the National Employment Service areas in my own province of Nova Scotia. With your permission, honourable senators, I would like to place this table on record.

Hon. Senators: Agreed.

Designated Development Areas in Nova Scotia

	Period 1955-1962		Period 1959-1962	
	In Labour Surplus Category—% of 48 Summer Months	Employment Change 1955-62	In Labour Surplus Category—% of 18 Summer Months	Employment Change 1959-62
Amherst	88	—19.8	100	— 4.5
Inverness	63	—27.0	61	—21.3
Liverpool	40	—10.1	72	— 3.4
New Glasgow	87	— 1.6	100	+ 3.6
Springhill	65	—70.2	83	+25.2
Sydney	73	—20.8	100	—19.1
Areas in Nova Scotia That Were Ineligible for Designation				
Bridgewater	46	+ 8.9	78	+ 5.7
Halifax	29	+25.5	39	+ 9.4
Kentville	21	+31.6	22	+16.9
Truro	35	+24.6	50	+13.4
Yarmouth	29	+43.8	28	+21.5

Hon. Mr. Brooks: I wonder if I might ask the honourable senator a question. What would his opinion be of the suggestion of the Atlantic Provinces Economic Council that the whole of the Atlantic provinces be made a slow growth area and receive attention as such? Our newspapers have contained a considerable amount of comment on that.

Hon. Mr. Smith (Queens-Shelburne): Yes. I do not desire to comment on it at length. That is their opinion, and I respect the opinion of any public body. Mind you, they hire experts to produce opinions for them.

If there is an accident and the patient is in very bad shape, the first thing that is done is to treat him for shock. The whole eastern part of Nova Scotia is the area in which almost all of these designated areas are situated. I suggest it is in the interest of Nova Scotia in general, and it is in the interest of all Canadians, to see that those who are the worst off are taken care of.

There are other measures that can come into play to assist areas such as the Atlantic provinces area. Each one is entitled to his own opinion at this time, and that is my opinion. I would like to see the worst part of the problem tackled first; that would put a different aspect on the whole problem. Perhaps the time will come when that whole area should be considered a designated area, but my opinion is that there should be a priority, and it is the intention of this legislation to establish a priority and to treat the worst part of the disease first.

There are six such designated areas in my province: they are the Sydney and Sydney Mines area, Inverness, New Glasgow, Springhill, Amherst, and Liverpool which is the area I represent. That some of these would fall into the class of designated areas is obvious. They are coal mining areas, including Springhill which received a very heavy blow on two successive occasions from disastrous underground explosions. Springhill statistics show a labour surplus in most of the summer months, and a loss in employment of 70.2 per cent during the last eight years.

During the last three years there has been a gain in employment in Springhill, and that is due to the fact that a new mine has been opened up, and a special effort was made by the former administration in Ottawa to build a penitentiary there. There have been various things done for Springhill.

That helps me in answering the inquiry of the honourable Leader of the Opposition (Hon. Mr. Brooks). That was a bad sore on the body of Nova Scotia, and it had to be dealt with first. I think both the provincial and federal governments did what they could for Springhill before they got down to tackle the unemployment problem in some of the other areas in eastern Nova Scotia.

It is interesting to observe that all designated areas in Nova Scotia except the one in which I live are coal mining areas, and in general they comprise the eastern half of the province. A line can be drawn down the province, and these areas are to the east of that line. They comprise almost half of the counties in Nova Scotia; they comprise eight of the 18 counties. Within the designated areas there are 14 towns, and I think it is obvious that the tax incentives will apply to a very substantial part of my province.

It was, of course, of particular interest to me to find that the lone pocket of continuous substantial unemployment and lack of growth of employment in the whole western half of Nova Scotia is in the Liverpool area in which I live. This area includes the County

of Queens, together with the eastern part of the County of Shelburne.

The table which has been put on record shows that during the last eight years the Liverpool employment area had a labour surplus in 40 per cent of the 48 summer months and an employment loss during the eight-year period of 10.1 per cent.

That we have been in this situation may be surprising to some in this area, and particularly those who have been steadily employed in the newsprint industry and in the ship repairing and steel manufacturing industries. These industries put on a community a face of prosperity which is often a false face, and the truth emerges when the mask is taken off and you look at the depth of unemployment and the loss of employment over the years.

There are definite reasons for our being in that employment position in the Liverpool area. The first reason is that about eight years ago a large and important fish plant and cold storage was destroyed by fire in the town of Liverpool. It has never been rebuilt. This is an example of what happens in other communities, and the lack of such facilities is a most important reason for the present employment situation. I am very hopeful, therefore, that the tax incentives contained in this bill will be of assistance to those who have been promoting the re-establishment of the fish processing industry. But, as I said earlier, such a promotion will also require the more direct incentives of a provincial and municipal nature.

I would suggest that a second important reason is associated with the gradual abandonment of farms and woods as a source of employment in rural districts. This must be a common cause of the large continuing unemployment and lack of growth of jobs in many designated areas in other parts of eastern Canada.

In this particular situation, in the rural parts in my home county there is real hope for alternative employment in the national park development which is to be located in that area. There should be employment opportunities during the construction phase of this federal project, but there should also be long-term opportunities for these rural people in operation and maintenance work and in the practice of their natural skills as woodsmen and guides.

Perhaps these tax incentives, plus direct provincial assistance, will be sufficient to encourage new manufacturing of wood products in rural areas.

I have particularized on the one designated area I know best. I have done so simply as an example, but it is one that was close to my home and perhaps there is a lesson to be drawn from it.

I believe most Nova Scotians do not realize the difference in the employment prospects in the two halves of our province. If you just glance at the table which I placed on record today, you will notice that the employment change in the last eight years was as follows. The lowest area in Nova Scotia that is not eligible—the Town of Bridgewater—has had an employment growth of 8.9 per cent. The area with the highest record of employment change in the last eight years, which happens to be the Town of Yarmouth, had a gain of 43.8 per cent in employment opportunities. In Halifax it was 25.5 per cent; in Kentville 31.6 per cent and in Truro 24.6 per cent.

If you turn to some of these former coal mining areas, you find the loss has gone as high as 70 per cent. In my own area, which is one of the lowest, the loss was 10.1 per cent. Thus you can see that the prosperity in my province has been split right down the middle. It is prosperous on one side and not so prosperous on the other.

I think something should be done on the local basis, too. I still feel the same way I did when I answered my honourable friend's question a few minutes ago.

Honourable senators, I do not wish to keep you any longer and I want to thank you for your attention to what I have been trying to say. I shall conclude by saying that in making these tax incentives available, in giving special advantages to the designated areas in the way of extra contributions towards municipal winter works, and in providing the Atlantic Development Board with a fund of $100 million, the federal Government has given evidence of its recognition of the problem of regional unemployment and its earnest desire to do what it can to solve it.

Hon. G. Peter Campbell: Honourable senators, I do not propose to discuss the tax bill in any detail, as that has been done already at some length. However, there are one or two observations I should like to make with respect to certain phases of the bill, and I would direct the attention of honourable senators to certain things which I do not think have been mentioned adequately to date.

Before doing so, may I say I do not think any of us have lost sight of the purpose of this legislation. The honourable senator from Toronto-Spadina (Hon. Mr. Croll) said that there had been no discussion about the real purpose behind some of the provisions contained in this bill, which is to encourage foreign companies to dispose of part of their holdings in Canada. There is no doubt that that is one of the objectives of the bill, and

it is a desirable objective if it can be brought about.

I think no one in Canada would quarrel with the purpose of trying to bring about increased participation in all Canadian companies doing business here. I for one think that the attempt being made to do it by this bill is the wrong approach, but no one can say until these things are tried whether they are going to work or not.

I may say that I am one of the school which believes in foreign investment in this country. I do not think there should be any barriers to foreign investment in this country.

If one looks at the history of Canada and its development in this century, particularly since the last war, one must come to the conclusion that the great industrial development which has taken place here has occurred largely by reason of foreign investment and in technological advice, which has been brought into the country by manufacturers from abroad.

An outstanding example, I suppose, is the automobile industry. Not so many years ago we were importing most of our cars from the United States; but by reason of the investment of foreign capital in Canada we have built up tremendous automobile manufacturing facilities here.

I believe it is possible to go on in the same manner in which we have been functioning in the past, without bringing any penalities into our legislation. I interpret in that way that particular phase of the bill by which there is a differential between the tax applied to the Canadian subsidiary of an American or foreign corporation with Canadian shareholders, as against such a corporation without Canadian shareholders.

Discrimination is wrong in principle and I do not think it will work. I do not think it will accomplish the purpose for which it was intended. I am in accord with the policy of trying to persuade companies doing business in Canada to list their shares and make them available on the Canadian market. But I do not believe we should enter into discriminatory taxation.

May I say a further word on that point. If this legislation passes, it will mean that any wholly-owned subsidiary of an American or foreign company incorporated under the laws of Canada will be subject to the same laws as any other corporation incorporated in Canada, but will bear a penalty when it distributes its dividends to the parent in the United States.

The penalty will be 10 per cent. Such a corporation will also have to bear the penalty of not being entitled to the special or accelerated depreciation which is granted to other Canadian companies.

I submit that is nothing but rank discrimination. For the first time in our taxing statutes we shall be looking beyond a corporation, which in law has always been regarded as an entity, to see what kind of shareholders it has, before we levy the tax. I do not think it is sound from any point of view. The effect of it can be rather serious so far as certain subsidiary companies of Canadian corporations doing business in the United States are concerned. I feel that is the point which should have been but has not been adequately mentioned.

We have in Canada many large, permanent companies which have entered the United States market by the formation of companies in the United States, and are wholly-owned subsidiaries of Canadian companies. It is estimated that the assets owned by those companies in the United States amount to between $1½ billion and $2 billion.

Now, the settlement of the withholding tax rate on dividends passing from those companies to Canada, the same as the tax rate applying to the wholly-owned subsidiary Canadian companies in the United States, is fixed by treaty. Under the terms of the treaty or tax agreements between Canada and the United States these companies have always been treated equally; there has been no discrimination whatsoever. The treaty either has to be revised or it may be treated as being abrogated.

Let me put it this way. In the event of there being no renegotiation of this treaty on a proper basis, the withholding tax which would be applied against the wholly-owned subsidiaries of the Canadian companies carrying on business in the United States would be 30 per cent, a tax which is much higher than those companies could possibly afford to pay. In any event, the tax is likely to be 20 per cent, because they are wholly-owned subsidiaries of the Canadian companies, and if treated on exactly the same basis as wholly-owned subsidiaries of American companies, the tax would be 20 per cent, which is far more than the companies can afford to pay.

The honourable senator from Toronto-Spadina (Hon. Mr. Croll) spoke of the elimination of the double tax. My plea is for the elimination of triple taxation, for what happens in this particular case is triple taxation. You have Canadian subsidiaries doing business in the United States paying a corporation tax. Then you have the dividends from those corporations passing to the parent in Canada bearing a withholding tax. Again, when those dividends are distributed by the Canadian company to its shareholders, the shareholders

pay tax. So it is one of the examples of triple taxation.

I have never felt that the application of withholding tax was done for the purpose of revenue. It was done for the purpose of encouraging investment within the country, and all the tax agreements that have been entered into have been on the basis of equal treatment between the residents or corporations of these countries. For the first time we are breaking that treaty without having negotiated the terms of a new treaty.

My principal objection to the legislation at the present time is that the whole thing is left in the air until a new treaty is negotiated. We have the case here, if this bill passes, of not knowing what withholding tax is going to be applied to the subsidiaries of these Canadian companies, and it is quite possible that Canadian companies will have to find ways and means of changing their principal place of business, or otherwise try to avoid the payment of this tax of 20 per cent, which is prohibitive.

I am sure there are ways and means by which we can protect the investment in Canada without going into this discriminatory taxation method. The honourable senator from Toronto-Spadina suggested a very good one. Whether or not it can be accepted by the Minister of Finance is a question in my mind. However, many briefs have been submitted suggesting that double taxation in this country be eliminated. In other words, to follow Senator Croll's suggestion exactly, the corporation would pay the tax and the dividends paid to the individual would be tax free. There is no doubt about the soundness of that argument. It is recognized as being sound by reason of the 20 per cent tax credit which was applied a number of years ago, whereby a Canadian receiving a dividend from a Canadian company was entitled to deduct 20 per cent of his dividends in calculating his tax. That 20 per cent tax credit proved to be a strong incentive to encourage investment in Canadian companies.

It is desirable to keep a few controls on industry in Canada, at least to regain control of industries which may have been lost to Canada, or to gain an interest in some of the foreign corporations doing business here. But I submit that the most important thing of all is to keep control of the great industries we have here.

One of the most objectionable features during the past few years has been the wholesale takeover by foreign corporations of Canadian enterprises. It is regrettable that a number of excellent Canadian companies doing business in Canada, and controlled by Canadian shareholders, have been purchased and taken over by companies in Britain, the United States and other countries. My submission is that everything should be done to encourage the Canadian to invest in these companies and to hold his stock in them, and there could be no better incentive for investment than the elimination of tax on dividends.

Honourable senators, there is little that this house can do in a tax bill of this kind except to express views, and our views will be made known to the officials of the department when the bill is discussed in committee. However, it seems to me rather strange that in all of these arguments which have taken place no one yet has suggested there may be ways of reducing our expenditures and lowering our taxes. I for one feel that we have lost sight of the benefit to our economy which could be brought about by scrutinizing our expenditures, and perhaps not living quite as extravagantly as we have in the past. Certainly, taking into consideration the budgets which are being presented from time to time, there is ample room for substantial savings. It seems to me that should be emphasized as one of the things that could be done to bring about a reduction in taxes. If by any means the suggestion of Senator Croll could be adopted, surely that would encourage many more Canadians to invest in Canadian corporations.

There are one or two other phases of the bill that might be common to the problem, but I do not see much point in developing arguments further along the lines which have already been taken. The one particular case that concerns me is the introduction of the discretionary power of the minister in one particular phase of this bill.

Honourable senators may recall that I had the honour of introducing a resolution in this house to set up a special committee to study tax legislation when it was loaded with discretionary powers. One just could not express an opinion on sections of the bill because the final decision was left to the discretion of the minister. When that resolution was introduced and this house undertook the study of the legislation there was much criticism of our having done so. But even before the conclusion of the hearings we got much praise from one end of this country to the other for the excellent job we did in bringing about a draft bill, which was later attached to our report, which in effect limited ministerial discretionary powers.

I for one regret very much that even to close what might be called a loophole it is necessary to introduce legislation giving the minister power to tax, which is really what it amounts to. We know that under our system it is impossible to get a ruling in advance on

these cases, and in the complicated organizations that are set up today this is likely to present some problems.

I submit, honourable senators, that we should have some hesitancy in agreeing to legislation which brings about this discretionary form of taxation between two Canadian companies, incorporated under the same laws, and doing business under the same laws and conditions, as we have in this statute. I am sure we will probably hear some interesting representations when the bill is before the Senate Committee on Banking and Commerce.

Hon. Mr. Grosart: May I ask the honourable senator a question? In view of the fact that we have had three devastating attacks on this bill from the Government side, would he consider conferring with his colleagues and introducing an amendment to give them an opportunity to discuss these eloquently argued criticisms of the bill?

Hon. Mr. Campbell: I do not think there is any better place than in this honourable house to voice your opinion.

Hon. Mr. Farris: Honourable senators, I asked Senator Croll a question and his answer rather seemed to suggest that I had been asleep while he had been speaking.

Hon. Mr. Croll: Nothing of the sort.

Hon. Mr. Farris: I want to assure him that I was wide awake and listened to every word he said, but I never got a satisfactory answer to my question.

Hon. Mr. Croll: Honourable senators, earlier in my remarks I had said that the purpose of my getting up was to accept the invitation of the Minister of Finance to give him some ideas as to how to deal with the budget in the future, and I was doing it in this way. I said that earlier.

Hon. Mr. Farris: What I asked was this: Did he inform the Minister of Finance of the proposal he is now making? I had in mind that if Senator Croll had this plan in mind he should have advised the minister before, and not waited for an invitation.

Hon. Mr. Croll: I only got the invitation a few days ago; the trouble is that he did not seek my advice in advance.

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

ADJOURNMENT

Leave having been given to revert to motions:

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, November 26, at three o'clock in the afternoon.

Motion agreed to.

CONSUMER CREDIT

JOINT COMMITTEE—RESOLUTION ADOPTED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Macdonald (Brantford), that the Senate do unite with the House of Commons in the appointment of a joint committee of both Houses of Parliament to inquire into and report upon the problem of consumer credit.

Hon. Norman P. Lambert: Honourable senators, when I moved the adjournment of the debate last evening I did not have in mind the prospect of opposing this resolution, but rather to seek some enlightenment regarding the status of Item No. 7 on the Orders of the Day, an item which has been on this Order Paper for the last two months at least.

I am referring to Bill S-6, which was sponsored by my honourable friend Senator Croll, and which now stands in his name. When the bill was about to be referred to the Banking and Commerce Committee for further investigation, it was withheld on the ground that we might await a decision of the Supreme Court of Canada on a question of constitutionality and its possible effect on the status of this bill. Since that time, on the resumption of both houses after the recess, some twelve private bills have been submitted to the House of Commons dealing with various aspects of the subject matter contained in Bill S-6, which is before the Senate.

We now have before us this resolution asking that a joint committee of both houses be set up to deal with practically the same subject that is referred to and dealt with in Bill S-6. My interest therefore is in the status of Bill S-6—not only its present status but its future prospects—in view of the setting up of the joint committee of both houses.

I could make some further remarks about the efficacy of joint committees of both houses on various subjects that have been dealt with in the past, but I shall desist in any criticism of that nature except to say that, in the majority of cases, I have found from my own experience—and I have served on at least three of them—that the results have not been very definite or satisfactory. In fact they were rather futile.

This particular proposal for a joint committee to deal with this subject suggests a committee of 24 members from the other house and 12 members from the Senate. On the basis of the representation of two to one to deal with a question where the point of view of the respective representations from each house may be basically different in many

respects, deliberations are likely to be inconclusive.

To emphasize that point of view I would like to quote briefly a dictum which was expressed by none other than the late Right Honourable Arthur Meighen, and is from a document to which I have had the privilege of referring before. He said:

> The House of Commons is and must be the forum of debate. It must be there that champions of conflicting policies meet and struggle and decide their issue. It is there that leaders of public opinion, and those who aspire to lead, mount the rostrum and brave the storm . . .
>
> The Senate has a more prosaic task. Its duty is to see that 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.

Now, due to the fundamental difference in point of view of the representatives from both houses dealing with the subject matter of the bill to which I have just referred, I believe that on the basis of 2-to-1 representation one can fairly conclude that the judgment and findings of such a joint committee are liable to be very unsatisfactory to this house.

I have made certain references to joint committees I have sat on in the past and, with two or three exceptions, have felt that very little has been accomplished in the time spent in trying to come to some satisfactory conclusions on the subjects submitted to them.

My friend Senator Croll, in speaking just a moment ago to Bill C-95, said that his desire would be to leave his suggestions to the approval or disapproval of the Senate. I pose this question to him and, possibly, to the mover of this motion, the Leader on this side (Hon. Mr. Macdonald, Brantford): Why not apply that same standard of judgment and those conditions to Bill S-6 which is still on the Order Paper? I can only assume that if we adopt this resolution and the joint committee is set up, Bill S-6 will possibly be withdrawn from our Order Paper and placed before the joint committee as a reference.

Speaking for myself, I had been disposed to support the bill as it stands, had it been proceeded with. It has been the subject of some considerable change in the course of the past three years, largely due to the application, interest and inquiry of my worthy colleague who has sponsored it. Personally, I would like to see it proceeded with under the auspices of the Senate rather than have it referred to a joint committee of both houses. There is also the possibility that by the time all the machinery connected with the joint committee is established, prorogation will be at hand and the whole thing will be dropped or withdrawn.

In view of that, what can one say about the status of a bill that has been before us for three months and is still on our Order Paper? Personally, I am not here to oppose the resolution, because the other house passed it and is favourably disposed to having twelve other private bills assigned to the joint committee for study. I believe the only reason the joint committee is suggested is because of the attention we have given to this subject during the past number of years, thanks to my friend Senator Croll. With that point in mind, I would suggest that some clarification be given to this resolution.

Hon. J. W. de B. Farris: Honourable senators, to an extent I have lost track of what has been going on with regard to this matter, because last year I understood from my honourable friend Senator Croll that he was quite satisfied to have this matter referred to the Supreme Court of Canada. I gave an opinion at that time, and I believe Senator Hayden gave his opinion to the same effect, that there were grave doubts about the jurisdiction of the federal Parliament in connection with this subject matter, and that it was really within provincial jurisdiction. I still hold that opinion.

I have not studied these new bills, but I think, on the general principle of the bill Senator Croll brought in last year and which we discussed, this matter ought to be decided by the Supreme Court of Canada before either legislative body starts monkeying with something over which they may find, after they have dealt with it, they have no jurisdiction.

I would ask my honourable friend the Leader of the Government (Hon. Mr. Macdonald, Brantford) why he did not bring in a resolution asking the Government to refer it to the Supreme Court of Canada and have it settled, because all this committee could do would amount to nothing were it to transpire that the jurisdiction with regard to this whole question is provincial and not federal.

The Hon. the Speaker: Honourable senators, I remind you that if the honourable

Leader of the Government speaks now it will have the effect of closing the debate.

Hon. W. Ross Macdonald: Honourable senators, two questions have been posed; one by Senator Lambert, as to the procedure to be adopted if this motion carries. If it does pass, when Senator Croll's bill comes up later today for second reading I will move that the subject matter of the bill—not the bill itself—be referred to the joint committee. The bill will remain with this house. I take it, it will be off the Order Paper for some time but we will not have disposed of it. The joint committee will consider its subject matter, and then, having come to a conclusion with respect to it, the joint committee will report its findings to this house.

Hon. Mr. Thorvaldson: I wonder if I might ask the honourable Leader a question with regard to the composition of the proposed committee? Is it intended that the proportion will be 12 members from the other place and 12 from this chamber, or some other?

Hon. Mr. Macdonald (Brantford): In setting up joint committees it is not customary to have equal representation from each house. As the honourable senator realizes, there are 265 members in the other house, whereas there are 102 in this chamber. The proportion in the past has been about half as many members from this house as from the other. The motion I made yesterday was that this house should be represented by 12 members, and the other house by 24 members.

Senator Lambert referred to the remarks made many years ago by the late Honourable Senator Meighen, with which I am in complete accord, and I have previously quoted those remarks in this house. However, this committee is not being set up so that speeches can be made. The committee is to be a committee of inquiry. The members are to inquire into and report upon the problem of consumer credit. This committee is going to be set up to obtain all possible information on the subject of consumer credit. When that information is obtained and when the committee's report is made to this house, we will not necessarily be bound by the committee's recommendations. We are not bound by what the committee does, nor do we have to adopt its report.

Hon. Mr. Brooks: Arising out of what Senator Lambert has said, I should like to make a comment. Once the sitting closes then the committee is through and all the work of that committee goes for naught, as far as I can see, unless it is reconstituted in another session.

Hon. Mr. Macdonald (Brantford): Yes. Of course the committee may have completed its work.

Hon. Mr. Brooks: I think that is a remote possibility.

Hon. Mr. Macdonald (Brantford): It may be remote, but it is possible that the committee will have completed its work before the house adjourns. If the house should adjourn before the committee has completed its work, then it will continue in the new year. However, if the session is prorogued then the committee will have to be set up again in the next session. That is what would happen in similar circumstances with respect to any bill on the Order Paper. If Senator Croll's bill remained on the Order Paper without being disposed of before the end of this session, it would have to be brought in again at the next session.

I think we would all stand to gain from having it referred to the committee because there are quite a number of members here, including myself, who are not at all convinced on this matter and we should like some further information which is bound to be made available in committee. Having got that information we can make our next decision.

Senator Farris has suggested that the bill should now be referred to the Supreme Court of Canada. My answer to that is that I am not in charge of the bill; I have not even spoken on it. I would think that even after we get the report of the committee, if we are not then satisfied, the bill could be sent to the Supreme Court of Canada.

Hon. Mr. Lambert: Is there not now a reference to the Supreme Court of Canada?

Hon. Mr. Croll: No. The reference is on the Unconscionable Transactions Act.

Hon. Mr. Macdonald (Brantford): The reference to the Supreme Court of Canada is with respect to an act of the legislature of a province on this subject, or bearing on this subject. That is the position as I understand it.

Hon. Mr. Farris: If the Supreme Court of Canada decides that the province has jurisdiction, then the dominion does not have jurisdiction.

Hon. Mr. Macdonald (Brantford): That may be so, but we shall still have obtained much information, which I think we should have in any event, on the problem of consumer credit.

Hon. Mr. Lambert: In which case you would have to have another bill next session.

Hon. Mr. Macdonald (Brantford): I cannot see any way of avoiding that, whether we feel the subject matter of this bill is worthy or not. We are now so late in this session that either

we are going to have to set up this committee again next session or proceed with the bill before the house next session.

Honourable senators, I hope I have answered the question. I feel it is in the best interests of the Senate to refer not the bill itself but the subject matter of it to the committee, so as to obtain all possible information about it.

The Hon. the Speaker: It is moved by the honourable Senator Macdonald (Brantford), seconded by the honourable Senator Hugessen:

> That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses of Parliament to enquire into and report upon the problem of consumer credit, more particularly, but not so as to restrict the generality of the foregoing—

Some Hon. Senators: Dispense.

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

Hon. Mr. Farris: On division.

Motion agreed to on division.

COMMONS BILLS REFERRED TO JOINT COMMITTEE

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the subject matter of the following bills has been referred by that house to the Joint Committee on Consumer Credit:

Bill C-10, An Act to amend the Interest Act.

Bill C-14, An Act to amend the Small Loans Act.

Bill C-23, An Act to amend the Small Loans Act (Cost of a loan).

Bill C-33, An Act to amend the Bills of Exchange Act (Instalment Purchases).

Bill C-55, An Act to amend the Interest Act.

Bill C-6, An Act to provide for the Control of Consumer Credit.

Bill C-9, An Act to amend the Small Loans Act (Advertising).

Bill C-12, An Act to amend the Bankruptcy Act (Wage Earners' Assignments).

Bill C-100, An Act to amend the Combines Investigation Act (Captive Sales Financing).

PRIVATE BILLS

ROYAL GENERAL INSURANCE COMPANY OF CANADA—SECOND READING

Hon. John J. Connolly moved the second reading of Bill S-47, to incorporate Royal General Insurance Company of Canada.

He said: Honourable senators, this is an act to incorporate Royal General Insurance Company of Canada. It is a measure which the late Senator MacTavish had originally agreed to sponsor. I have now agreed to do so as best I can.

The immediate purpose of the proposed incorporation is to enable the new company to take over the business now carried on by Royal General Insurance Company of Canada, a company incorporated under a special act of the Province of British Columbia in 1906. The promoters of the proposed company control that provincial company, and they propose to carry out the work that is now done by the provincial company in British Columbia.

The British Columbia company insures in the field of fire and automobile accidents, but it is proposed that the new company will carry on all types of insurance business, other than life insurance and annuities. It will also conduct its business in all parts of Canada.

The petitioners, other than the solicitor involved, are executives of the insurance companies of the group known as the Continental Insurance Companies, which are owned by the Continental Insurance Company of New York City. All of the petitioners are residents of Canada.

The Continental Insurance Companies have been conducting business in Canada for over fifty years. They are now coming to Parliament seeking incorporation.

The provisions of the bill in respect of the company are the usual provisions we find in bills of this type coming before this house.

I should say that the company seeks not only to be known as Royal General Insurance Company of Canada, but also in French as *La Compagnie d'Assurance Royal General du Canada.*

Hon. Mr. Choquette: Is the "Royal General" feminine, or is it left in the English version?

Hon. Mr. Connolly: I rather expected my friend would ask that question, and I thought he would notice my pronunciation of the English words in the French name. The words "Royal General," as honourable senators will appreciate, were used in the name of the British Columbia company and are now being used in the federal company name. There is some considerable good will attached to that name. I understand that in a number of applications made for the use of French names, portions of the English name are used because

of the good will attached to them. This is what is sought in this case.

It is my understanding that the provisions of this measure have been thoroughly discussed with the Superintendent of Insurance, and he has no objection to the format in which it appears. The sponsors will, of course, be available at the committee stage, as indeed, will be the Superintendent of Insurance.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West) bill referred to the Standing Committee on Banking and Commerce.

THE NORTHERN LIFE ASSURANCE COMPANY OF CANADA—SECOND READING

Hon. John J. Connolly moved the second reading of Bill S-48, respecting The Northern Life Assurance Company of Canada.

He said: Honourable senators, this again is a measure that was to have been sponsored by the late Senator MacTavish.

The Northern Life Assurance Company of Canada, which has been in existence since 1894 under authority of a statute of Canada, by this bill seeks to obtain the use of a corporate name in the French language and authorization to write personal and sickness insurance. It also seeks the deletion of certain obsolete sections of its original act of incorporation.

As I have said, The Northern Life Assurance Company of Canada has been in business for many years. It was incorporated in 1894, and it began to do business in 1897. It commenced operations in the Province of Quebec in 1901. At the present time the company has six branch offices in that province, one in the City of Quebec and five in the City of Montreal.

Perhaps I should give some figures as to the proportion of the business conducted by the company in the Province of Quebec as compared with its business elsewhere. I am told that new insurance effected by the company in 1962 in Quebec totalled over $11 million, which is 31 per cent of the more than $38 million of new insurance effected by the company in Canada in 1962. Also, at December 31, 1962 the company had over $68 million of insurance in force in Quebec. This was some 23 per cent of the more than $293 million of insurance which it had in force in Canada.

I might also inform honourable senators that the total premium income and annuity income in 1962 from its Canadian operations totalled nearly $6 million, and 24 per cent of that, or nearly $1.5 million, was earned in the Province of Quebec or derived from its Quebec business.

The bill proposes that the company's name in French be *La Nord-Vie du Canada, Compagnie d'Assurance*. I understand that an application will be made by the sponsors at the committee stage that this be changed, and that the name authorized for the company in French be *La Northern du Canada Compagnie d'Assurance-Vie*. The sponsors of the bill will be available before the committee, as indeed will be the Superintendent of Insurance, and he raises no objection to the format of this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to the Standing Committee on Banking and Commerce.

QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—SECOND READING

Hon. Thomas Vien moved the second reading of Bill S-46, to amend the Quebec Savings Banks Act.

He said: Honourable senators, this bill is to amend the Quebec Savings Banks Act which was enacted in 1954, and amended in 1957. The original act is 2-3 Elizabeth II, chapter 41, and the second is 5-6 Elizabeth II, chapter 12.

This bill, which has only three sections, has two purposes. Sections 1 and 2 modify the qualifications required to make a person eligible as a director. At present, section 12 of the act reads:

> A person is not eligible to be a director unless he holds stock of the bank as the absolute and sole owner thereof in his individual right and not as trustee or in the right of another, on which not less than five thousand dollars have been paid up.

This must be read in conjunction with paragraphs (a) and (b) of section 24 of the act which read as follows:

> (a) the authorized capital stock of The Montreal City and District Savings Bank is two million dollars divided into shares of one dollar each, and
>
> (b) the authorized capital stock of La Banque d'Economie de Quebec, The Quebec Savings Bank, is one million dollars divided into shares of one dollar each.

These two sections have been construed as meaning that inasmuch as the par value of the shares is $10, and inasmuch as to become eligible a person must pay $5,000, it follows that a person, to become eligible, must hold 500 shares of the capital stock of the company. This has been held by the Department of Finance and the Inspector of Banks,

and accepted by the promoters, because it was hardly possible to take the flexible market value of the shares to determine the number of shares a director must hold, and so they have taken the par value as fixed in the act. Therefore, to become eligible a person must hold 500 shares of the capital stock of the bank.

At that time the shares were $10 each; now the shares of The Montreal City and District Savings Bank are selling on the stock market at from $170 to $180 each, and the shares of The Quebec Savings Bank are selling at $80 each. In order to become eligible and to own 500 shares in The Montreal City and District Savings Bank, a person would have to spend at least $80,000—the amount needed to buy 500 shares at $180 each. To own 500 shares of The Quebec Savings Bank, selling at $80 each, a person would have to spend $40,000. These sums in both cases, are considered to be too large.

If honourable senators will look at section 4 of chapter 41 of 2-3 Elizabeth II, they will find that The Quebec Savings Banks Act applies to only two banks, namely, The Montreal City and District Savings Bank and The Quebec Savings Bank. The promoters of this bill are the two banks in question, having united in requesting Parliament to pass the bill.

The method by which these banks propose to correct that situation is to change the par value from $10 to $1. The capital stock would remain at $2 million for the Montreal bank and at $1 million for the Quebec bank, but be divided into 2 million shares of $1 each in one case, and into 1 million shares of $1 each in the other case. The net result would be that immediately the value of the shares on the stock market would come down, because it would be the same capital divided into 10 times the number of shares.

Therefore, if one amends section 12 so as to make it read, as in section 1 of the bill, that one must hold 500 shares to become eligible, which is the same as at present, but eliminating the words "five thousand dollars", and then amends section 24, so as to reduce the par value from $10 to $1, it would mean that, in the case of The Montreal City and District Savings Bank a person would become eligible by buying 500 shares at, let us say, $17 or thereabouts, thus spending $8,500 or $9,000; and in the case of The Quebec Savings Bank one could buy 500 shares at about $8 each, and would spend some $4,000.

Therefore, a person to become eligible in the Montreal bank would have to invest some $8,500; and in the case of the Quebec bank he would have to invest some $4,000, which is considered fair, reasonable and quite sufficient.

May I add that there is no age limit for directors in the Quebec Savings Banks Act. Certain of the directors are over 80 years of age; they are willing to resign and withdraw, but it is extremely difficult to find persons qualified and desirable who would be ready to invest $80,000 in one case and $40,000 in the other. This explains the amendments to sections 1 and 2 of the bill. We want to remove the words "five thousand dollars" from section 1 and substitute "five hundred shares", and we want to reduce the par value of the shares from $10 to $1 each. This would do what I have just outlined.

Section 3 of the bill is concerned with section 64 of the original act of 1954, which was amended by chapter 12 of 1957.

Section 24(1), in its last paragraph, provides that the bank cannot loan on any kind of mortgage, even those under the Central Mortgage and Housing Corporation in excess of 40 per cent of all its deposit liabilities. This percentage has been reached in the case of the Montreal Bank and is rapidly being reached in the case of the Quebec Bank. There is a situation with respect to mortgages at this present juncture.

Financial institutions, such as insurance companies, pension funds and so on, have increased their rate of interest and they have restricted the amounts of money that they make available for mortgage loans. Even the housing corporation has increased its rate of interest on mortgages. There is a tremendous demand at both banks for mortgage loans and, as I have said, the Montreal Bank has reached, and the Quebec Bank will quickly reach, the maximum provided under the act.

In the United States, savings banks are authorized by law and do indeed loan as much as 85 per cent of their deposit liabilities.

This bill has been submitted to the Department of Finance and to the Inspector General of Banks and they are all agreed that there is no objection to section 3. This section would amend the last subparagraph of paragraph 1 of section 64 as set out in chapter 12 of 1957 by simply changing "40 per cent" to read "60 per cent" of deposit liabilities.

As I have said, this has been submitted to the Department of Finance and to the Inspector General of Banks. They raised no objection to this being done. We wanted it to be done by a Government bill. However, it was suggested that the Government Order Paper for this session was so loaded that it was preferable that it be introduced by a private member of the Senate or of the House of Commons. That explains why the

promoters of the bill, which are the two banks, have asked me to sponsor the bill.

I suggest that, in the public interest and in the interest of these two banks, we should help them to find suitable persons eligible to inject new blood into the board of directors, as the occasion arises.

I would suggest that, if necessary, this bill be referred to the Standing Committee on Banking and Commerce, unless honourable senators are satisfied that the explanations I have given are satisfactory.

Hon. A. J. Brooks: I am sure we all feel that it is quite a complicated bill. Although the senator has given us a full explanation, I personally feel that it should go to the Standing Committee on Banking and Commerce.

Hon. Mr. Vien: After second reading is given, I shall so move.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

FINANCE CHARGES (DISCLOSURE) BILL

SUBJECT MATTER OF BILL REFERRED TO JOINT COMMITTEE

On the order:

> Resuming the debate on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, for second reading of Bill S-6, intituled: "An Act to make Provision for the Disclosure of Information in respect of Finance Charges".

Hon. W. Ross Macdonald: Honourable senators, I have not yet spoken on this bill. I do not intend to speak on it, but in accordance with the remarks I made earlier today, I move:

> That the said bill be not now read a second time but that the subject matter thereof be referred to the Joint Committee on Consumer Credit.

Hon. Mr. Roebuck: Has the bill been disposed of?

Hon. Mr. Macdonald (Brantford): The bill has not been disposed of, but I have moved that the subject matter of the bill be referred to the joint committee.

Motion agreed to.

ADMIRALTY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-108, to amend the Admiralty Act.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

The Senate adjourned until Tuesday, November 26, 1963, at 3 p.m.

THE SENATE

Tuesday, November 26, 1963

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

Prayers.

THE LATE JOHN FITZGERALD KENNEDY

TRIBUTE TO THE LATE PRESIDENT OF THE UNITED STATES

The Hon. the Speaker: Honourable senators, as this is the first sitting of this house since the tragic death of the President of the United States, John Fitzgerald Kennedy, it is fitting that we should express our deepest sympathy for Mrs. Kennedy, their children, the members of his family, and the government and people of the United States. Their sorrow is shared by the people of Canada and by those who cherish freedom in all parts of the world.

Before commencing the business of the day, I ask honourable senators to stand for one minute in silent tribute to the memory of John Fitzgerald Kennedy.

[*Whereupon honourable senators rose and stood in silence.*]

CONSUMER CREDIT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered—That the Members of the House of Commons on the Joint Committee of the Senate and House of Commons to enquire into and report upon the problem of Consumer Credit, appointed on November 8, 1963, be Messrs. Bell, Cashin, Chrétien, Coates, Côté (Longueuil), Crossman, Deachman, Drouin, Gauthier, Greene, Gundlock, Irvine, Jewett (Miss), Kindt, Macdonald, Marcoux, Matte, Nasserden, Orlikow, Pennell, Pugh, Ryan, Scott, and Vincent.
>
> Ordered—That a message be sent to the Senate to acquaint Their Honours thereof.

ST. LAWRENCE SEAWAY AUTHORITY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-111, to amend the St. Lawrence Seaway Authority Act.

Bill read first time.

Hon. W. Ross Macdonald, with leave, moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

> Reports of the Department of Veterans Affairs and of the Canadian Pension Commission for the year ended March 31, 1963, pursuant to section 9 of the Department of Veterans Affairs Act, chapter 80, and section 4(2) of the Pension Act, chapter 207, R.S.C. 1952, including the report of the War Veterans Allowance Board for the same period. (English text).
>
> Copy of communiqué issued at the conclusion of the meeting of the Ministerial Council of the Organization for Economic Co-operation and Development (O.E.C.D.) held in Paris on November 19 and 20, 1963. (English and French texts).
>
> Long-term Wheat Agreement between Canada and Poland. Signed at Ottawa, November 5, 1963. Entered into force on November 5, 1963. (English and French texts).
>
> Long-term Wheat Agreement between Canada and the Czechoslovak Socialist Republic. Signed at Ottawa, October 29, 1963. Entered into force provisionally October 29, 1963. (English and French texts).

PRIVATE BILL

THE MORTGAGE INSURANCE COMPANY OF CANADA—FIRST READING

Hon. G. Peter Campbell presented Bill S-50, to incorporate The Mortgage Insurance Company of Canada.

Bill read 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, later this day.

SUSPENSION OF RULE 119

Hon. Mr. Campbell moved, with leave, that Rule 119 be suspended in so far as it relates to Bill S-50, intituled: An Act to incorporate The Mortgage Insurance Company of Canada.

He said: Honourable senators, may I explain my purpose in making this motion? This bill has been introduced in the Senate at a late date in the session. It is necessary to move it forward as quickly as possible, if it is to reach the other place in time to be considered before the end of the session.

The bill is to provide for the incorporation of a new type of company in Canada, which I shall deal with at some length later this day when I explain the bill on second reading.

The purpose in asking suspension of Rule 119 is to enable the bill, if it passes second reading, to be referred to the Standing Committee on Banking and Commerce this week,

where the sponsors of the bill and the Superintendent of Insurance will be available to explain its provisions.

Time is very short and, as honourable senators know, the rule requires that in the case of a private bill one week's notice must be given before it can be considered in committee.

If honourable senators feel that no great injustice will be done to anyone by proceeding in this manner, I should like to get the bill before the committee this week, if possible.

Motion agreed to.

FEDERAL-PROVINCIAL CONFERENCE

PROPOSED AGENDA—INQUIRY ANSWERED

On the Notice of Inquiry of Hon. Mr. Pouliot of November 19:

> What is the final draft of the agenda of next week's Federal-Provincial Conference?

Hon. Mr. Pouliot: Answered.

(*For answer, see* Debates of the Senate, *page 741.*)

INCOME TAX ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, November 21, the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill C-95, to amend the Income Tax Act.

Hon. Gunnar S. Thorvaldson: Honourable senators, after the very thought-provoking speeches which have been made here in regard to Bill C-95, to amend the Income Tax Act, I believe many of us will agree that the content of this bill is of unusual importance to our own economy, to our future as a developing country, and to our financial relations with many countries, especially with the United States of America.

Generally, the annual group of amendments to our Income Tax Act comprises merely matters of local concern to ourselves, having little if any impact upon foreign countries. However, at least one phase of Bill C-95 goes away beyond the usual and standard type of income tax amendments, which ordinarily relate, as I said, only to our domestic economy.

I am referring now to sections 22, 23, 24, 25 and 28, having reference to a degree of Canadian ownership in certain corporations and the tax treatment to be accorded to them, dependent upon the varying degrees of ownership and other related considerations.

In that regard let me say that if in the past there has been any common market in the world, it has been the common market in capital transactions between Canada and the United States, which is now threatened for the first time. I propose to deal somewhat more extensively with this part later on, but for the moment I should like to refer briefly to one or two other matters dealt with in the bill. The first of these is the question of the tax concessions to be granted to a business to be established in what is referred to as "designated areas".

There are many weaknesses in this legislation, in my view, but a main fault came into focus a few days ago when it was discovered that the City of Brantford, of all places, became a designated area—in other words, a depressed area—and that consequently a company which had intended to establish a branch in Guelph was able to move over to Brantford and take advantage of a huge tax saving spread over a period of some years.

What happens here is, first, an injustice is done to Guelph and other neighbouring communities. But what is more important is the injustice and discrimination against other companies in the area or elsewhere, which produce goods that have to be sold in competition with those of the favoured concern. Indeed, as I see it, competitors could easily be driven to bankruptcy in the process.

A side-light on this incident is that while one minister is taking steps to discourage United States capital from coming into Canada, another minister says to a United States firm, "Come to Brantford and we will give you a tax concession worth $400,000."

In this regard I would also refer honourable senators to a principle adopted a long time ago in municipal affairs whereby municipalities, attempting to beat out their neighbours in the search for new industry, were prevented by legislation from making tax concessions to firms who entered their community. Consequently, as I see it, the provision in this bill which carries out the idea in regard to these designated areas in compact communities is bad in principle, destructive of competition, and merely adds unnecessarily to the vast bureaucracy of this country. That is all I have to say regarding this point.

I should like to say a word about section 26 of the bill, appearing on page 23, in which we have once again the infusion into our Income Tax Act of what is referred to as "ministerial discretion". The honourable Senator Hayden has explained fully what is involved in these sections and the objections to them. I wish to deal only with the fact

that the rule of law regarding certain transactions has been abrogated, and it has been substituted by what is called "ministerial discretion".

Ordinarily I would be inclined to make a rather severe attack on this type of legislation. However, I am reminded of the fact the minister has stated that as far as he is concerned he proposes that this legislation will be temporary; he hopes that it can be removed from the act after the Carter Commission on Taxation reports and when perhaps more extensive amendments are made to the Income Tax Act, dealing, among others, with the problems involved in section 26. You will recall that that section deals with the problem of what is known as "dividend stripping," and also a problem relating to "associated companies".

May I say that at a meeting of the Canadian Tax Foundation, held in Vancouver only a few days ago, the principle of inserting "ministerial discretion" in the act was severely attacked by lawyers from all across Canada. However, as I say, I do not propose to deal with that point now, because the minister has already assured the other house that this would be a temporary situation.

Dealing with the subject of ministerial discretion, however, I should like to refer to something which is apt to be forgotten even in this house, that is, the most excellent job that was done by a special committee of the Senate about 15 years ago in regard to the revision of the former Income War Tax Act.

You will recall that a special committee of the Senate sat during part of 1946 and far into 1947, and in the membership of that committee were many of the senators who are here today. It included some of the outstanding brains of this country. I refer to this matter now because I had the honour myself of appearing before that committee during part of three days, and a couple of days ago I read some of the evidence I gave before that committee. I recall particularly being questioned in a very kindly manner by Senator Hayden, Senator Campbell, Senator Crerar and by many other senators who were on that committee and who are here now.

A momentous task was completed by the Senate committee of that day. Indeed I might remark on something else that is often forgotten, namely, that in a task of that kind—the revision of such an act—Parliament has the benefit of some of the best legal talent in Canada, and without fee. I am referring to the very eminent lawyers who were members of the Senate then and members of the committee, and to other persons on the committee as well. Consequently, I think it is the duty of the Senate more than any other body to guard against the rule of law being taken out of the Income Tax Act in any particular. That is all I have to say in regard to this subject of ministerial discretion.

I come now to the subject matter to which I alluded briefly at the beginning of my remarks, namely, the difference in the tax treatment of certain corporations depending upon the degree of Canadian ownership of their voting shares. One might refer to this part of the bill as the corporation withholding tax amendments, and I shall be doing so.

I was somewhat amazed to hear the honourable senator from Toronto-Spadina (Hon. Mr. Croll) refer to the earlier speeches on this bill as having been a discussion carried out in a vacuum. My view of the speeches given by Senators Hayden, McCutcheon, Crerar and Campbell, and indeed of the speech by Senator Croll, is that they were extremely lucid, objective and factual and were far removed from the atmosphere of high finance.

All those I have just referred to indicated the real danger to this country in now embarking upon novel and experimental legislation which, although perhaps having some laudable objectives, falls far short of all our former principles of nondiscrimination against foreign capital presently invested in this country. As far as I am aware, never before has this Parliament enacted tax laws which applied different rates of taxation to persons of the same class, whether Canadian or foreign.

The meaning of the legislation was fully and lucidly described by Senator Hayden and I will merely recount in general terms the effect of the sections which he expanded on to a greater degree than I intend to do.

At present the Canadian withholding tax on Canadian corporation dividends which would be payable to non-residents is generally 15 per cent, subject to some varying rates resulting from tax conventions with some countries other than the United States.

Under the proposed legislation when Canadian ownership in a foreign subsidiary consists of 25 per cent of its voting share capital, then dividends paid by such a corporation to non-residents are to be subject to a 10 per cent withholding tax instead of the present 15 per cent. After January 1, 1965, however, dividends payable abroad by a Canadian company which does not have a 25 per cent Canadian ownership content are to be subject to a withholding tax of 20 per cent.

There are certain other refinements, including discrimination relating to depreciation allowances, as was referred to the other day by Senator Campbell; but the main principle of the legislation is the difference in the rate of tax imposed, so that one is given a tax benefit and the other is handed a penalty.

Indeed, when one considers this legislation closely I sometimes think one must be forced into the suspicion that the proposed amendments were devised on the hustings and not in the cabinet room. I say this in no spirit of partisanship, because it is well known that all political parties are guilty of this offence at one time or another.

In regard to these withholding tax amendments, we are told their objectives are to launch a program to help us export more Canadian goods to the United States, thereby redressing our adverse balance of trade with that country; also, to enable Canadians to buy back Canada from foreign ownership. Furthermore, we have been warned by the Minister of Finance that not only was our economic destiny in jeopardy, but our political destiny as well, and that this legislation was aimed at preventing our losing control of that destiny.

Consequently, these questions arise:

(1) Is either the economic or political destiny of this country in jeopardy, or likely to be so, as a result of foreign ownership of our resources?

(2) Is this legislation likely to achieve the objectives claimed for it, namely, to increase our export trade to the United States and help us buy back Canada?

(3) In the light of Canada's future requirements of huge amounts of foreign capital to develop our immense areas and just as immense resources, is it now wise for us to embark on a policy of discriminating against foreign investment in this country?

(4) Are we not obliged to examine carefully the possibility of retaliatory treatment against our very considerable Canadian investments, especially in the United States?

I am sure these four questions will be closely scrutinized in the committee hearings upon this bill.

Now, what about the first question concerning our economic and political future? Are we in jeopardy? I think this question has been effectively answered by men of very great experience, including Senators Crerar and Campbell, and others who have dealt with the point. The two quick answers lie in law and history. The moment foreign capital comes into Canada—whether it is used to buy bonds or shares, to build a factory or develop a mine—it immediately becomes subject to Canadian law. But it came here originally because its owners had faith in the stability of our political institutions and also faith that we would not pass laws which would discriminate against their investments in this country.

The lessons of history, such as the ones referred to by Senator Crerar, are of considerable interest as a guide to our future. I am well aware of the facts that he stated. Let me emphasize them, because they are within my own knowledge. I have watched the proceedings he referred to, and especially what has happened in western Canada over the last 75 years. The capital invested in the grain trade there, beginning over 75 years ago, has nearly all been repatriated to Canada. How? To a large extent, by way of the cradle. The sons of the owners of these enterprises moved into Canada to work in and to manage them. They stayed and became residents and nationals of this country, and ownership has now devolved upon these descendants. This is one of the ways of repatriation. There are others.

What happened in the early era of development of the United States? Huge capital investments were made by British and other foreign investors. The results of these investments were enormous benefits to the growing economy of the United States, and by now they have been largely acquired by the home folks, the American people themselves. But, in any event, they were all subject to United States law, and indeed were all subject to local management, by Americans.

To my mind, what is really important in regard to this matter is not control, but management. It is a platitude to say that this is the age of the managerial revolution. The facts of today are that most of the United States capital invested in Canada, and nearly all capital from other countries, is managed by Canadians and not by foreigners. As you well know, when Americans come here, bringing with them technical knowledge we may not have, frequently they become Canadians and they and their families remain here. An interesting commentary is that already this process has, in some instances, gone in reverse, and Canadians who have become heads of some of the great United States subsidiaries here have been promoted to higher posts in the parent company in the United States. I am sure honourable senators from Toronto know of one particular case in point which is indeed noteworthy.

Honourable senators, the only time foreign capital becomes dangerous to a country is when it goes in with a view to a ruthless exploitation and quick profit, or when it goes in with a deliberate intention to dominate the government of the country. These motives may have prevailed elsewhere; they have not in Canada.

I come now to the second problem I have posed: Will this legislation increase exports to the United States? Will it help Canadians buy back Canada? The theory seems to be that whereas a wholly-owned subsidiary of a U.S. parent will not export its Canadian product

to compete in the U.S. market with its own, yet a subsidiary which is 25 per cent Canadian owned will do so.

Surely, the question answers itself. Any manufacturer or producer of goods in Canada knows that he can only get into the U.S. market on the basis of quality, price and service, coupled with hard-running salesmanship. He must be able to compete in that market, and whether the shareholders of his company are foreigners or Canadians has nothing to do with the case. This point hardly needs further comment. In any event, where the situation might be that 100 per cent United States ownership of a Canadian subsidiary dictates a policy not to compete against the parent in the United States market, I cannot see where 25 per cent ownership, which lacks control even with 25 per cent of the directors being Canadian, will make much difference in that regard. Senator Hayden dealt with this point very effectively in his remarks on introducing this bill.

Will the legislation result in increased Canadian ownership in United States corporations? That is, will it help us to any great extent to buy back Canada? The facts are that Canadians have limitless opportunities now to invest in Canadian resources, either those that are wholly Canadian controlled or those that are United States controlled.

Just take a look at the Toronto or Montreal daily stock market sheets and you will find that there is no lack of opportunity for Canadians to participate fully in our resources by buying shares in these and other companies. So my point is that we should not penalize United States capital in an effort to create Canadian participation in our resources; rather, we should provide such incentives as we can to Canadians to buy Canadian, both goods and equity shares in Canadian resources.

That was of course the main purpose some years ago in the 20 per cent tax credit given to Canadians on dividends from Canadian shares; and a still greater incentive would be provided by the elimination of personal income tax on such shares, as was urged by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) the other day.

My conclusion is that incentives to Canadians, rather than penalties against foreigners, is the answer to the problem of increased Canadian ownership of the wealth of this country. This legislation is a gimmick. But it is a gimmick that will not work. It will only do harm, and may do great harm both to our economy and to our present friendly relationships with investors outside our borders.

My third question was: In the light of our future requirements for foreign capital, is it good business for us to follow the lead of some countries of unstable governments and adopt a policy of taxation such as this, no matter how beneficial in the short run? I think the answer to that one is a resounding "No". I would recall to your attention some of Senator McCutcheon's remarks in this debate, where at page 734 of *Hansard* he said:

> We are now introducing the principle of discrimination in taxation between two foreign investors in order to accomplish an objective which may be laudable. I will come to that in a minute. All taxation is discriminatory but we try not to discriminate between persons in the same class.

There are innumerable examples during this century of countries applying discriminatory methods of various kinds against foreign capital within their countries—that is after the capital had come in. It has been most interesting, however, to watch these episodes, many resulting from political upheavals, and to note that in nearly every case there has been a reappraisal by government, generally having the effect of withdrawal of discriminatory measures that have been applied to the foreign capital in question.

I would like to say at this point that all this talk about losing our national identity or our sovereignty because of foreign investment in Canada lies in confused thinking about what our major economic problems really are.

In my view we have fewer of such problems than any country in the world, including the United States. Indeed, in my judgment, our only real and serious economic problem is one of our own making, namely, that the three levels of government in Canada spend far too much, and tax the Canadian people much too heavily and in a very confused manner.

At the moment, apart from this problem of high taxation, our overriding problem is not foreign ownership, but the question of our balance of payments on external account. Every country has this problem to a greater or lesser degree, but the reason it is serious in Canada is of our own doing, namely, that of trying to live too high off the hog.

And so I repeat, it is not a solution to our problems to attack in any way foreign investment here. That is, and has been, to us a great blessing, and is far from being a danger to our future. Indeed, it is what makes our future brighter.

I come now to the last question that I posed: What about United States subsidiaries of Canadian corporations? Does anyone believe that in passing this legislation there is not going to be retaliation against us? As Senator McCutcheon has indicated, retaliation may be automatic and it may be immediate. And remember, Canadian companies possess

subsidiaries in the United States having a value of between $1½ billion and $2 billion. Certain eventualities could be a serious blow to Canadian interests right here.

We are aware of the fact that we now are subject to a treaty with the United States in regard to withholding taxes. If the United States deems that the passage of this legislation abrogates that treaty, the dividends of these United States subsidiaries will immediately become taxable to the extent of 30 per cent. This would indeed be prohibitive tribute exacted from these companies, and would constitute an intolerable penalty against their Canadian owners.

Even if we succeed in renegotiating this treaty prior to January 1, 1965, can anyone conceive that the United States withholding tax will, under the circumstances of this legislation, be less than 20 per cent? In any event, for what it may be worth, it is my opinion that we will not succeed in getting Uncle Sam to renegotiate the treaty at all, as long as discriminatory legislation, aimed at the United States, stands on the statute books of Canada.

I pose this to you as a real threat and one that could be of serious consequence to very important interests in this country.

Honourable senators, in the business and financial community of Canada there has been universal skepticism and even condemnation of this legislation concerning the degree of Canadian ownership. The danger signals have been out all over the place. I might refer in that regard to an article in the Toronto *Globe and Mail* of November 20, under the heading "More Doubts". It is essentially a report on the subject, made by a gentleman in Vancouver who addressed the Canadian Tax Foundation a few days ago. I should like to read to you from this item, and I quote:

> Much of the uncertainty which remains in the Canadian business community over Finance Minister Walter Gordon's budget now centres on his proposal to force foreign companies to make 25 per cent of the shares in their Canadian subsidiaries available to Canadian investors or face adjustments in the withholding tax. It has been pointed out that this is punitive and discriminatory taxation which may have the effect of increasing foreign ownership instead of reducing it and result in Canadian companies with subsidiaries abroad suffering retaliatory tax adjustments.
>
> Mr. George Cretzianu of Greenshields Inc. raised some new objections before the Canadian Tax Foundation in Vancouver. He noted that non-residents in the postwar years provided 25 per cent of Canada's gross capital investment. If a country decides to do without this amount of foreign help, it may ultimately face the discipline of a planned economy and the hardships of foreign-exchange controls.

Then it proceeds to give some of the arguments that I have just presented to you.

Perhaps even more important is the view expressed by the Winnipeg *Free Press* in a leading editorial on November 22, just a few days ago. I should like to read the first paragraph and some other excerpts from this editorial which bears the title "Drop It". It begins as follows:

> It is no wonder that Liberal and Conservative members of the Senate have attacked Mr. Walter Gordon's discriminatory tax on foreign investors. This measure obviously is unsound in principle, dubious in operation and almost certain to provoke foreign retaliation.

A little further on it says:

> The essential error of Mr. Gordon's tax plan is its injustice. It changes the rules of investment in the middle of the game. Foreign capital which had been ardently welcomed to Canada under certain conditions is now to be taxed on an entirely new basis.

It continues:

> Business International, a reliable United States publication devoted to foreign commerce, finds after a searching inquiry that no country in the free world imposes the sort of tax sponsored by Mr. Gordon. Some countries, like Mexico and Japan, for example, strictly regulate the admission of foreign capital. But, says Business International, "there is no discrimination against foreign-owned companies once they are established."

Finally, the last paragraph:

> The Senate, therefore, should postpone the Gordon tax while the government makes up its mind on fundamentals. With more time to think, the government would thank the Senate for preventing a grave mistake and would drop the Gordon tax altogether in favour of a consistent overall policy covering capital imports.

Honourable senators, I commend to you the language of this editorial.

I want to add that as far as I am concerned, and I am sure as far as this house is concerned, partisanship should have no place in this discussion. It is simply a matter of looking at a problem of government, and then for the Senate to decide what it should do.

I wish to conclude by saying that, in my view, this part of the bill is bad legislation. It is dangerous legislation. It is based on wrong premises. It will not achieve its objectives. It is not positive in any respect. It is negative and punitive, and it evinces a complete lack of faith in the ability of Canadians to solve their problems by facing them squarely instead of running away from them.

These words are not mere oratory; they are the things that have been said about this legislation in every part of Canada.

This legislation gives to the Senate of Canada a golden opportunity to make its presence felt in our system of government, and to confound those people who have been wont to say that the Senate is merely a docile rubber stamp for all legislation, no matter how immature or ill-conceived, brought to it from the other place.

Hon. Mr. Macdonald (Brantford): Honourable senators, it is my understanding that a number of our colleagues, whose arrival has been delayed, would like to speak in this debate. At the moment they are not present and, accordingly, I move the adjournment of the debate until 8 o'clock this evening.

Hon. Senators: Agreed.

On motion of Hon. Mr. Macdonald (Brantford) debate adjourned until 8 p.m.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, I would ask that Item No. 2 on the Orders of the Day be allowed to stand until later this day. I ask also that Item No. 3 be allowed to stand. With respect to Item No. 4, Bill C-105 will be introduced by honourable Senator Harold Connolly from Halifax, and I understand he will be prepared to proceed with it tomorrow.

PRIVATE BILL

THE MORTGAGE INSURANCE COMPANY OF CANADA—SECOND READING

Hon. G. Peter Campbell moved the second reading of Bill S-50, to incorporate The Mortgage Insurance Company of Canada.

He said: Honourable senators, copies of this bill are now being distributed to enable you to follow the comments I wish to make with respect to its various clauses.

This bill is to incorporate The Mortgage Insurance Company of Canada which, so far as I am aware, is a new type of insurance company. I do not think there is any such company presently in existence in Canada. There are companies of this nature in the United States that have been carrying on business very successfully for some years, and it is my understanding that they have rendered a valuable service in the credit field.

The company proposes to engage in the business of insuring mortgages. There is no restriction or limitation as to the type of mortgage that they may insure, but the purpose of the company is to develop a new field of credit whereby larger amounts may be borrowed on the security of mortgages than have heretofore been available under what are generally called conventional mortgages. By "conventional mortgages" I mean mortgages that are available from institutions such as insurance companies, trust companies and other companies of that nature, which are governed by federal or provincial legislation as to the amount they may lend on any particular property.

The practice with respect to these companies has been to limit the extent of their lending to 66⅔ per cent of the appraised value of the property. The result of this practice has been that over the years people have been forced to borrow on second mortgages when they required more money to purchase a house or to build a house or to acquire an old property. The field of second mortgages is limited in many respects, and is very costly to the borrower on all occasions. Sometimes the interest rates are extremely high. I understand that they are never below 8 or 10 per cent, and that sometimes they are up as high as 30 or 40 per cent.

There has been much controversy with respect to controls on this type of lending in the various provinces, but to date no way has been found of laying down a general pattern as to what rate of interest may be charged on a second mortgage. It is a credit field which has to be attacked in some other way, and this proposed company will endeavour to render a service to people who require to borrow more than 66⅔ per cent of the value of the properties they wish to mortgage.

The purpose of the company is to arrange insurance on the mortgages where a loan of an amount greater than 66⅔ per cent is granted. The premium proposed to be charged is 2 per cent for a period of 15 years. In other words, the face value of the mortgage would be ascertained, and the premium would be calculated on the basis of 2 per cent of the face value of the mortgage. The borrower would have to pay that premium at the time he arranged the loan. However, the policy of insurance would be security for the payment of the mortgage for a period of 15 years.

The practice proposed is to start by lending up to 83⅓ per cent of the value of the property. The first 66⅔ per cent of the loan would be made by the conventional lender, and the balance of the loan up to 83⅓ per cent would be made by a mortgage investment company.

The promoters of this company contemplate the formation of a mortgage investment company.

The applicant would file an application with the conventional lender. The conventional lender, working with the mortgage investment company, would consider the loan and would supply all of the usual information that is supplied when a loan is applied for, to the mortgage investment company, which would then determine whether or not it would make the loan in conjunction with the conventional lender; if the loan were made, a mortgage would be granted to the extent of 83⅓ per cent of the value of the property, and it would be taken in the joint names of the two lenders.

As I have said, an insurance policy would be issued at the same time by The Mortgage Insurance Company of Canada, and that would protect those companies making the advance to the full extent of the value of the mortgage.

I should point out that there are limitations on liability in this particular case, because it is not considered that there is any serious risk in 66⅔ per cent, which would be held by the conventional lenders; the real risk would be in the balance of the mortgage.

The bill provides for these restrictions by providing that the insurance company could limit its liability to 20 per cent of the total value of the mortgage, which is sufficient to bring it down to the amount that is authorized by other restrictive powers which apply to conventional lenders.

Clause 7 provides that:

> The Company may undertake, transact and make contracts of mortgage insurance:
> Provided that every such contract of mortgage insurance shall contain a provision to the effect that the Company may, at its option, limit its liability thereunder to twenty per cent of the aggregate of the following items
>
> (a) the unpaid principal amount of the mortgage loan as at the date of any claim under the contract;
>
> (b) reasonable charges relating to the mortgaged property for public utilities, insurance premiums and real property taxes and rates;
>
> (c) all interest due or accrued and unpaid at the mortgage interest rate on the amounts specified in items (a) and (b); and
>
> (d) reasonable legal fees and disbursements incurred in connection with the realization of the mortgage security.

Honourable senators will ask immediately what rate it is proposed to charge on these mortgages. The rate proposed is one quarter of one per cent higher than the conventional rate; in other words, if the conventional or going rate on loans, on conventional mortgages, were 7 per cent, the rate charged on these mortgages would be 7¼ per cent. The extra one quarter of one per cent, of course, would apply to the second part of the mortgage and give a return higher to those taking the risk on the second portion of the mortgage.

One very important thing in a company of this kind is its strength. I should say that the company will be at all times under the control of the Superintendent of Insurance and therefore subject to all the usual restrictions and conditions laid down with respect to insurance companies generally.

I should say also that those behind the present company, who through their incorporators are sponsoring this bill, are the Bank of Nova Scotia, The Greenshield's Company Inc., and the Aluminum Company of Canada. Therefore, it has excellent sponsorship.

You will note that under clause 3, the capital stock of the company shall be $4 million, which may be increased to $15 million, divided into shares of $100 each.

Under clause 4, the amount to be subscribed before the general meeting for the election of directors shall be $4 million. Therefore, before the company is entitled to commence business or hold its first general meeting, $4 million capital must be subscribed.

Under clause 5, the company shall not commence business until at least $4 million of capital stock has been bona fide subscribed, and at least $1 million paid thereon, together with a contribution to surplus of $1 million. In other words, $4 million must have been subscribed, subject to payment at call. The $1 million of the capital stock must have been paid for and there must have been a contribution to surplus of $1 million. I assume that the purpose of this provision is to make sure that the capital will not be impaired in the early days of the operation of this company.

Honourable senators, I should like to comment briefly on the practice which is followed in the Department of Insurance, although this is more a matter for Mr. MacGregor to deal with when he appears before the committee. My understanding is that a premium reserve account will also be set up. In other words, when the company commences business it will be required to pay into a premium reserve account about 50 per cent of the premiums received from the insurance placed. Also, there will be restriction as to the amount of business the company can write. My understanding is that the rules or regulations are likely to contain a limitation that the liabilities must not exceed 10 per cent of the total

capital and surplus of the company, excluding the premium reserves, with the hope that at a future date, after the company has become established, that figure may be moved up to 12½ per cent.

As I say, these are conditions which are laid down by the Department of Insurance and can be explained more fully by the Superintendent of Insurance. Furthermore, the sponsors of the bill will be available to answer any questions which honourable members may wish to ask during the meeting of the committee.

Honourable senators, I say in conclusion that from the first time I saw this bill I have been favourably impressed by the purpose of the measure. I think it will fulfil an important role in the credit field as far as mortgages are concerned. It should enable people who borrow on second mortgages to get their funds in this manner at a very much lower cost.

Hon. A. J. Brooks: Honourable senators, first I might explain why there was no objection to this shortened procedure. The proposal was a little out of the ordinary but, having listened to honourable Senator Campbell's explanation, I feel we are all assured that the procedure was proper and that no harm will be done by allowing this bill to go through as quickly as possible.

I shall not attempt to add anything to what honourable Senator Campbell has said. He made very clear to us the purpose of this legislation, which is to set up a mortgage insurance company. As I understand it, it is more or less supplementary to mortgage investment companies which are being incorporated by the provinces.

As we all know, legislation of this kind has been necessary for some time. There is provision under the National Housing Act which allows mortgages up to 95 per cent of value, while the conventional mortgages, as explained by honourable Senator Campbell, can only go as high as 66⅔ per cent, and as a result there is a heavy demand for more money on second mortgages.

This is a matter which has been of concern to provincial legislatures and also many people across this country. I have often listened to my good friend, the honourable the Acting Speaker (Hon. Mr. Croll), condemn the very extortionate interest which has been charged on second mortgages. The companies which are sponsoring this insurance company are to be complimented on the attitude they are taking.

When I was home during the summer recess, I had an opportunity personally to experience some of the extortion and I could scarcely believe what was going on. In one case a man came to my office with a mortgage on which he was being charged 26 per cent. Of course that was not an isolated case. Such an interest rate means ruin for many people.

I am pleased indeed that this legislation is coming before us. I know that it will do a lot of good. The insurance company is to assist the loaning companies, and we can understand why they need assistance. The difference between 66⅔ per cent and 83⅓ per cent is 16⅔ per cent. I understand honourable Senator Campbell to say that these companies would take a considerable risk, and on that account they should be allowed insurance of some kind. The interest which they propose charging—I believe it is one quarter of one per cent over and above the regular interest—certainly would never be considered as extortionate; it is a rate I believe people can afford.

I do not intend to speak further on the measure at this time. The bill will be considered by the Banking and Commerce Committee; Mr. MacGregor, the Superintendent of Insurance, will be there along with other officials. I know we will have questions to ask, and we shall be able to obtain all the information that is necessary. Again, I say I see no objection to the bill. I am very much in favour of it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Acting Speaker (Hon. Mr. Croll): Honourable senators, when shall this bill be read the third time?

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

HON. DAVID A. CROLL

ACTING SPEAKER

Hon. Mr. Macdonald (Brantford): Honourable senators, I believe this is the first time that the honourable Senator Croll has occupied the position of Acting Speaker of the Senate. On behalf of us all, I congratulate him upon the outstanding manner in which he has conducted the duties required of him in that office.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

RAILWAY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-110, an act to amend the Railway Act.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

INCOME TAX ACT

BILL TO AMEND—SECOND READING

The Senate resumed from this afternoon the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill C-95, to amend the Income Tax Act.

Hon. Paul H. Bouffard: Honourable senators, I wish to thank Senator Macdonald (Brantford) for having adjourned the debate this afternoon to give me the opportunity of saying a few words on the bill.

The present bill contains some very good legislation, but it also contains very doubtful sections. During last week the bill was well explained by all who spoke on it.

I think that we must congratulate the Government for trying, by this bill, to close certain loopholes which evidently develop anytime taxation is too high and the application is too stringent. I do not know whether the loopholes will be closed by the sections of the bill that mean to do it. Anyhow it is a good attempt, and the Government ought to be congratulated for trying to do it.

In the light of the explanations that were given last week, I do not intend to go into lengthy details but I want to say a few words about the increase of the withholding tax.

I, like other members of the Senate who spoke before me, am very doubtful about these sections. I am afraid there may be some nasty results for Canada, and I wish to outline some of them. First of all I think that this proposed increase of withholding tax against Americans and other non-residents who have invested in Canada is imposing a penalty upon people whom we have invited to invest their funds in Canada and have accepted it.

This is a heavy penalty, as the tax is going to be doubled; that is to say, the taxpayer will have to pay 20 per cent instead of 10 per cent. It will be such a heavy penalty that I am very doubtful as to whether Canada will remain competitive on investments from outside. It seems to me that many things have happened in Canada which make Canada's competitive position difficult in relation to foreign exchange in the foreign market; but I believe we should not have punished anyone who decided to invest in Canada, and that we should at least remain free and competitive for the capital that is invested in Canada and which we need so much.

In the second place, I say the punishment is not deserved. To my mind, it is always improper to penalize those who invest funds in Canada for the development of this country; after the invitation to invest has been accepted, it is wrong to impose upon them such a heavy penalty. If we wanted Canadians to participate more heavily in the development of our country, such a heavy punishment should have been reserved for future investments instead of being imposed on investments already made at our own invitation.

At the present time it looks quite evident that foreign investors in Canadian companies which do not qualify as what we call Canadian-owned companies will pay 20 per cent, while others investing in companies which qualify as Canadian-owned will only pay 10 per cent, with the result it will be a heavier penalty until the treaty with the United States has been corrected, if it is. Everyone seems to agree it might take many years before an agreement is reached; in the meantime we impose upon Canadians who have invested in the United States a 30 per cent penalty instead of 15 per cent. That is a penalty imposed on Canadians, not on foreigners; it seems to me Canadians do not deserve that.

In the third place, I wanted to point out that for the first time Canada is introducing discrimination as between taxpayers; those who have invested in what we call Canadian-owned companies will pay only 10 per cent while those who have invested in Canadian companies that do not qualify as Canadian-owned will pay 20 per cent. This represents a 10 per cent penalty on the returns from the investments of the second group.

While I am on the subject of Canadian-owned companies, I believe that "Canadian-owned company" is not at all what those words imply. It means a company where the control is still up to 75 per cent foreign and only 25 per cent Canadian. That means that the Canadians have no control of the company at all. And the second condition is that 25 per cent of the board should be, not Canadians, but, residents of Canada. A resident of Canada is not necessarily a Canadian; he may be a foreigner, an American, an Englishman, or a Frenchman. It simply implies that a resident of Canada may be a member of the 25 per cent portion of the board—a resident director. In any case, he does not control the company at all.

What we call Canadian-owned companies are companies where the control of the capital is foreign and where the control of the capital is, if not more than 75 per cent, at least 75 per cent outside of Canada. In some cases it may be 85 or 90 per cent foreign. I do not call that a Canadian-owned company.

We have the definition of what we call a Canadian-owned company. If a foreigner wishes to invest in Canada, and wants to invest in a Canadian-owned company so as not to be penalized, what can he do? What

kind of investigation can he make to find out whether a company is Canadian-owned or not? Nobody, whether he is a Canadian or a foreigner, is in a position to make such an investigation; only the Government, after much expense, is in a position to say whether a company is Canadian-owned or not. Furthermore the position of what we may call a Canadian-owned company may be changed from one year to another; the change of shareholders may make a Canadian-owned company this year a non-Canadian-owned company next year.

What foreigner will invest in a Canadian company if he is not sure about it and does not know exactly what rate of taxation he will have to pay? I heard these words spoken just last week:

> I do not believe that a country with Canada's standing and unblemished record in international markets, can afford to take such steps without raising suspicion in the minds of foreign investors. These, as you know, include not only those holding controlling interests—that is direct investment—but also the holders of various Canadian fixed income securities, common stocks and short term money instruments—that is, portfolio investments.

As a matter of fact it is estimated that foreign investment in Canada in controlled companies, that is portfolio investments, amounted to $10 billion at the end of 1961. While those foreigners who came to Canada at our invitation would like to have 25 per cent of their shareholders Canadians, so as to qualify as a Canadian-owned company, the question arises, what investments will Canadians have to make in these corporations inside a year and a half? It will be between $3 billion to $4 billion. As I see it, the Canadian market is not in a position to absorb such an amount of money, and it will be absolutely impossible for Americans or other foreign investors who come to Canada and who wish to conform to the law in order to qualify as a Canadian-owned company, to sell on the Canadian market and get Canadian investors to invest $3 billion to $4 billion in such a short space of time.

May I ask: Would it be a good policy for Canadians to invest from $3 billion to $4 billion in order that every company in Canada could qualify as a Canadian-owned company? What would be the result of investment by Canadians to the extent of $3 billion or $4 billion? First of all, that investment would not bring into being a single new industry. Secondly, it would not develop a single natural resource. Thirdly, it would not make available a single additional job. It would accomplish only a change of ownership of securities purchased by money already invested in Canada. Consequently, the investment of this amount of money would create no new development in Canada. Some $3 billion or $4 billion of Canadian savings would be spent not to create new industry, not to develop Canada, but to acquire shares in industries already established in Canada. I say it is not in the interest of Canada or in the interests of Canadians that such an amount of money should be invested when it is not going to produce any additional development.

For this reason, I am going to suggest a little later that if we wish to pursue this policy we should restrict it to future investment in Canada by foreigners, and thus cause Canadians to subscribe to new investments. In so doing they will be subscribing money for the further development of Canada, for the development of new natural resources, and for the establishment in Canada of new industries which will provide Canadians with more employment. Such a policy would result, first of all, not in punishing anyone who invests in Canada; and, secondly, it will encourage investment in Canada in new development, the establishment of new industries and the development of new resources, thus providing more employment for Canadians. That will be the result of such a policy which I think would be better than the one that is being adopted at the present time.

There is another bad result of the policy that is now being put forward. It seems to me that for years all provincial governments, and the federal Government as well, with a view towards developing their own resources, have invited foreigners to invest in the individual provinces. I could enumerate many industries that were established in the Province of Quebec, and also in the Province of Ontario, in the last 50 years as a result of new foreign investment made in Canada at the invitation of the federal and provincial governments.

I am afraid that the provinces have not been consulted with respect to the new fiscal policy that is being implemented by this bill. I think that is a pity because, after all, they have the right to develop their own resources according to the best means at their disposal. In the past they have invited foreign capital to invest in their own provinces. They have rented water power, and they have leased forests. Now, without consulting the provinces which have extended these invitations, the federal Government adopts a new fiscal policy and imposes a new tax which discriminates between foreign and Canadian investment.

Such a policy as this should have resulted from conferences between the provincial governments and the federal Government. No new taxation of this kind should be imposed until the governments of the various provinces have had a chance to put forward their representations, and neither should the development of a province be tempered or delayed without that province knowing exactly when this measure is going to be repealed.

I also want to point out that the legislation which is before us includes ministerial discretion. Like many other senators who have spoken before me on this bill, I believe this is not advantageous.

I am going to cite to you the last example of ministerial discretion, which was established a few days ago, concerning the depreciation on cars which cost over $5,000. This is not law: it is a ministerial decision which has been imposed upon the business people here without any notice whatsoever to anyone. As a result, no businessman or corporation will be entitled to depreciate a car which costs more than $5,000. This would mean about the cheapest car built in Canada, as well as some cars which are built outside of Canada. Those who buy cars costing over $5,000 cannot even depreciate them to $5,000. They are not allowed to do even that. They are allowed to spend $5,000; but if they pay $10,000 for a car they will not be allowed to depreciate to $5,000.

What will happen is that most of those businessmen will sell their cars, and will do it at a price which will mean a loss of capital, because no one will wish to buy a car which costs over $5,000, even if it is a second-hand car, since he will not be able to depreciate the car in any way, shape or form.

That is an example of ministerial discretion which I do not like, and I do not think anybody likes it very much. It is a new form of taxation which is imposed upon Canadians. It is a form of ministerial discretion which should not be allowed in any legislation.

It seems to me that if we wish to impose conditions which result in so much hardship on Canadian people and on most of the business of the country, such impositions should be in the law so that we can discuss them in committee and discuss them here in the house, instead of their being imposed by order in council.

Senator Croll in his remarks said that it would be a good thing to have our Canadian business controlled by Canadians. Nothing is more true. He complained that few people had any suggestions to make. He made one. The suggestion he made may be good or bad, but it deserves to be studied and discussed.

I myself have two suggestions to make and I believe they also should be discussed. I do not know whether they are good or bad, but they are at least suggestions which should be considered in committee or elsewhere.

My first suggestion is to delay the bill, or the imposition of the withholding tax, until we have reached agreement with the United States, so that our Canadians who have invested in the United States will not be unduly punished.

Hon. Mr. Campbell: Hear, hear.

Hon. Mr. Bouffard: My second suggestion is that these new taxes or penalties shall not be imposed except for future investments in Canada, so that they will not constitute a penalty or punishment upon the investments made in the past, on our invitation.

We may be right in getting Canadian control. I like the idea. Other countries have done it before. The United States took such action before, but what did they do? Did they discriminate between two classes of taxpayers? No; they bought their own resources from foreigners, because they had the means to do it. It seems to me that the policy which was carried out by the United States was a better one than that which we are trying to introduce by this legislation. Perhaps the Britishers who invested in the United States were forced to send their investments back there, but they were paid for them, and suffered no discrimination because of having invested in the United States.

Other countries have taken ways and means to try to get control of investments in the development of their economy. They have done this with their own capital. It is a good thing and I like the idea, but I do not like the ways and means by which we do it. I am afraid that imposing a penalty upon foreign companies is not a good policy and will tamper with and delay new investments in Canada, which we need very much and will need for an indefinite period.

I shall be surprised if our Government does not abandon this legislation which will create difficulties in Canada and prevent foreign investments which we need. I am sure if the Government realizes this it would abandon the tax and correct the bill. Would it not be better to abandon taxation of this kind, and so not have to correct the situation afterwards? By taking the other course we would arouse suspicion in the minds of foreigners who have invested or who intend to invest in Canada. It seems to me that it would be most unwise to arouse such suspicions at the present time when we need so much capital to develop our own country.

As a matter of fact, why should we be keen to keep foreign capital out of Canada?

It is only a matter of dollars. We are not so anxious to prevent our labour unions from being controlled in the United States. What do we do about them? The fact that labour unions are controlled in the States means that such control may affect our economy, or our position in the export market, as it sometimes does, and that it is much more serious than a small matter of dollars resulting from foreign investment.

On the whole, I believe the intention of the Government is sound. I believe it is doing what it considers best; but it seems to me it should listen to the representations that have been made in the past two or three months by practically all the businessmen in Canada who know something about it, and that if there is any correction to be made one way or another it should not hesitate to make it. I hope the discussion we shall have in the Banking and Commerce Committee may result in the determination by the minister to change some of the clauses of the bill, and not to press for something which might have bad results and would be opposed by most Canadian businessmen.

Hon. Salter A. Hayden: Honourable senators—

The Hon. the Acting Speaker: Honourable senators, may I remind you that if Senator Hayden speaks now it will have the effect of closing the debate.

Hon. Mr. Hayden: Honourable senators, I do not propose to speak at length. The debate has been most interesting and constructive. I have one or two comments to make in connection with the remarks made by some of the senators during the course of their presentations.

Senator McCutcheon, who is not here this evening, delivered a critical address in parts, but at all times I thought it was very constructive, except in relation to one item which I took to be personal, as far as I was concerned. He said that he would try to be at least as objective as I had been, and possibly less partisan, but according to him apparently my partisanship consisted in lack of comment toward the end of my speech, and he said that this was more eloquent.

It is a new and a novel kind of criticism, that you are judged, criticized, and condemned to being a partisan for what you do not say. I would have thought that lack of comment might spring from a great tolerance in, or the unimportance of the particular items in respect of which you made no comment or criticism, or possibly because you had nothing to say on a particular point. But I did not think it could so easily be resolved that I was a partisan, by reason of what I did not say. I thought partisanship was a manifestation of one's viewpoint in a very vocal way. That is all I have to say on that point. I enjoyed Senator McCutcheon's remarks; I thought they were most constructive.

Senator Thorvaldson and I have crossed on many occasions. I think this is the first time in his speeches that I have been quoted with authority, as influencing him in what he had to say. Well, there is always a first time; and if it indicates that he is following the path of redemption, I shall feel that finally I have accomplished something. Usually when he follows me in debate in the Senate, in a loud and very stern voice he says, "Senator Hayden said this" and then he proceeds to be very critical about it. Today the tone was so entirely different that I wondered what had happened.

However, I cannot let Senator Thorvaldson off completely free, because he almost got out of line when he was talking about incentives. He started out by referring to the City of Brantford and to the injustice of this proposed plan of incentives in relation to a new manufacturing or processing business locating in a designated area and the build-up of a bureaucracy which would result from that. Those are all glorious words and they fit very nicely into a highly rhetorical effort. But I would only point out to my friend, as I did on one or two occasions before, that at this time we did not conceive the idea of a designated area and how to determine it.

Recognizing that some remedy should be provided as early as the budget speech of the then Minister of Finance in December 1960, we were given this idea of designated areas and of special assistance to industry producing new products in a designated area or new products in Canada, and that they would get special help by way of accelerated depreciation. Yet I am sure my friend would be the last person in the world to say that in 1960 or 1961 he stood up and voiced any criticism at all about the injustice that might conceivably develop competitively through assistance being given to a new industry or to an old industry that was going to produce a new product, because within a mile or two from that designated area there might already be an industry producing that product.

Of course the legislation of 1961, and this bill when it becomes law, are both capable of producing that kind of competition and, to that extent, some discrimination, but it is simply a problem of developing the best means that you think will deal with the situation where you have designated areas in which there is chronic unemployment.

Hon. Mr. Thorvaldson: I am wiser now.

Hon. Mr. Hayden: Well, repentance never comes too late.

In the rules which are laid down, the formula which is prescribed for determination of a designated area, in my submission, is entirely fair and nonpolitical, even though by the application of the formula the City of Brantford, as part of Brant County, became a designated area. Remember, the designated area is Brant County, for my friend's information, in which is included the City of Brantford.

When you look at the figures of economic growth you will find the economic growth in Brantford between 1959 and 1962 was about one-sixth of the national average.

My friend mentioned Guelph today. As between Brantford and Guelph you will find a tremendous gap in the corresponding figures, and yet these two places are located only some twenty miles apart.

So I say to my friend that this legislation is aimed at accomplishing a good purpose, a good objective, even as the legislation of 1960-61 was so designed. The 1960-61 legislation, even with the best intention in the world, has not resolved chronic unemployment which it was designed to do, or designed to assist in doing.

I am not standing up here and saying to you that this legislation on incentives will cure the problem of chronic unemployment in these areas. I am hopeful that it may assist and alleviate, and anything that will do that I think we should try.

Having said that in relation to my friend's remarks and having received his expression of deep sorrow, regret and repentance I will proceed with my other comments.

Senator Croll had a few things to say in the course of his well-reasoned presentation last Thursday. When he was talking about the distinguished senators in that group, I think he identified them so closely that I am included, and I thank him for the compliment. But, he said, these three senators—which would be Senator McCutcheon, Senator Crerar and myself—function in such a rarified atmosphere of high finance that it was to be expected that we would not appreciate, or even discover, or, if we discovered, tell publicly what the real purpose of this bill was.

Well, all I can say to my friend is that I have not detected anything that I can call a rarified atmosphere. Many times I have been in the same area and in the same gatherings as Senator Croll, and I therefore must conclude that he has been sampling the rarified atmosphere if I have been living in it. But I think it was a rhetorical effort because actually I did develop, as a few senators will recall, a number of headings in this bill dealing with various aspects of income tax.

You will recall I spoke about incentives; the closing of loopholes, including lease-option agreements; dividend stripping; loss carry forward; this practice of corporate subdivision of functions so that a number of corporations might each get the first $35,000 of profit at a low rate of tax. I spoke about the degree of Canadian ownership, about the withholding tax, and I indicated there were many other sections miscellaneous in their nature.

Then we were criticized for talking in a vacuum because we did not say the purpose of the bill was to control foreign investment. Well, I thought for four or five pages of *Hansard* that that was exactly what I did. I pointed out not only the desirability but the necessity for continuing the inflow of foreign capital to Canada, and the undesirability of this method of attempting to accomplish that result. If that method of presentation is talking in a vacuum, well, I am pleased with the description because it is a broad one.

When my friend suggests the purpose of this bill is to provide some means to control foreign capital in Canada, I must point out to him that not only does this bill deal with all those headings I have enumerated to you, but it deals with a large number of other items in addition.

It repeals the sales incentives which were enacted last year—and, as you may recall, it took about eight pages of the bill to define a formula. It provides new provisions in respect of bankruptcy and income tax. It increases the tax on non-resident-owned investment corporations from 15 to 20 per cent, and increases the tax on adjusted branch profits of non-resident corporations in respect of operations in Canada, from 15 to 20 per cent. It revises the formula for calculating the base expenditures on scientific research. It makes provision for the deduction of expenses incurred in drilling and exploration by a company engaged in the operating of a pipe line for the transmission of oil or natural gas.

With that large number of items, and many of them disconnected, with which this bill deals, how could one be charged with talking in a vacuum because he did not say that the purpose of the bill was to provide means for controlling foreign capital in Canada?

In this bill of about 28 sections, covering many pages there is one section which defines a degree of Canadian ownership. There is another section which deals with withholding tax. All the rest of the bill deals with this infinite variety of items, many of which in the

opinion of the Minister of Finance, as reported in the papers, are very important, including the provision of incentives to which I have referred, dividend stripping and loss carry forward.

So I excuse my friend. I think probably he was aiming for a rhetorical height rather than reprimanding me and my two associates who apparently form that band in the Senate who function in the rarified atmosphere of high finance.

The only other comment I want to make on what Senator Croll said concerns his suggestion with respect to repealing the income tax on dividends received by Canadians from Canadian corporations, and replacing it by an increase of 2 per cent in the general corporate rate. It is a suggestion worthy of consideration. On the other hand, the general complaint across Canada is that the corporate tax is now high enough.

Another objection that might be made is this: Why do you favour people who receive their income by way of dividends with exemptions from tax when all other varieties of income which a number of other classes of citizens receive are still to bear their rate of income tax? If my investment happened to yield interest instead of dividends, then this exemption, on his presentation, would not apply. If it happened to be income from any number of sources, including a workman's wages or a clerk's salary, it would enjoy no exemption because he would not be in a position where he could secure investment income by way of dividends. I would think it would be objectionable on that basis.

I would think, however, there is an area to which some thought could be given, namely, the possibility of increasing the 20 per cent on the dividends as a deduction from tax. In doing that you are accomplishing the objective which he stated. That is, you are reducing substantially the double taxation which, first of all, taxes the profits of a corporation and then taxes the disbursement in the hands of the shareholder. If you increased the 20 per cent exemption you would make it even more attractive for Canadians to invest in the ownership of Canadian companies, and you would do it in a way, as I see it, that would not be as objectionable as the way in which my friend suggests it should be done.

I wish to comment also on one statement made by Senator Bouffard this evening when he was talking about the $5,000 ceiling put on the capital cost of automobiles that are used in business, and where you seek to deduct your write-off as part of the cost each year.

Years ago—and I am sure some people here, including myself, were parties to it—we put a general provision in the income tax law. It was in the earlier statute. Under section 11 (1)(a), which is entitled, "Deductions Allowed in Computing Income", it says that one may deduct:

> such part of the capital cost to the taxpayer of property, or such amount in respect of the capital cost to the taxpayer of property, if any, as is allowed by regulation.

There, of course, we set up the discretion. It is not a ministerial discretion in the sense that one minister exercises that discretion, because the provision for making regulations is by order in council, which means it is the combined or unanimous view of the cabinet, the Governor in Council.

The regulation has been published, and in case honourable senators are interested in it, I shall read it. It is quite short.

> Subsection (1) of section 1102 of the Income Tax Regulations is amended by deleting the word "or" at the end of paragraph (f) thereof, by adding the word "or" at the end of paragraph (g) thereof, and by adding thereto the following paragraph:
>
> "(h) that is a passenger automobile acquired after June 13, 1963 the cost to the taxpayer of which, minus the initial transportation charges and retail sales tax in respect thereof, exceeded $5,000, unless the automobile was acquired by a person before June 14, 1963 and has, by one or more transactions between persons not dealing at arm's length, become vested in the taxpayer."

This regulation, therefore, would appear to draw a line between dates of acquisition of a motor car. If you were already in possession of it on June 13, 1963, the regulation would not appear to be applicable; but the $5,000 limitation would appear to be applicable in relation to motorcars acquired after June 13, 1963, and you would not be allowed any write-off. In a sense, it is a ministerial discretion, and the public, senators and members of the House of Commons, have had no opportunity to express any view in relation to it. To that extent it may be criticized as a ministerial discretion. On the other hand, we have put in our law a subsequent provision entitling the Governor in Council to function in this area by regulation. Therefore, having created that kind of situation, it looks as though we will have to live with it until we can become persuasive enough to bring about a change.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

PRIVATE BILL

THE CANADA NORTH-WEST LAND COMPANY (LIMITED)—SECOND READING

Hon. A. K. Hugessen, for Hon. T. D'Arcy Leonard, moved the second reading of Bill S-49, respecting The Canada North-west Land Company (Limited).

He said: Honourable senators, this bill, as its name implies, is to amend certain provisions of the act incorporating The Canada North-west Land Company (Limited). The company is quite an old one and has rather an interesting history.

It was incorporated by act of this Parliament in the year 1893, and at that time it acquired from an English company of the same name nearly two million acres of farming land in the provinces of Manitoba, Saskatchewan and Alberta. The purpose of the company was to own, hold, improve, develop and from time to time sell this land, in particular to settlers. I understand this land was part of the land which had been granted to the Canadian Pacific Railway in connection with the construction of that railway.

In any event, the interests behind this company were at that time very closely connected with the Canadian Pacific Railway. In fact the list of incorporators which appears in the act of 1893 reads almost like a list of the directors of that Company at that time. They are Sir William C. Van Horne, Sir Donald A. Smith, afterwards Lord Strathcona, R. B. Angus, Sir Thomas Shaughnessy and James Burnett of Montreal; Edmund B. Osler, R. H. Bethune and Herbert C. Hammond of Toronto; William Hendrie, of Hamilton; and Thomas Skinner, afterwards Sir Thomas Skinner, of London, England.

The capital of the company was rather large for those days, being about $7½ million, divided into redeemable preferred shares of a par value of $100 each, and common shares of a par value of $25 each. The Act of Incorporation provided that the directors had to set aside each year out of the proceeds of the sales of the land in that year a certain amount for the purpose of redeeming the preferred shares by lot; and as the years went by, and as the company sold its lands and received the proceeds, all the preferred shares were in fact redeemed. That left the company with about 60,000 common shares of a par value of $25, and by an amending act of 1903 the company was authorized, as and when it continued selling those lands and received the proceeds, to pay down the common shares. It followed that process, and from time to time over the intervening years it paid down its common shares to a par value of $1. In other words it paid off $24 of each $25 of the original par value of those common shares. In time the company sold practically all of its land; in fact, at the present time it has only 160 acres remaining out of the almost two million acres it had originally acquired. I think that is a quarter section of land, is it not?

Hon. Mr. Horner: That is right.

Hon. Mr. Hugessen: Then, about the year 1922, the company changed the policy which it had originally followed in selling those lands. Before that time it had sold the lands outright, without any reservations at all, to the settlers and others who purchased the lands. But in 1922 in the Province of Alberta, and in 1927 in the provinces of Manitoba and Saskatchewan, it changed its policy by reserving to itself the mineral, oil and gas rights in the land it sold.

The present position is, therefore, that the company has mineral, oil and gas rights to about nearly 250,000 acres of land in the western provinces; and, as honourable senators will realize from the developments that have taken place in the western provinces in the last few years, some of these rights have become quite valuable. The company has granted oil and gas leases of approximately 70,000 of its 243,000 acres to various oil and gas companies and receives a reasonable revenue from that source.

The result is that at the present time its position is really not that of a land company at all; it has become more of an investment company for the purpose of receiving and investing the proceeds of these oil and gas leases. That is one of the reasons for the presentation of this bill.

Honourable senators will see that the bill is divided into two sections. In the first section, paragraphs (i.) and (j.) embody amendments to the statute of 1893 to change the corporate powers of the company, in effect, from those of a land development company into those of an investment company with broad powers to invest in securities of all kinds, and to deal in mineral and oil leases, which they are doing at the present time.

The second section of the bill seeks an increase in the authorized capital of the company. As I said, at the present time the company has 59,551 common shares of a par value of $1 each. In the explanatory note to the bill it is stated that all of this capital is presently issued and outstanding. There is, however, one slight modification to that of which I have been advised.

As I have told you, this is an old company, some of the records are rather incomplete and there is some uncertainty as to the ownership of some 860 of these shares. In some cases the ownership cannot be traced, and in others there is some doubt as to whether or not the shares were properly issued at all. But that is a minor matter which need not really concern us. I merely mention it since it is a modification of the statement in the explanatory note which appears opposite section 1 of the bill.

There are two suggestions with regard to the capital. First of all, it is sought to increase the common capital by the creation of an additional one million common shares of a par value of $1 each. That is sought on the assumption that the company may wish to expand its investment activities in future and attract additional capital into the company.

Secondly, they are asking for an increase in authorized capital by the creation of $3 million of 2 per cent redeemable preferred shares. The sole purpose of asking for these preferred shares is to enable the company to take advantage of section 105 of the Income Tax Act which allows a company to pay 15 per cent income tax on a certain portion of its earned surplus, thereby freeing that surplus for capitalization in order that it may be distributed among the shareholders free of tax in the form of preferred stock.

Those are the two purposes of the bill. I should add that the present ownership of the company is principally Canadian. Canadians hold over 46,000 shares; residents of the United Kingdom hold nearly 12,000 shares; and there is a very small holding in the United States of 168 shares.

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

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

SUSPENSION OF RULE 119

Leave having been given to revert to notices of motions:

Hon. Mr. Hugessen: Honourable senators, I move that Rule 119 be suspended in so far as it relates to this bill, for the same reason as was explained this afternoon by my honourable friend, Senator Campbell, in relation to Bill S-50.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 27, 1963

The Senate met at 3.15 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Capital budget of The Seaway International Bridge Corporation, Ltd., for the calendar year ending December 31, 1963, pursuant to section 80 of the Financial Administration Act, chapter 116, R.S.C. 1952, together with a copy of Order in Council P.C. 1963-1605, dated October 31, 1963, approving same. (English text).

Revised capital budget of the Canadian Overseas Telecommunication Corporation for the fiscal year ending March 31, 1964, pursuant to section 80 of the Financial Administration Act, chapter 116, R.S.C. 1952, together with a copy of Order in Council P.C. 1963-1653, dated November 7, 1963, approving same. (English text).

PRIVATE BILLS

THE MORTGAGE INSURANCE COMPANY OF CANADA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-50, to incorporate The Mortgage Insurance Company of Canada:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

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

Hon. Jean-François Pouliot: Before this motion is adopted, honourable colleagues, may I say that although I have no objection to it I do hope that the printing will be completed before the bill is debated again in this chamber. If a motion is made for the third reading of the bill before we receive the printed report of the committee, that printing will be absolutely useless. We need that report before the motion for third reading is made.

I hope that the honourable sponsor of the bill (Hon. Mr. Campbell) will agree with me that it is essential to have the proceedings of the committee printed before we proceed further with this bill, which is not an urgent matter.

The Hon. the Speaker: Honourable senators, it is moved by honourable Senator Hayden, seconded by honourable Senator Taylor (Westmorland) that this report be now adopted. Is it your pleasure to adopt the motion?

Hon. Mr. Pouliot: Conditionally.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce, had considered Bill S-50, to incorporate The Mortgage Insurance Company of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. G. Peter Campbell: Honourable senators, I move, with leave, that this bill be read the third time now.

Hon. Mr. Pouliot: I object, honourable senators, for the reason I have already given. We have adopted a report with respect to the printing of the proceedings and evidence given before the Standing Committee on Banking and Commerce. It is a technical matter. Mr. MacGregor, the Superintendent of Insurance, gave most interesting and elaborate evidence and now we are asked to rush the bill. I find it absurd, sir.

That is my point of view, which may or may not be shared by my colleagues. I want to protest against the steamrolling of legislation in this house.

Yesterday we gave the sponsor of the bill (Hon. Mr. Campbell) leave to refer the bill to committee without the usual notice required for private bills. He said the bill was urgent. I have no objection to giving leave when the matter is to refer the bill to the committee; but when we are asked to pass third reading without having the printed copy on which we agreed unanimously to have, I find it pretty tough. That is my objection.

Honourable senators, if we want the Senate to be respected we have to proceed in the regular way in passing legislation in this chamber.

The Hon. the Speaker: Honourable senators, in the absence of unanimous consent, third reading of the bill will have to be deferred until the next sitting. Would the sponsor so move?

Hon. Mr. Campbell: Next sitting.

Hon. Mr. Pouliot: Excuse me, sir. I regret to be unpleasant, but there are truths that have to be said.

Hon. Mr. Campbell: Honourable senators, I think it proper that I should say a word in respect to what the honourable senator has just said.

I respect his point of view on this matter, but I should point out that in authorizing the printing of evidence taken before the various committees of this house, it has never been the practice to defer consideration of a bill until the printing has been done.

In most cases the evidence taken is for the purposes of the record, for future reference, for information concerning the history of the matter under consideration, and to have the benefit of the evidence given in support of the bill.

Hon. Mr. Macdonald (Brantford): And for the benefit of the other house.

Hon. Mr. Campbell: It is also done so that the evidence heard before the Senate committee may be available for consideration in the other house.

I thought I had made a case yesterday for the early consideration of second reading of this bill. It is getting late in the session, and it is the desire of the sponsors to get this bill to the other house before adjournment. This is an important bill, and it is an important company. I feel that all members have had adequate opportunity to hear the explanations which were given in this house, as well as the excellent presentation made in the Senate committee this morning. It is a simple piece of legislation, and I am rather surprised that my honourable colleague should be so technical about the matter. However, since I cannot get the consent of the house now, I ask that the bill be read the third time at the next sitting.

The Hon. the Speaker: After the explanation by Senator Campbell, does the honourable Senator Pouliot still maintain his objection to this bill being read the third time today?

Hon. Mr. Pouliot: Your Honour, your suggestion that third reading should be deferred until the next sitting is, I think, the wise one.

Hon. Mr. Campbell moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

ROYAL GENERAL INSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-47, to incorporate Royal General Insurance Company of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE NORTHERN LIFE ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-48, respecting The Northern Life Assurance Company of Canada, and had directed that the bill be reported with the following amendment:

> Page 1, lines 10 and 11:—Strike out "La Nord-Vie du Canada, Compagnie d'Assurance" and substitute the following:—"La Northern du Canada, Compagnie d'Assurance-Vie".

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

Hon. Mr. Hayden: With leave of the Senate, I move that it be adopted now.

Report adopted.

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

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-46, to amend the Quebec Savings Banks Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-46 to amend the Quebec Savings Bank Act, and had directed that the bill be reported with the following amendment:

Page 1, lines 11 to 21, both inclusive: Strike out clause 2 and substitute therefor the following:

"2. Section 24 of chapter 41 of the statutes of 1953-54 is repealed and the following substituted therefor:

'24. (1) Subject to section 25,

(a) the authorized capital stock of The Montreal City and District Savings Bank is two million dollars divided into shares of one dollar each, and

(b) the authorized capital stock of La Banque d'Economie de Quebec, the Quebec Savings Bank, is one million dollars divided into shares of one dollar each.

(2) The registered owner of each share of ten dollars each of the capital stock of each of the said banks shall be deemed to be the registered owner of ten shares of one dollar each.' "

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

Hon. Mr. Hayden: I move, with leave, that the amendments be considered now.

Honourable senators, I should tell you that the change made in the bill before the committee this morning consists of the addition of a paragraph of a technical nature. The bill contemplates reducing the par value of the shares of authorized capital from $10 to $1 a share. It was felt in committee that there was not a clear direction that the shareholder who had a $10 share was then entitled to receive ten shares in respect of that one share.

This new paragraph is put in simply to provide that when the change in the par value occurs, the shareholder shall be deemed to be the shareholder entitled to ten shares in respect of each one share which he is holding. It is purely technical in its nature.

Report adopted.

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

Hon. Thomas Vien moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

28906-6—50½

PRIVATE BILL

THE CANADA NORTH-WEST LAND COMPANY (LIMITED)—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-49, respecting The Canada North-west Land Company (Limited):

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

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

Report adopted.

(*Later*)

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-49, respecting The Canada North-west Land Company (Limited), and had directed that the bill be reported with the following amendment:

Page 2, lines 29 and 30: Strike out lines 29 and 30 and substitute therefor the following:

"(2) Holders of the common shares shall have one vote for every share held."

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

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

Honourable senators, the amendment is a simple one. There is in the bill a provision that the holders of the common shares have one vote for every four common shares held. That was a very old provision in the act which Bill S-49 seeks to amend, going back 50 or 60 years. The need for having that particular relationship of voting to shares held disappeared ages ago; therefore, in committee, with the approval of the sponsors of the bill, we made the usual provision, which means there is one vote per share. That is the nature of the amendment.

Report adopted.

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

Hon. Mr. Hugessen, for Hon. Mr. Leonard, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INCOME TAX ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-95, to amend the Income Tax Act:

> Your committee recommend that authority be granted for the printing of 1,000 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Salter A. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 358 to 504, and moved that they be taken into consideration today.

He said: Honourable senators, many of my colleagues will remember that we passed a number of divorce bills—as a matter of fact, 356 of them—in the dying days of last session. As you know, they had been held up for a long time, and then word came to us of the possibility of their being passed by the other house. Accordingly, we did our best to send over to the other house all those cases which had been held up for such a great length of time.

Unfortunately, however, it was necessary, in view of the delay, that we be assured that the parties still desired a divorce, that they had not settled their differences and were perhaps living together. So we required a statement from their solicitors that they desired to proceed, and an affidavit of the petitioner that he or she had not condoned the offence upon which the petition had been based.

When you have such a large number of cases, delays will take place with some of them, and all we were able to obtain in the short time allowed to us were 356 such assurances. That meant that we had 147 cases left over, which I am now presenting.

I wish to call to the attention of the house section 6 of the act authorizing the Senate of Canada to dissolve or annul marriages.

Section 6 says this:

> This Act shall apply in respect of any petition for the dissolution or annulment of marriage presented to the Senate of Canada, and not reported upon by the Senate Standing Commitee on Divorce before the coming into force of this Act.

All these cases I have just now laid on the table were reported upon by the Senate Standing Committee on Divorce. As a matter of fact, they had been presented here, had been sent over to the other house and died on the Order Paper of the House of Commons. So these cases are not now within the purview of this act. Thus they cannot be referred to the commissioner whom we appointed recently, and later acted upon by us by way of resolution. They, too, must go to the House of Commons.

As I believe we are approaching the close of this session, I shall ask, with your permission of course, that these cases be considered immediately, as were the other ones at the end of last session, and that these reports be taken in consideration now. This procedure is a mere technicality enabling us to send these bills to the other house where, we have some intimation, they may be dealt with expeditiously.

Hon. Mr. Burchill: How many are still missing?

Hon. Mr. Roebuck: I think my friend means how many are before us. At this stage I should correct what I said when we discussed this matter recently. At that time I gave the figure of 611 cases, and I also stated that that was the figure up to the time we had recessed. When we came back after recess I had those figures still in my mind; however, I should mention that these divorce figures change from day to day.

Two hundred and forty files are now completed and ready to be proceeded with immediately. The total has grown since I last gave the figures. There are 753 cases now pending, in addition to those before us on the table which I am asking to be passed.

Hon. R. B. Horner: Honourable senators, I trust it is in order for me to make some remarks on this subject at this stage. I was absent when this subject was last discussed, which perhaps would have been the best time for me to say what I have in mind.

I cannot help but feel a great deal of regret at the action which has been taken; I think, rather than being an improvement, it is a retrograde step. In all my years here I have taken pride in the Divorce Committee,

which I considered performed a very splendid service. I thought then, as I think now, that it will be impossible for any commissioner to give to these cases the attention given by the committee. I feel it would be impossible to find any individual with the ability to be found in the members of the Senate Divorce Committee, with their knowledge and experience in these matters.

I do not know who has been to blame in this change of procedure. However, the two men who carried on the affair in the other house acted irresponsibly; it would appear that their only object, so far as I can see at any rate, was to effect the intention of the party to which they belonged of abolishing the Senate. I think that was in the back of their minds when they continued their nonsense in blocking the whole parliamentary procedure without just reason.

As I have said, I regret very much the step which has been taken to provide a new procedure for handling divorce. I cannot see that it will be as efficient as was the system in the past.

Hon. Mr. Choquette: May I ask my honourable friend, Senator Roebuck, a question to clear up a point?

I understand that a number of cases are being sent to the other place now because the files are complete inasmuch as the petitioners have filed affidavits to the effect that there has been no condonation. Are there any other cases to come to us, rather than to the commissioner, that have to be completed in this way?

Hon. Mr. Roebuck: No; these are the last. Of course, if there were a new petition filed asking for a bill of divorce it would come to us. If anyone is foolish enough to ask for a bill of divorce instead of a resolution, it will come to us in the usual way. The cases now before the house are old cases; they have been processed before and there will be no more of that class.

May I take this opportunity of saying how much I agree with the honourable senator from Blaine Lake (Hon. Mr. Horner). For nearly 100 years the Divorce Committee of the Senate has dealt satisfactorily with all these cases. I can recall many statements made in this house commending the committee that I have the honour to chair, for the work they have done. Very little complaint was ever made with respect to their decisions. The cases went through this house in an orderly, proper and judicial manner.

The situation now has changed, and it matters not who was responsible for the alteration. I certainly was not responsible for it nor was anyone else on the committee. Nevertheless, it is now changed, and we have an officer of the Senate who will hear the evidence and report to us. We will still bear the responsibility of the resolutions and the committee will have the great responsibility of ensuring that everything is done properly and in keeping with the standards of past years.

Lest our words give a wrong impression at the announcement of this new system, I would like to say that I had a lengthy conference with the new commissioner on Friday last and I was greatly impressed with him, with his knowledge, his experience, his attitude and all I have heard of him. He is a man of high ideals, a most conscientious person and a hard worker. I should like to take this opportunity to wish him well in the duties which he has undertaken, and in the discharge of his very important responsibilities. At the same time we must not forget that we are still responsible for the resolutions which will pass in future cases. We shall do our best to see that they are properly handled in a judicial manner.

Hon. Mr. Brooks: May I ask the honourable senator if the commissioner has assumed his duties yet?

Hon. Mr. Roebuck: Not yet, and there are several reasons why he has not. One cannot call a busy solicitor out of his office and expect him to take over a new position the next day. I know he is doing his best to clear up his files and get himself ready for the new task. A second reason is that the premises allocated to us in the West Block are now being used by the Federal-Provincial Conference and will not be available this week and perhaps part of next week.

There is another matter still to be dealt with by us, and I shall trouble you with it as soon as it is possible; it is the adopting of regulations under the new act. That, as you know, is no small matter. As soon as they have been adopted by us, the new commissioner will be in a position to commence hearing cases. However, I would draw your attention to the fact that he will be able to conduct hearings when the house is or is not sitting. Naturally, he will take some holidays at Christmas but he need not be inactive during the entire Christmas recess.

Hon. Mr. Brooks: I take it no definite date has been set yet.

Hon. Mr. Roebuck: No.

Hon. W. Ross Macdonald: Honourable senators, I also have had the opportunity of meeting Mr. Walsh and, like Senator Roebuck, I too am impressed by him and I am satisfied that he will be an efficient, capable and qualified officer of the Senate who will take his work seriously. He has a high regard for the

law; and as I said the other day he has had wide experience in connection with family court; he has had some experience in divorce cases and a fair amount in general practice. I am satisfied we have a very suitable man for this office.

I also join with those who have already spoken with reference to the Senate Committee on Divorce and the way it has handled divorces over the years. They have indeed performed a splendid service for Canada.

Some say it should have been done in some other way; but this was the only way in which it could have been done, and the Senate did not shirk from its duties. It assumed its responsibility, and I feel we had a divorce committee that was as capable as any court in the land for the hearing of divorce cases. Applicants received just as thorough consideration of their cases as they would have received in any court. The members of the committee have assumed a large share of the work of the Senate.

It will be recalled that over the years approximately twenty senators have taken on this work while the rest of us have been free from that responsibility. The work required them to sit here on Mondays, Tuesdays and Fridays while the rest of us could be here or elsewhere.

In this connection I might mention that when I was first appointed to the Senate, Senator Aseltine was retiring from the position of chairman of the Standing Committee on Divorce. For ten years he had chaired that committee, and during that time he rendered outstanding service. I feel that the Senate is indebted to him for the splendid service he gave.

We were then fortunate in having Senator Roebuck assume this responsibility. It was not a light responsibility, and I would remind honourable senators that he did not accept the position without giving it full consideration. During his tenure of office over the last ten years, he has devoted his talents and his strength to the duties which devolved upon him. To him and to all the members of the committee, the Senate is deeply indebted.

Honourable senators, we are now coming to the end, in large part, of that system of granting divorces. It still exists but, as Senator Roebuck said, we will have few persons petitioning for a bill. These are probably the last bills that will come before us. The evidence has been heard. The petitioners have been before the Senate committee, with their witnesses. Their cases have been decided upon, and these reports would have come forward in the ordinary way last July if they could have been prepared in time. However, it was impossible to do that.

I understand that Senator Roebuck is going to suggest that we pass the four procedural motions with respect to these bills at this present sitting. I know that that is unusual, but it was done with respect to the other divorce bills. This is purely a procedural matter. The parties have gone through all that was required of them, and have for months been awaiting a decision.

As we are about to start on the new system, honourable senators, I suggest that we accept Senator Roebuck's proposal and make it possible for these bills to go to the House of Commons so that the 140 or 150 petitioners who have been waiting may have their bills passed as soon as possible. I hope that this will be the last we will hear of divorce bills in the Senate for some time, and that in the future all divorce petitions will be dealt with by way of resolution.

Hon. Jean-François Pouliot: Honourable senators, I have listened with profound interest to what has been said by Senator Horner, Senator Roebuck and the Leader of the Government, Senator Macdonald, on this matter of divorce. Strange enough, the complimentary part of the remarks of the Leader of the Government are to the same effect as I have said repeatedly in this chamber. I was satisfied to pay a well-deserved tribute to the chairman of the divorce committee, Senator Roebuck, and to his deskmate, Senator Croll, for the good example they have given to all of us in working as hard as they do. I am on record as to that.

With regard to the new appointee, I accept the recommendation given him by the senators who have already spoken. I do not know him, but they have met him and they know his record, and I have no doubt that, according to what they have said, he is qualified to hear divorce cases and to report to the Senate.

But something more should be done, and for this very reason, which has not been taken into consideration since I have been a member of Parliament. It is that divorces are granted by legislation. They have been granted by bills passed by both houses of Parliament and given the royal assent. All have passed the three stages.

This has been done in virtue of two subsections of the British North America Act. The first is subsection 26 of section 91 concerning the exclusive powers of Parliament, in which it is mentioned that the Parliament of Canada shall have exclusive jurisdiction on marriage and divorce. That is said in the first place. In the second place, an exception has been made to that by subsection 12 of section 92 concerning the exclusive powers of the provinces, to the effect that the solemnization of marriage belongs exclusively to

the provinces. But, there is also subsection 13 of section 92, which is to the effect that civil rights belong to the provinces.

Marriage and divorce are civil rights—unquestionably so—but that reservation was made by the Fathers of Confederation in order to give to the Parliament of Canada full and exclusive jurisdiction over marriage with the exception of the solemnization of it. It is the more important, because at that time the Civil Code of Lower Canada had been in force since August 1, 1866, or eleven months before Confederation. The Fathers of Confederation had the Civil Code of Lower Canada in front of them when they decided to draft the British North America Act of 1867 in such a manner.

To establish that point more clearly, if possible, I will enumerate to you, honourable colleagues, each one of the chapters of the Civil Code of Lower Canada as it was in force at the moment the British North America Act came into force.

It is the fifth title of the First Book. The first chapter is entitled, "Of The Qualities and Conditions Necessary for Contracting Marriage." This is of federal jurisdiction, as it has been established on many occasions.

What I am saying now is in accordance with jurisprudence of the Privy Council of London, England, in 1912.

The second chapter is entitled, "Of The Formalities Relating to the Solemnization of Marriage." This is of provincial jurisdiction.

We can go further. The third chapter is entitled, "Of Oppositions to Marriage". This is of federal jurisdiction. It contains several articles.

Chapter Fourth, "Of Actions for Annulling Marriage", is also of federal jurisdiction because it is not comprised in the solemnization of marriage. The solemnization of marriage is naturally anterior to the annulment of it.

Chapter Fifth is entitled, "Of The Obligations Arising from Marriage". This is of federal jurisdiction.

Chapter Sixth, "Of The Respective Rights and Duties of Husband and Wife," is of federal jurisdiction.

Chapter Seventh, "Of The Dissolution of Marriage," is ineffective on account of the fact that the B.N.A. Act contains a provision concerning divorce.

The Title Sixth is "Of Separation from Bed and Board," which is also of federal jurisdiction.

Now I establish the point that divorce is not alone in the jurisdiction that belongs to the Parliament of Canada. Marriage is also, with one exception, that of solemnization; and all the civil rights mentioned in the articles contained in the chapters which belong to the jurisdiction of the Parliament of Canada are naturally of federal jurisdiction.

Therefore, I hope that sooner or later the bill which was passed last summer to reorganize the hearing of divorce cases will be modified. I hope there will be at least two persons, instead of a single person, appointed as judges of a federal court, who will be responsible to the Parliament of Canada, and who will have all the authority that a judge of a superior court may have to decide cases. I would have no objection to there being an appeal to the Senate in case of dissatisfaction of one of the parties.

Therefore, this is a matter to consider. I believe sincerely that the time has come to relieve the senators who belong to the Standing Committee on Divorce of their obligations to hear those cases. It is a duty that they have, but I find that it is a duty which should be performed by a judge, who would hear the witnesses and control the degree of truth that they may show in court. I mean the judges will listen to the witnesses themselves and will be in a position to judge whether, to their knowledge, the witnesses are telling the truth or not. They should also have the same authority as judges have with regard to persons who commit perjury.

I am not blaming the members of the committee for the crimes that have been committed by the so-called experts who had the racket here in Ottawa. Some of them are in jail. There were experts who had the eyes of eagles and who, from a distance of several hundred feet could see through a keyhole what was happening in a room. They knew everything, and the way they behaved was clearly scandalous.

Naturally, the good faith of the members of the committee survived. They could not imagine that some men could come before them to lie as shamefully as some have done. But some are now in jail, and we know their names. It is unfortunate, but they came here to tell untruths, to lie, to perjure themselves.

Now, honourable colleagues, can I vote blindly for the three readings of the coming bills, when I do not know even the names of the parties? It is necessary that I give this explanation now, because we discussed the reports of the committee. It is necessary to have the reports. I say, with due deference to my honourable leader, that it is essential to have the names of the parties in those 146 cases. We must know their names; and the only way to learn the names is to have the reports printed in the *Minutes of the Proceedings of the Senate* and, after that has been done and after we have had an opportunity to peruse those reports as printed in the *Minutes*, we will be in a position to decide whether or not the three readings should be allowed and whether the bills should pass or not.

One could speak, not only to any lawyer, but to any businessman or to anybody in town, and who would think of moving the report without knowing even the names of the parties?

senators to peruse the reports if they had nothing to add.

I think that the gentlemen who will be appointed to hear the divorce cases will be empowered at the same time to decide about the rights and the care of the children. At the present time when a divorce is granted nothing is done for the protection of the children.

I believe the time has come to amend the law so that the two or three gentlemen—if three are necessary—who will take charge of the divorce cases, will have the full status of judges, and will be empowered to look after the care and the welfare of the children involved.

That is all I have to say. For these reasons, and with all deference, I regret to be unable to approve the three readings of the bills today. I would approve the report of the committee. I want the reports to be printed in the *Minutes of the Proceedings,* and then I will decide what I have to do in due course.

Hon. Mr. Roebuck: The reports have been printed in the *Minutes of the Proceedings,* and they have been passed by this chamber. There has been ample time for everybody here to read them. It is an old matter, and no one is taken by surprise. The reports were printed in the *Minutes of the Proceedings,* they were passed by the Senate on a previous occasion, and after that they went to the Commons and died on the Order Paper there.

Hon. Mr. Macdonald (Brantford): Honourable senators, I do not take too serious exception to what has been said. I understand Senator Pouliot takes the stand that he would like to have the committee reports approved today, and that they should appear in the *Minutes of the Proceedings of the Senate,* after which he would peruse the names; then, after consideration, he might be prepared to consent to three readings of the bills tomorrow, although he gives no undertaking in that respect.

Hon. Mr. Pouliot: Exactly, Sir. I do not want to complicate the whole thing, but I want to know whom we are looking after. That seems to me to be reasonable. I do not want to be unpleasant to the members of the committee, for whom I have high regard, but my honourable leader understood perfectly well what I said. I am open minded enough provided that I know what we are talking about.

Hon. Malcolm Hollett: Honourable senators, I am a member of the Divorce Committee, and I know that all these names have appeared in the *Minutes of the Proceedings,* and that there has been ample opportunity for all senators to peruse the reports if they had been anxious to do so.

I do not think it is wise to ask us to delay these people any longer. They have been expecting these bills to be passed; some have been waiting for about a year. Just because Senator Pouliot or any other senator has not taken the trouble to go through the minutes to see the names, is no reason for asking us to hold up these reports again. I object very strongly to that.

Hon. Mr. Pouliot: I do not want my esteemed colleague to get angry with me.

Hon. Mr. Choquette: How could he?

Hon. Mr. Pouliot: Perhaps he would be kind enough to tell me where I can find it in the record, and I will withdraw my objection.

Hon. Mr. Roebuck: I may say that I am not angry at all; I accept the situation as it presents itself to us. I understand that the house is ready to pass these reports at the moment, and I shall present the bills tomorrow.

The Hon. the Speaker: Honourable senators, with leave, it has been moved by the honourable Senator Roebuck, seconded by the honourable Senator Croll, that reports Nos. 358 to 504 be now adopted. Is it your pleasure, honourable senators, to adopt the motion.

Motion agreed to and reports adopted.

CONSUMER CREDIT

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

On Notices of Motions:

Hon. W. Ross Macdonald: Honourable senators, may I refer to a resolution which was passed in this chamber on November 21 last with respect to the setting up of a joint committee of both houses to inquire into and report upon the problem of consumer credit. I moved the resolution, seconded by the Leader of the Opposition (Hon. Mr. Brooks). One paragraph of the resolution reads:

> That twelve members of the Senate, to be designated by the Senate at a later date, be members of the joint committee.

Honourable senators, with leave, I now move, seconded by the Leader of the Opposition (Hon. Mr. Brooks) that the following senators be named to that committee:

> Senators Hayden, Croll, Vaillancourt, Bouffard, McGrand, Smith (Queens-Shelburne), Gershaw, Stambaugh, Robertson

(Kenora-Rainy River), Thorvaldson, Irvine and Hollett; and

That a message be sent to the House of Commons to inform that House accordingly.

Motion agreed to.

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Harold Connolly moved the second reading of Bill C-105, to amend the Technical and Vocational Training Assistance Act.

He said: Honourable senators, the bill before us, as all are aware, has to do with assistance by the federal Government to the provinces in the matter of technical and vocational training.

I have always had some doubts as to whether the federal Government has a real responsibility in matters of this kind since the provinces have always jealously guarded their rights in matters of education.

However, the centralization of money in this capital city has brought about a marked change in the thinking of our people. These days, it seems to me, that whenever the provinces find themselves in a rather difficult position the tendency is to abdicate their responsibility, to cry out to Ottawa for help, in fact, to demand that Ottawa shoulder the responsibility.

So today we are asked to consider certain amendments to the act respecting assistance in the matter of vocational and technical training. Permit me then to sketch briefly the history of this legislation.

As the 1950s wore on we were confronted in this country with a grave unemployment responsibility. There was no accord in the matter by Parliamentary parties. A stand taken one day to determine who was responsible was the next day used to determine that someone else was responsible.

The fact remained, nevertheless, that unemployment was a serious problem. In addition to that we had in the public schools of this country, in all the provinces, large groups of young people between the ages of 15 and 19 years, many of whom either had no academic potential or had no interest in furthering their academic careers, and who, in a short space of time, would be thrown upon the labour market and unless they were equipped with specific technical skills would not be able to find suitable employment, if indeed any employment at all.

Under these circumstances a hue and cry went up from one end of this country to the other, asking the federal Government to do something about this situation; and, to the credit of the Government of that day, let it be said they did do something.

Many of the unemployed—and this is a fact that everyone can appreciate—were jobless because they lacked technical skills to take jobs that were available to them. It became obvious then that somebody had to undertake the training of these men and a host of others, some of whom were being displaced from the skills they knew and had to acquire a new one in order to eke out a livelihood for themselves and their dependents.

So the Government at Ottawa stepped into the picture, as I have already intimated.

I would not have this chamber believe that up to that point nothing had been done in the way of trade schools, because in many of the provinces trade schools had been in operation over a period of years. However, there were two serious disabilities operating against them. One was, as the provinces told it, that they lacked the money to provide the requisites for those schools, and the other undoubtedly was that there was a lack of trained technical personnel who could communicate these skills to the people who required a knowledge of them.

Well, we get now to the session of 1960: In the early part of that session there was introduced in the Commons of Canada a bill known as an Act respecting Technical and Vocational Training Assistance.

It is interesting to recall what that bill purported to do. I say it is interesting for this reason, that as the result of that endeavour to cope with this ever-increasing problem, we find ourselves in a much better position today than might otherwise have been the case. While I do not want to labour the matter unduly, may I say again that the government of that day is entitled to a great deal of credit for the efforts it made along those lines.

I can recall trades schools, prior to the introduction of this legislation in 1960, which turned out cooks who could not cook, carpenters who could not carpenter and plumbers who could not plumb. After the introduction of this legislation there was a vast change for the better.

The original act, like all legislation of this kind, was largely exploratory. It recognized the need but the mind of man is too finite to be able to conceive of the things that time is going to develop, and this type of legislation can only work out and achieve something near perfection as the years move along and as circumstances reveal the naked facts.

The bill was approved by the House of Commons; it was assented to in December 1960. There was a general discussion in which

all parties participated, and as far as I can find there was no dissent. There were some, as one would expect to find in Parliament, not sitting on the Government side of course, who said that the bill was all right but still more could be done. But as to what more could be done, I could find nothing in the debates of that time. I have little tolerance with those over-simplified phrases which have a very strong appeal but which do not really produce anything of any merit. So I pass them by.

It was not possible for anyone to accurately forecast the trend of unemployment at that time, but a survey, and a competent one, seemed to show that in so far as the young people in the 15 to 19 age group were concerned, by the year 1965 approximately half a million or more in that age bracket and without any specific skills would be seeking employment. The survey further revealed that as the 1960's wore on that number of half a million would soar to greater heights. So, as I have already said, there was no opposition when the Government introduced the legislation.

Here, briefly, is the legislation of that day, the original act. It had to do, as I have already said, with unemployed persons, with young people in specific age groups not desiring academic training, with people who were being displaced for some reason, people who had a specific trade or calling and were required to find a new one, and in a minor way with disabled persons, and lastly with ex-service people. The act proposed that in respect to these various training programs the federal Government would pay 75 per cent of the cost of programs for the training of unemployed people. It was estimated that it would cost $3.5 million per year to provide training facilities as part of the secondary school program, and the bill made that much money available.

With respect to ex-servicemen it was proposed that 100 per cent of the cost—a very worthy move—would be borne by the federal Government for their training. With regard to all other training programs outside the scope of those I have mentioned, the federal Government would contribute 50 per cent to the cost incurred by the provinces.

It was further provided in that legislation that the federal Government should be authorized to share in the capital cost of new buildings and equipment. The federal contribution was to be 75 per cent of such costs up to March 31, 1963, and 50 per cent of the cost after that date.

In that connection it is very interesting to note that in the last fiscal year the contribution by the federal Government to the provinces for capital costs already referred to amounted to $180 million.

Finally, the act provided for the research program on the part of the federal Government and for the establishment of a national advisory council which would direct the technical and vocational training program.

The legislation went into effect. Its benefits became manifest almost immediately, and they have continued until this very day. After approximately three years of trial and error, it has been determined that some amendments to the act are necessary—amendments revealed in the light of the experience that has been gleaned, not touching upon the fundamentals of the original bill, no distortions of any kind, but merely amplifications of what we have already had on the statute books for the last three years. Honourable senators, they are very few in number.

The first amendment provides that in respect of the costs incurred by a province in providing living allowances for unemployed persons while learning trades, the maximum contribution payable by Canada shall be increased from 75 to 90 per cent. In other words, Canada will undertake all but 10 per cent of the payment of living allowances made to these trainees; that conceivably will permit the provinces, if they are so minded, to release more funds to support additional training, always assuming, of course, that living allowances remain at the same level.

Important as that amendment is, to me the most important of the several changes proposed is contained in the second amendment, because in the second amendment it is proposed that the federal contribution for training programs in industry be stepped up from 50 to 75 per cent. Now I say—and I offer it simply as my opinion—that, to me, is the most important proposal for this reason, that I cannot imagine any trainee in any calling getting better tuition than he would get in actual industrial conditions.

As I say this I look across the chamber at my colleague, the honourable senator from Colchester-Hants (Hon. Mr. Blois), who has first-hand knowledge on matters of this kind. I suggest to him and to this chamber that no trades teacher, with rare exception, or mechanical training teacher, as we used to call them, can possibly impart to a trainee the knowledge that can be imparted by a man who is actually working in industrial conditions and turning out products every hour of every day and every week. So I welcome this amendment which increases the contribution from 50 to 75 per cent.

If I may venture a personal intrusion, I would hope that there will be an end to the great expenditure of moneys, public dollars, coming largely from the federal treasury for the purpose of erecting magnificent academic buildings in which to teach young trainees

to become carpenters, plumbers, pipefitters, electricians or other tradesmen, because in this area much money has been wasted in the past. It is always easy to spend money that one gets easily. If that is a weakness—and I think it is—I believe it was not a weakness of this federal legislation; it had nothing to do with the federal authority. It was entirely the thinking of well-meaning but misguided provincial authorities. I am sure if I wanted my son to be an automobile mechanic I would not send him to a vocational school of some of the types I have seen; but I would go to a friend in the garage business and say, "Have you room for an apprentice?" So I again express the hope that the provinces in the future will be more careful than they have been in the past with the moneys of the people of Canada in the erection of these structures I have seen go up all over the country.

There are three other slight amendments. The next proposal is to increase the membership of the advisory council from 23 to 28. At the moment the council is made up of representatives of labour, of industry and of other groups with an interest in matters of this kind. The purpose of the extension of membership is to have greater representation from all those groups on this council.

The last amendment, honourable senators, proposes to pay an honorarium of a sum not mentioned to the chairman of this national advisory council. The members already receive living allowances or *per diem* allowances when they attend meetings of the council.

In spite of all I have said, the amendments are simple; they are worth while; they will produce benefits, I hope, comparable to those produced by the original bill. It is my intention to move that this bill be sent to the Standing Committee on Banking and Commerce for study and analysis.

Hon. Mr. Burchill: Does my honourable friend know the number of people who have been trained in these vocational schools since this legislation went into effect?

Hon. Mr. Connolly (Halifax North): I regret to say I do not have the exact figures, but I can tell the honourable senator that last year 38,000 young people in the age bracket to which I referred were trained as the result of these expenditures.

Hon. Mr. Roebuck: Might I ask the honourable senator a question? The bill, at the bottom of the first page, speaks about "a training in industry program". My friend has described what he means by training in industry by the example of taking his own son to a garageman in order to make him a motor mechanic. In that case, what money is to be expended? Is training in industry what has been described by him, and, if so, why the expenditure of these large sums of money?

Hon. Mr. Connolly (Halifax North): When the trainees engage in training programs, as I think the honourable senator is aware, they are paid certain sums of money as living allowances. They would be paid exactly the same for engaging in training in industry.

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

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. W. Ross Macdonald: Honourable senators, before moving the adjournment of the house may I remind you that the Standing Committee on Banking and Commerce will resume its sitting immediately after the house rises.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 28, 1963

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

Prayers.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-357, for the relief of Joyce Evelyn Ranger.

Bill SD-358, for the relief of Mabel Lucille Mills.

Bill SD-359, for the relief of Gordon Gibb.

Bill SD-360, for the relief of Betty Jane Sockett.

Bill SD-361, for the relief of Alfred Wilfrid Tremblay.

Bill SD-362, for the relief of Lily Worthington.

Bill SD-363, for the relief of Leomay Marie Blanche Stratton.

Bill SD-364, for the relief of Lorna Scherzer.

Bill SD-365, for the relief of Elizabeth Shaw Fisher Reid.

Bill SD-366, for the relief of Marie Gertrude Helene Flamme.

Bill SD-367, for the relief of Gerda-Sascha Rozwadowski.

Bill SD-368, for the relief of Stella Leblanc.

Bill SD-369, for the relief of Cynthia Elsie Scott.

Bill SD-370, for the relief of Demetre Almyriotis.

Bill SD-371, for the relief of Agnes Irene Seaman.

Bill SD-372, for the relief of John Harman.

Bill SD-373, for the relief of Marion Ruth Catherine Slattery.

Bill SD-374, for the relief of Bruce Reid Campbell.

Bill SD-375, for the relief of William Metcalfe Watt.

Bill SD-376, for the relief of Raymonde Vachon.

Bill SD-377, for the relief of Mary Hilda Hermita.

Bill SD-378, for the relief of Ellen Alice Nelham.

Bill SD-379, for the relief of Jean Jacques Aime Picotte.

Bill SD-380, for the relief of Marie Madeleine Lydia Gauvin.

Bill SD-381, for the relief of Joseph William Alfonse Morency.

Bill SD-382, for the relief of Shirley Millar Neal.

Bill SD-383, for the relief of Irene Ross.

Bill SD-384, for the relief of Aline Helene Smith.

Bill SD-385, for the relief of Joseph Arthur Norman William Edwards.

Bill SD-386, for the relief of Edward Brown.

Bill SD-387, for the relief of Madeleine Priscilla Deane Everall.

Bill SD-388, for the relief of Magdeleine Geoffrion.

Bill SD-389, for the relief of Yetta Pomerantz.

Bill SD-390, for the relief of June Patricia Brown.

Bill SD-391, for the relief of Betty Lillian Patrick.

Bill SD-392, for the relief of Harvey Stewart Wycliffe Goodwin.

Bill SD-393, for the relief of Wilfrid Giroux.

Bill SD-394, for the relief of Herve Gauthier.

Bill SD-395, for the relief of Micheline McGuire.

Bill SD-396, for the relief of Gladys Ethel Sarah Bergeron.

Bill SD-397, for the relief of Monique Remy.

Bill SD-398, for the relief of Josephine Suhr Moseley.

Bill SD-399, for the relief of Elsie Jean Delisle.

Bill SD-400, for the relief of Jeannine Furoy.

Bill SD-401, for the relief of Beverley Anne Jones.

Bill SD-402, for the relief of Alphonse Eugene Racine.

Bill SD-403, for the relief of Marion Richardson.

Bill SD-404, for the relief of George Hann.

Bill SD-405, for the relief of Rosi Irma Parrouty.

Bill SD-406, for the relief of Rose Coletta.

Bill SD-407, for the relief of Joan Jeanette Krautle.

Bill SD-408, for the relief of Elizabeth Helen Brown.

Bill SD-409, for the relief of Dorothy Hazel Neila Beausoleil.

Bill SD-410, for the relief of Ines Barbara Levy.

Bill SD-411, for the relief of Dorothy Gladys Faucher.

Bill SD-412, for the relief of Geraldine Ludgarde Romer.

Bill SD-413, for the relief of Geraldine Cecilia Gohier.

Bill SD-414, for the relief of Rene Hebert.

Bill SD-415, for the relief of Elizabeth Lillian Small.

Bill SD-416, for the relief of Patricia Rose Rankin.

Bill SD-417, for the relief of Haidy Amalie Madelaine Jack.

Bill SD-418, for the relief of Sandra Elizabeth McVety.

Bill SD-419, for the relief of Rose Duval.

Bill SD-420, for the relief of Rosemary Louise Eakins.

Bill SD-421, for the relief of Germaine Marie Therese Hinksman.

Bill SD-422, for the relief of Joseph Rene Gerard Michel.

Bill SD-423, for the relief of Doreen Klara Culmer.

Bill SD-424, for the relief of Mallie Fanny Newman.

Bill SD-425, for the relief of Sylvia Aucoin.

Bill SD-426, for the relief of Miriam White.

Bill SD-427, for the relief of Leonard Greenfield.

Bill SD-428, for the relief of Helene Denise Vien.

Bill SD-429, for the relief of Toni Anna Lydia Weiss, otherwise known as Toni Anna Lydia Weisz.

Bill SD-430, for the relief of Stephen Alexander Lantos.

Bill SD-431, for the relief of Frieda Lina Schaub.

Bill SD-432, for the relief of Colleen Ann Kenny.

Bill SD-433, for the relief of Edith Rozel McDougall.

Bill SD-434, for the relief of Mona Pozza.

Bill SD-435, for the relief of Vivian Marjery Cohen.

Bill SD-436, for the relief of Hilda Desjardins.

Bill SD-437, for the relief of Sandra Mary Louise Martin.

Bill SD-438, for the relief of Mary Iris Fournier.

Bill SD-439, for the relief of Phyllis Manoah.

Bill SD-440, for the relief of Martin Simeon Levy.

Bill SD-441, for the relief of Maureen Mary Piercey.

Bill SD-442, for the relief of Milton Lawrence Trickey.

Bill SD-443, for the relief of William John Loke.

Bill SD-444, for the relief of Betty O'Neil.

Bill SD-445, for the relief of Armando Argentini.

Bill SD-446, for the relief of Joseph Jean Paul Fernand Blanchette.

Bill SD-447, for the relief of Karl-Heinz Hans Luedders.

Bill SD-448, for the relief of Marjorie Brown.

Bill SD-449, for the relief of Maureen Knowles.

Bill SD-450, for the relief of Rolland Commoy.

Bill SD-451, for the relief of Ginette Noela Melanie Soulier.

Bill SD-452, for the relief of Nora Bridget Lahey.

Bill SD-453, for the relief of Betty Ankhelyi.

Bill SD-454, for the relief of Barbara Patricia Rogers.

Bill SD-455, for the relief of William Henry Monaghan.

Bill SD-456, for the relief of Mary Yvonne Giguere.

Bill SD-457, for the relief of Lois Budd.

Bill SD-458, for the relief of Elizabeth Laptew.

Bill SD-459, for the relief of Margit Bene.

Bill SD-460, for the relief of Jacqueline Elfstrom.

Bill SD-461, for the relief of Marie Antoinette Germaine Mouton.

Bill SD-462, for the relief of Molly Krakower.

Bill SD-463, for the relief of Anita Marie Virginie Leroux.

Bill SD-464, for the relief of Barbara Joan Sonia Lowther.

Bill SD-465, for the relief of Arthur Bruce Hann.

Bill SD-466, for the relief of Fany Rubenstein.

Bill SD-467, for the relief of George Cecil Horton.

Bill SD-468, for the relief of Pierre Lacasse.

Bill SD-469, for the relief of Edna Anne MacPherson.

Bill SD-470, for the relief of Pardo Belpulso.

Bill SD-471, for the relief of Aida Diotte.

Bill SD-472, for the relief of Geralde Lalonde.

Bill SD-473, for the relief of Joseph Philippe Philias Fabien Parent.

Bill SD-474, for the relief of Marie Greensell.

Bill SD-475, for the relief of John Donaldson.

Bill SD-476, for the relief of Jean Eileen Leath.

Bill SD-477, for the relief of Stella Eileen Menahem.

Bill SD-478, for the relief of Gabriel Fortin.

Bill SD-479, for the relief of Elsie Clifford.

Bill SD-480, for the relief of Marlene Judith Feinstein.

Bill SD-481, for the relief of Edie (Etta) Cohen.

Bill SD-482, for the relief of June Eleanor Holgate.

Bill SD-483, for the relief of Elizabeth Anne Chadwick-Rider.

Bill SD-484, for the relief of Della Harriet McGuire.

Bill SD-485, for the relief of Adrien Tellier.

Bill SD-486, for the relief of John Loughheed, otherwise known as John Lougheed.

Bill SD-487, for the relief of Roland Boisvert.

Bill SD-488, for the relief of Jean Mildred Fillmore.

Bill SD-489, for the relief of Marie Marguerite Nicole Fraser.

Bill SD-490, for the relief of Elizabeth Peck.

Bill SD-491, for the relief of Eileen Myrtle Burns.

Bill SD-492, for the relief of Helen Doreen Gearey.

Bill SD-493, for the relief of Iva Baumgartner.

Bill SD-494, for the relief of Jacqueline Serrati.

Bill SD-495, for the relief of Jeannette Carignan.

Bill SD-496, for the relief of Paulette Sauve.

Bill SD-497, for the relief of Thelma Joanette MacDonald.

Bill SD-498, for the relief of Donat Theriault.

Bill SD-499, for the relief of Elizabeth Gray.

Bill SD-500, for the relief of Alma Tremblay.

Bill SD-501, for the relief of Daisy Emily Dorothy Ryan.

Bill SD-502, for the relief of Lise Hogue.

Bill SD-503, for the relief of Verena Elsener.

Bills read first time.

SECOND READING

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

Hon. Mr. Roebuck: With leave of the Senate, I move that the bills be read a second time now.

Motion agreed to and bills read second time, on division.

THIRD READING

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

Hon. Mr. Roebuck: With leave of the Senate, I move that these bills be read the third time now.

Motion agreed to and bills read third time and passed, on division.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Copies of submissions presented by federal and provincial delegations to the Federal-Provincial Conference, November 26, 1963. (English and French texts).

PRIVATE BILL

THE EXECUTIVE BOARD OF THE CANADA CONFERENCE OF THE EVANGELICAL LUTHERAN AUGUSTANA SYNOD OF NORTH AMERICA—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-45, respecting The Executive Board of the Canada Conference of the Evangelical Lutheran Augustana Synod of North America, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. J. Wesley Stambaugh: With leave of the Senate, I move that the bill be read the third time now.

Honourable senators, as I have been one who has protested the granting of leave for giving third reading to bills earlier than the rules allow, I should perhaps explain the reasons for my request that this bill be read a third time today.

This bill is a result of an agreement that was made in 1961 to merge four Lutheran organizations, which was supposed to take effect in July 1962. A bill to that effect was introduced in this house last session, was passed and went to the House of Commons, where it received second reading, but Parliament prorogued before the bill was passed. It was necessary, therefore, that a new bill be introduced in the Senate. Earlier this session Senator Hnatyshyn introduced Bill S-11, respecting The Evangelical Lutheran Synod of Western Canada. That bill has now been passed by both houses. The bill now before us, Bill S-45, is consequential upon the passing of Bill S-11.

There have been delays in the progress of Bill S-45, which is now before us for third reading. First reading was given to the bill over three weeks ago, and second reading was delayed by reason of the recess of the Senate for ten days. The bill was then ready to go to committee last Thursday, but the committee did not sit. So the bill reached the committee only today.

As I believe the Senate will not be sitting tomorrow, the bill would not normally get third reading until next week. The Commons Committee on Miscellaneous Private Bills is sitting next Wednesday, and by giving this bill third reading today it is certain to be considered at that meeting—

Hon. Mr. Croll: Carried!

Some hon. Senators: Hear, hear.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

On the notice of motion for adjournment:

Hon. W. Ross Macdonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday, December 2, at 8 o'clock in the evening.

Hon. Mr. Brooks: Honourable senators, would the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) explain why we are meeting on Monday evening? Is there any particular reason for doing so?

Hon. Mr. Macdonald (Brantford): The answer is, of course, to attend to the business of the Senate.

Hon. Mr. Brooks: Of course. What particular business is it necessary to attend to on Monday night, is what I would like to know. I am not objecting to meeting at that time; I am just asking for information.

Hon. Mr. Macdonald (Brantford): Honourable senators, it is necessary to attend to any business that comes before the Senate. The honourable leader will note the business that is on the Order Paper for consideration at the present time: there is a bill to amend the Technical and Vocational Training and Assistance Act, a bill to amend the St. Lawrence Seaway Authority Act, a bill to amend the Railway Act, and another one to amend the Admiralty Act.

As to what business the Senate will proceed with on Monday night—and I think this is what the honourable leader had in mind, and probably I should have grasped his meaning more quickly—I would suggest that we continue with the Technical and Vocational Training Assistance Act; and if we dispose of that, we could then take up the bill to amend the Admiralty Act, which will be introduced by Senator Baird.

Hon. Mr. Brooks: I take it then that because of the necessity of proceeding with the Technical and Vocational Training Assistance Act, we will sit on Monday night.

Hon. Mr. Macdonald (Brantford): There is also another reason I might mention. I have just received a notice to the effect that the Banking and Commerce Committee will be sitting at 9.30 a.m. on Tuesday next. In view of that, if for no other reason, I think it would be advisable that the house meet on Monday evening.

Hon. Mr. McCutcheon: Will there be royal assent on Monday evening?

Hon. Mr. Macdonald (Brantford): If the Income Tax Act is passed, we could have royal assent on Tuesday evening.

Hon. Mr. McCutcheon: No. I asked about Monday evening.

Hon. Mr. Macdonald (Brantford): It is possible the interim supply bill will reach us on Monday evening. I should have mentioned that also in my reply to the question of the Leader of the Opposition. The interim supply bill is being introduced in the House of Commons tomorrow, and if it passes there tomorrow then I suggest we should take it up as the first item of business on Monday evening.

Hon. Mr. Brooks: That is always a good and substantial reason for meeting early, and the chief one in the past. That is what I was hoping you would get around to.

Hon. Mr. Macdonald (Brantford): It took me a long time to get around to it, but I did.

Motion agreed to.

MARRIAGE AND DIVORCE

AGENDA OF FEDERAL-PROVINCIAL CONFERENCE

On the notice of Hon. Jean-François Pouliot that he will inquire of the Government:

Considering the respectively exclusive powers conferred by the British North America Act, 1867, to the Parliament of Canada, (S. 91, SS. 26, concerning marriage and divorce), on the one hand, and to the Provincial Legislatures (S. 92, SS. 12, concerning the solemnization of marriage in the province), on the other hand, and

Referring to the official letter of the former Chief Justice of Canada, the late Right Honourable Thibaudeau Rinfret, dated at Montreal, December 23, 1958, to the then Premier and Attorney General of the Province of Quebec—which was printed in the revised edition of the Senate *Hansard* of November 8, 1962, pages 221 and 222—and in which the said Right Honourable Chief Justice stated that at least sixteen acts passed from time to time until 1958 by the Quebec Legislature to amend the fifth and sixth titles of the Civil Code concerning respectively "marriage" and "separation from bed and board" were illegal and *ultra vires*, and

Referring to the agenda of the present Federal-Provincial Conference tabled Thursday last in the Senate,

Do the words "6. Other matters" include the necessary steps to legalize and validate the said sixteen illegal and *ultra vires* acts passed by the Quebec Legislature?

Hon. Mr. Pouliot: Honourable senators, I have some explanation to give on Inquiry No. 3. I wish to know if the words "Other matters" in the sixth paragraph of the agenda of the present Federal-Provincial Conference include the necessary steps to legalize and validate sixteen acts passed by the Quebec legislature which were described as illegal and *ultra vires* by no less a person than a former Chief Justice of Canada, the late Right Honourable Mr. Rinfret.

You know that according to the British North America Act of 1867 the Parliament of Canada, on the one hand, and the provincial legislatures, on the other hand, had respectively exclusive rights, exclusive powers for legislating, and therefore it was decided by the Fathers of Confederation and sanctioned by the British Parliament at Westminster that the main principle in the dealings that were to take place between the Parliament of Canada and the provincial legislature was, "Mind your own business. What you shall do," they said to the Parliament of Canada, "the provinces will not have the right to do." And, on the other hand, they said to the provinces, "What you shall do, the Parliament of Canada will not have the right to do." It seems to be clear enough.

Very unfortunately, since Confederation there has been a period of profound darkness in the understanding of the law. So much so, on many occasions the federal power has encroached upon provincial jurisdiction, and on other occasions, as this is the case, the provinces have encroached upon federal jurisdiction.

If I bring your attention, honourable colleagues, to this most important point it is because this is the time, or never, when the parties concerned, the provinces, can submit to the Government of Canada their request to legalize and make valid all that has been illegal and invalid in the provincial legislation.

If you look at pages 221 and 222 of the revised edition of Senate *Hansard* of November 8 of last year, and read the last printed report of the Miscellaneous Private Bills Committee, you will see a memorandum from the former Chief Justice of Canada, who was acting in his capacity as Reviser of the Civil Code of the Province of Quebec to the provincial authorities, which mentions that several acts passed by the provincial Legislature concerning marriage were illegal and *ultra vires*.

Many times, honourable senators, I have brought this matter to your attention, and now the occasion is favourable to bring it to the attention not only of the representatives of my province but to all those who are sitting together to deal with federal-provincial matters, to urge them to wake up and realize that the rule of law has and must have priority over demands for grants of money, money and more money all the time. It appears that law is something immaterial, and that bags of taxes as subsidies count more in the eyes of some people than the legality of a statute.

But now we have to deal with this matter, and we have to bring our attention to it in order that everyone who has acted by virtue of those invalid acts may have some security by having those acts ratified by the proper authority. There are two ways to do this, as will be seen from the questions in the *Minutes of the Proceedings*, and on the pages of *Hansard* of this chamber, asking whether anybody had asked for the transfer to the provinces of the federal jurisdiction concerning marriage and divorce, or if they had asked the federal Government to sponsor the necessary legislation to validate the matter inasmuch as it can be done.

The answers I got last year from the Acting Leader of the Government (Hon. Mr. Choquette), and this year from the Leader of the Government (Hon. Mr. Macdonald, Brantford), were to the effect that nobody has asked the federal Government to enact legislation to remedy the situation, because only the federal Government has authority in

those matters, and neither have they asked the federal Government to petition the British Government at Westminster to amend our Constitution so as to transfer to the provinces the federal rights in matters concerning marriage and divorce. Nothing of that sort has been done, and now that all the provinces are meeting together, according to what has transpired from the press, nobody has asked for any redressment.

It is time for us to bring the attention of the federal and provincial authorities to the anomaly of the situation in order that it may be remedied.

There is one other point I should like to make to illustrate what I have just said. It is that at the time of Confederation one of the articles of the Civil Code that had been in force for 11 months, and which dealt with the case, provided that a married woman separated from bed and board had to ask a judge that she be empowered to alienate her real estate property.

That provision has since been amended. It has been repealed, and now, apparently, in virtue of the amendment which was, I will say, illegally passed, married women who have been separated are no longer obliged to ask for the authorization of any judge to alienate real estate that belongs to them. There is some provincial legislation about it, but the power belongs to the Parliament of Canada to deal with those matters. But unfortunately, what has been done by those separated women when they sold or alienated their real estate property without asking for the authorization of the judge is null and void.

We have chaos. We have disorder of the worst kind. My intention in bringing the attention of the Senate of Canada and the whole country to this matter is to have those wrongs redressed, so that all the acts which are apparently invalid and *ultra vires* should be rectified and made valid by the proper authority, even if all governments have to join in a humble petition to Her Majesty the Queen to have some legislation passed by the Parliament at Westminster to validate those thousands of deeds.

There are some women in the Province of Quebec who claim that they are sponsoring women's rights in asking for them. That is not enough. We, the Parliament of Canada, can do much more than that, if the provinces do not take such action. We have the right to pass remedial legislation, which is being done now in the form of a bill—this is just a start—to authorize married women who are separated to sell legally, or alienate legally, their real estate property. But the Parliament of Canada is powerless to validate all the invalid deeds that have been passed in virtue of the illegal legislation made by the Quebec Legislature from time to time.

I do not complain about the present Government of Quebec when I speak of that invalid legislation. It has been passed at several intervals since the time of Confederation. But all that has been done in such a manner is invalid, and it shall be noted that since 1958 the Quebec Government has not passed a single piece of legislation concerning marriage, for the very reason that they knew they were powerless to do it legally, except with respect to the solemnization of marriage.

In these years we hear that a lot is asked for this and that. According to the agenda for the present federal-provincial conference these matters are being discussed:

1. The state of the Canadian economy—money, money—including (a) employment measures and unemployment, (b) economic and industrial policies—money, money.

2. Conditional grants and shared-cost programs including (a) hospital insurance costs and operation, (b) categorical assistance programs—money, money.

3. Fiscal relations—money, money.

4. Special topics, including (a) national agricultural marketing boards, (b) the administration of Indian and Eskimo affairs, (c) provincial lotteries, (d) Canada Pension Plan, (e) medical services—money, money.

5. Continuing federal-provincial liaison arrangements—money, money, and more money all the time.

6. Other matters—nil.

Honourable senators, I appreciate your attention to this very important matter. It is of foremost importance, and I hope that all those who have friends over in the West Block will awaken all the sleeping premiers and tell them that their duty is to redress the wrongs that have been done by provincial legislators.

That is enough for today, but on some other occasion I will discuss with you—and I hope that you will ask me questions if you find what I say is not clear—section 129 of the British North America Act concerning the continuation of powers. You will then realize with me that that section has been so badly drafted and so poorly understood that the eight other provinces are not in any better shape concerning marriage than are Quebec and Newfoundland.

What I have said with regard to the rights of the legislatures of provinces where there are no divorce courts concerning marriage—rights that are infinitesimal compared to the rest of the powers that belong to the federal Government in virtue of the Constitution of 1867—is enough for today. On some other occasion I will bring your attention, and the attention of the premiers of the eight other provinces, to the true meaning of section 129

of the British North America Act. In the meantime I will ask for your support, regardless of the party to which you belong, in an attempt to wake up all those Rip Van Winkles. It is time for them to show some co-operation with the federal authorities in order that the legal wrongs of the past will be redressed.

I move the adjournment of the debate.

PRIVATE BILLS

THE MORTGAGE INSURANCE COMPANY OF CANADA—THIRD READING

Hon. G. Peter Campbell moved the third reading of Bill S-50, to incorporate The Mortgage Insurance Company of Canada.

Motion agreed to and bill read third time and passed.

ROYAL GENERAL INSURANCE COMPANY OF CANADA—THIRD READING

Hon. John J. Connolly moved the third reading of Bill S-47, to incorporate Royal General Insurance Company of Canada.

Motion agreed to and bill read third time and passed.

THE NORTHERN LIFE ASSURANCE COMPANY OF CANADA—THIRD READING

Hon. Mr. Connolly (Ottawa West) moved the third reading of Bill S-48, respecting The Northern Life Assurance Company of Canada.

Motion agreed to and bill read third time and passed.

QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—THIRD READING

Hon. Thomas Vien moved the third reading of Bill S-46, to amend the Quebec Savings Banks Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

THE CANADA NORTH-WEST LAND COMPANY (LIMITED)—THIRD READING

Hon. A. K. Hugessen moved the third reading of Bill S-49, respecting The Canada North-west Land Company (Limited).

Motion agreed to and bill read third time and passed.

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Halifax North) for the second reading of Bill C-105, to amend the Technical and Vocational Training Assistance Act.

Hon. A. J. Brooks: Honourable senators, I wish to make a few remarks this afternoon on Bill C-105, to amend the Technical and Vocational Training Assistance Act.

This bill was sponsored yesterday by the honourable Senator from Halifax North (Hon. Mr. Connolly). First, I wish to congratulate him on his excellent speech, and on his clear and concise explanation of the bill. I was not surprised at this, knowing Senator Connolly, nor was I surprised that he should be sponsoring this bill.

Halifax is a city which is well known for its technical education. It has one of the finest technical schools or colleges that we have in Canada, and it also has a number of very fine trade schools. The honourable senator yesterday referred to trade schools which trained cooks who could not cook, carpenters who could not carpenter, and plumbers who could not plumb. These could not possibly have been graduates of any school in the City of Halifax. They must have come from some other place.

I also wish to congratulate the sponsor of Bill C-95, to amend the Income Tax Act (Hon. Mr. Hayden). He did an excellent job; I enjoyed very much his remarks and his explanation. Some fine speeches have been made on that bill, on both sides of this house, and the measure is now receiving attention in the Banking and Commerce Committee.

Parliament at present is considering these two important bills. They are both intended to assist in the serious problem mentioned yesterday, that of unemployment. For this reason, we wish them every success.

In regard to Bill C-95, its intentions are good but one would gather from listening to the debate here and also in the other place that there are many who have doubts as to whether those intentions will be accomplished. We will know better after we get the report of the Banking and Commerce Committee.

As to Bill C-105, to provide technical education to better fit people to work in industry, when and where provided, for the present and in the future, I am sure the bill will receive the unanimous support of all members of the Senate.

Yesterday the honourable senator from Halifax North (Hon. Mr. Connolly) gave us, as it were, the history of the development of these technical schools, and the reason for them, which of course was on account of the growing unemployment throughout the country during the last ten years or more.

He spoke first of automation. We all know that automation is probably the chief reason for so much unemployment at present, not only in Canada but in the United States of

America, and practically over the whole western world. Automation does not only affect people who are engaged in secondary industry; it also affects those engaged in primary industries such as farming, fishing and lumbering.

In my own province of New Brunswick there are many young men whose fathers have lived on farms all their lives. Those young men in other days would have succeeded to the work on the farm, but with the improved machinery now one man can do as much as was done in former days by three or four men.

In the lumbering world, as my good friend Senator Burchill would remind us, a man with a power saw can now cut as much lumber or pulpwood as five or six men did ten, fifteen or twenty years ago.

These young men must find employment. As far as can be seen, the only means of providing employment is through the development of more secondary industries. We have the primary industries. I suppose we have the finest opportunity for primary industries—in our coal mines and other mines, in fishing, farming and forestry—of any country in the world, with the exception of Russia.

This situation and its future results have been well known for some time, not only to the Government which immediately preceded this Government, but to governments for some years. It was recognized that most of our unemployment was in the group of people who, for lack of education and particularly lack of technical education, could not get jobs. It was also found that if these young men do obtain jobs they cannot retain them because they have neither the experience nor the technical training required to hold them.

Bill C-105 does not introduce any new legislation—that was emphasized yesterday—but it increases the government assistance which was provided in December 1960 by the act known as the Technical and Vocational Training Assistance Act, which we are amending at this time.

As in all cases of legislation of this kind, it was found that the 1960 provisions were inadequate and that additional assistance had to be provided. As my good friend Senator Pouliot would say, "Money, money, money." More money must come, and of course it is the provinces which are looking for it.

I will not take time to summarize what has already been done in the matter of providing extra buildings, the training of teachers, and so on, except to say that a tremendous job has already been done. In addition to buildings, facilities have been provided for teachers, and more teachers, to instruct in the various trades; in addition, the efforts in the training of thousands of young men and women during the past three years, and also since 1960, the re-training of unemployed persons have been very successful and most encouraging.

May I quote a personal experience? About a year ago I was travelling from Saint John to Montreal. With me on the plane was a man who was interested in the shipbuilding industry in the City of Saint John, and we discussed the technical training program. He spoke of it in the highest terms. He told me that in the past they had to send to companies in Glasgow, Scotland, and other places overseas, for technicians to work in our shipyards. He told me that technicians are now being trained right in Saint John, and that the men they are getting now are just as good as those they had obtained elsewhere. In that particular shipyard, in the past five or six years, the number of men employed there has increased from 300 to over 3,000.

At this point I should like to quote some remarks made by William Y. Smith, President of the Atlantic Provinces Economic Council, when he made a plea before that council for improved educational standards. He said:

> If secondary industry is to expand, as it must if we are to achieve our goal, we must make available a growing supply of labour with educational background to acquire skills rapidly when opportunities become available.

Every young person, regardless of circumstances, should be assured a sound general education and as much technical training as his capacity permits. Mr. Smith went on to say:

> Our governments are doing a great deal to improve educational standards but much remains to be done.

This is a fact, of course, which has been recognized by the present Government, as it was recognized by the Government before it.

Bill C-105, as was pointed out by the honourable Senator Connolly, amends the Technical and Vocational Training Assistance Act which was introduced by the previous Government in December 1960. These amendments are designed to further stimulate the development of technical and vocational training and to further broaden the scope of the act. This legislation is the successor to the Vocational Training Co-Ordination Act of 1942, which in a way was a war measure. I believe that bill was introduced by the late Right Honourable C. D. Howe. It was for the purpose of training men in wartime industry and other industries. As we know, magnificent work was done.

As Senator Connolly said in his remarks when moving second reading of this bill, the proposals that are outlined in the amendments before us will make the act still more effective. May I say that it must do that, otherwise we are going to waste an awful lot of money and time.

The federal share of living allowances paid by a province to unemployed persons who are receiving training is to be increased from 75 to 90 per cent, an increase of 15 per cent. In other words, the federal government is assuming practically the total cost of the living allowances of the unemployed who are to be trained. This provision of the act has not appeared to be too successful so far, and we hope that with the federal contribution increased to 90 per cent it will have the desired effect of stimulating the provinces to initiate more training schemes for the unemployed.

The second amendment is to increase from 50 to 75 per cent the federal Government's contribution to the provinces for the cost incurred by the provinces in training persons in industry. It is a most generous increase; I think it is most necessary, and we welcome it. It recognizes that very little had been done until 1960 in training people in industry who would otherwise be displaced by automation and technical advances.

It is hoped that with the increase in the federal contribution to 75 per cent, industry and the provinces will display a greater awareness of this problem. It will mean, of course, that employees of industry will be able to receive technical training designed to equip them to take on new jobs without being displaced. That is very important. Automation and its relation to employment is one of the most serious problems facing us today. I have said that before, but it bears repeating many times, because automation is our main cause of unemployment. Not every machine requires as many people to operate it as are displaced by it. The amendments permit employers to collaborate with the provinces, with substantial federal government assistance, to provide proper training for employees whose jobs become obsolete as a result of automation.

Still another amendment, and a very important one, will extend the period for the 75 per cent federal contribution provided by the 1960 act towards the capital cost of providing up to 1967 facilities—that is, buildings and equipment—for technical and vocational training.

We are all aware of the tremendous building program that has been undertaken by the provinces since the federal share of the cost of construction was increased from 50 per cent to 75 per cent in 1960 under the former Government. The statistics in this regard are most impressive, and I would like to refer to a few of them for a moment. For example: Up to July of this year, in the Atlantic provinces alone, additional accommodation for 9,969 students has been provided. A breakdown of the figures shows provision of Newfoundland accommodation for 3,670 students, costing over $28 million, with the federal contribution at about $21 million. This is a large and most generous contribution. This amount equals $480 per capita, in the age group 15 to 19 years, paid out the federal treasury to the province of Newfoundland in that time.

Honourable senators, the reason I make special reference to the Newfoundland figures is that the Government has taken the total per capita contribution to Newfoundland under this act to date as a base figure for all of the provinces. In other words, all of the provinces will be able to participate in proportion to the maximum achieved up to March 31 of this year by the province of Newfoundland. This formula, not in the bill itself, is obviously designed to achieve some degree of parity or equalization of the additional 25 per cent contribution to capital cost of construction to the standard of the highest province.

The total federal contributions to the provinces up to July 31 of this year ranged from $2,299,000 for Prince Edward Island to a high of $200,017,000 for Ontario.

The total estimated cost of all capital projects in Canada, under the act, up to July 31 of this year is estimated in excess of $500 million, of which the federal contribution will exceed $330 million towards what the Minister of Labour referred to as, "This investment in Canada's future." These new schools and additions to existing facilities are anticipated to accommodate over 139,289 additional students.

We can certainly appreciate the desire of the Government to try to achieve some degree of equalization in the grants to the provinces on a per capita basis when it is realized that, to date, these grants, on a per capita basis of the 15 to 19 age group, range from $51 per capita in the Province of Quebec to a high of $480 per capita in the Province of Newfoundland. That is, from 1960 up to the present time Quebec has received only $51 per capita and Newfoundland $480. That is in the 15 to 19 age group. I might say that these statistics were issued by the Department of Labour and were released during the recent debate in the House of Commons.

Hon. Mr. Macdonald (Brantford): Would there be a reason for that wide difference?

Hon. Mr. Brooks: Oh, yes. One reason, of course, was that Quebec was late coming in and signing the agreement; another is that the general nature of Newfoundland's system of education is entirely different from ours. There were practically no technical or trade schools in that province. They had to start

from scratch. There are other reasons, but the ones I gave you are the basic ones.

It is estimated that between 1965 and 1971 the provinces will receive payments on the following basis:

	Millions
Newfoundland	$ 21,055
Prince Edward Island	4,164
Nova Scotia	30,860
New Brunswick	25,708
Quebec	224,547
Ontario	209,176
Manitoba	24,016
Saskatchewan	35,003
Alberta	48,561
British Columbia	54,118

The $224 million that Quebec will receive will make up the difference that now exists between that province and Newfoundland on a per capita basis.

Ontario of course has taken up most of the money she was entitled to, but I think between now and 1967 Ontario will get something like $9 million more than it now has received.

This is according to the formula which the Government has adopted. I cannot say I think it is the best formula possible because it was not based on the need of training men for available employment in the Province of Newfoundland. It was based on a per capita calculation. This formula the Government has adopted illustrates the lack of an overall plan to meet this problem of technical and vocational training.

One wonders what Newfoundland, with a population of less than 500,000, will be doing with the more than 3,500 graduates of the 12 trade schools and the technical training college which that province has built or is building under the program. Surely we must not allow ourselves to get carried away by over-enthusiasm. I think Senator Connolly illustrated this danger very well yesterday.

I was interested in what Premier Smallwood had to say with reference to his government's program of vocational training a few days ago at the opening of one of these institutions in Newfoundland. He said, "Don't ask me where the new jobs are coming from. I don't know." The premier referred to the big gamble his government was taking in this field of technical and vocational training. I might say it is easy, honourable senators, to gamble when you are gambling with someone else's money. We only hope that it won't be too much of a gamble.

In his speech yesterday on the motion for second reading of the bill, Senator Connolly referred to the huge expenditure of public funds that has been made to date for the construction of buildings, under clause 2 of the act. He said he hoped that there would be an end to this great expenditure. I agree with what he said to a certain extent, for after all the provinces have sole jurisdiction in the field of education. The federal Government can only render assistance and advice. In the final analysis it is the provinces who are mostly responsible.

Closer and more careful scrutiny should be made by the federal Government before submissions by the provinces are approved. I understand in some sections there is great competition. One town or village will get a technical school under this assistance measure, and the next town feels that it should have one too; there is a lot of competition of that kind. Those are matters which should be looked into. After all, the federal Government is paying 75 per cent of the cost.

We appreciate, of course, the delicacy of the position of the federal Government in this matter in so far as the rights of the provinces under the British North America Act are concerned with respect to education but, at the same time, the Government must be careful to insure that the substantial federal contributions are used wisely and judiciously with a view to achieving the best possible results for the most number of Canadians. It certainly makes us wonder when we compare the difference of the per capita amount spent in the Province of Quebec with the per capita amount spent in the Province of Newfoundland. It seems to me that to date it has been a case of the federal Government in many instances being forced to pay the piper with the provinces calling the tune.

Perhaps the Government could and should give consideration to using the extensive additional training facilities to be provided under this legislation to train students from underdeveloped Commonwealth countries or Colombo Plan countries. This is a suggestion I have heard made, and it is based on the possibility of their being a surplus of student places and also of facilities for training students under this legislation. This would certainly be in keeping with the Government's expressed desire to improve and extend its foreign aid program.

We were encouraged by the statement of the Secretary of State for External Affairs in this regard a few days ago. I feel sure that of the almost ten thousand additional student places to be provided for in the Atlantic provinces alone, a certain percentage could be set aside for students from the West Indies. This would certainly be in keeping with the traditional communication that has been maintained by trade between the Atlantic provinces and the British Islands of the Caribbean.

I have had occasion during my tour of duty at the United Nations to know of the interest

of underdeveloped countries in sending students to Canada for technical and university training. Their need is great. I feel that here is an area where Canada can, in co-operation with the provinces, add to its foreign aid program. We already have the Commonwealth scholarship scheme for university tuition, but I feel that technical and vocational training is equally important, and probably more important, to these underdeveloped countries. With the setup that we have, I do not think it would be an expensive undertaking.

The other amendments proposed in the bill deal with an increase in the numbers on the advisory council and provide an honorarium for the chairman. We see nothing wrong with this although we do feel that these advisory boards are getting too big and cumbersome and this could conceivably diminish their effectiveness.

Dr. Wilder Penfield, when asked what he would teach adults, replied, "Constructive use of idle time". This then is another challenge that faces our country in this age of automation.

The publication *Canadian Labour,* the official journal of the Canadian Labour Congress, in its issue of November 11, said:

> Canada has entered an era of rapid industrial change. Mechanization, automation and other technological advances and innovations have brought with them, not only progress from which all society will benefit, but many serious and complex problems associated with manpower training and development.

The present Government, like its predecessor, is trying to meet this problem through legislation, such as the bill before us, which is tied in with an over-all manpower program to reduce unemployment, especially in the traditional winter season of peak unemployment. Various incentives and programs have been instituted by the present government and its predecessor, such as the winter works program; the $500 incentive bonus recently announced by the Government to stimulate house construction during winter months; the incentives designed to encourage the hiring of workers in the over-45 age bracket; the "Do-it-now" campaign which is carried on in co-operation with the provinces, the municipalities and civic organizations; and so on.

But, honourable senators, this is far too important a problem for the future well-being of the nation to be dealt with on what I suggest has been a piecemeal basis. There must be more co-ordination and control of the activities of the federal Government and, in this regard, a greater degree of co-operation from the provinces, if we are to have the success we hope for.

I should like to refer again to the November issue of *Canadian Labour,* the journal of the Canadian Labour Congress, and quote from it:

> The success of all of these programs depends mainly on the degree of support which labour, management, educators, governments, private organizations and individuals give to this effort to develop, train and re-train Canada's manpower resources. It is a task which cannot possibly be accomplished by one group alone. It is only through co-operative action that Canada can hope to overcome the social and economic problems arising in this era of rapid industrial change.

Certainly this is a problem requiring the co-operation of all levels of government. This is an area requiring 100 per cent federal-provincial co-operation. In these troubled days we hope that federal-provincial co-operation will manifest itself in the months ahead.

With the reservations I have expressed, honourable senators, I want to say that I support the amendments outlined in the bill before us. In so doing I hope the Government will give consideration to implementing a greater degree of co-ordination of its plans and programs than has been indicated. I think this program, initiated in December 1960, and now extended, can be the basis in the battle we are waging to provide jobs for Canadians and to alleviate unemployment, provided that the economy of this country is such that industry, both primary and secondary, receives the necessary encouragement and consequent development so that it can and will absorb the manpower. Training will be of little use if there are not sufficient jobs available. The two must go hand in hand.

Hon. Donald Cameron: Honourable senators, the remarks I have to make will be brief. Yesterday Senator Connolly (Halifax North) reviewed the provisions of the act very clearly; today Senator Brooks has spelled out the details of what the amendments will do, and he has also provided a lot of most useful information as to the distribution of costs, the numbers of people to be trained and the potential value of this program to the nation.

When Senator Brooks mentioned the fact that $500 million had been spent on capital developments since the legislation was introduced in December 1960, this sounded like a lot of money, and it is; but one of the facts of life that I am sure Canadians, in common with people from all over the world, have to accept today is that we have to establish

a new plateau with respect to our expenditures on education. We have no choice whatever in this respect, if we are going to maintain our place as an effective and productive economy.

When this legislation came in, in the fall of 1960, I supported it as being good legislation and as being a very necessary addition to the educational resources of this country. Everything that has happened since that time has justified the belief, and I feel today that this has been one of the important steps in Canadian education. As a result of this legislation and the expenditures made possible by it, we now have substantial teaching plants for vocational training. Much remains to be done, but we have made an excellent start.

It now remains for us to use these plants to full capacity. I think it is true of all education, that we have to take a second look at the utilization of the plants we have built, whether they be for universities, vocational schools, medical schools, or what-have-you. It also remains for us to recognize we have to train many more people to teach in these particular schools. In other words, they will only be valuable to the extent we are able to mobilize a corps of thoroughly competent and practical instructors.

The other day I spent some time in a vocational school in Singapore headed by a Canadian, Dr. Edriss, who was for 15 years a member of the faculty of McGill. Here is a school of some 2,000 students—Chinese, Malays, Tamils, Indians, Pakistanis, and others. It would do your heart good to see the enthusiasm of those students, the brightness and aptitude they displayed. This in itself underlines a need we should take note of, because these so-called underdeveloped countries are proceeding to train their people rapidly, and this makes it necessary for us to train ours even more so.

I was glad to hear Senator Brooks state that some portion of our facilities should be reserved for the training of students from Colombo Plan countries. I would go further and say that a portion should be reserved for students from underdeveloped parts of the Commonwealth. It is vitally important that Canadians should get to know these people, have an appreciation of their problems, what their needs are, and how we can fit into providing for those needs. Just think of the two billion people in the world today who are under-housed, underfed and under-equipped. If we could find some means of raising the purchasing power of these people by just one-half of one per cent, our problems with respect to markets for our products and our unemployed would disappear almost overnight.

Senator Connolly emphasized the importance of the training offered in our vocational schools being integrated as closely as possible with the industries for which the personnel are being trained. I cannot emphasize this too strongly. There must be very close integration between theory and practice, or we will not reap the full benefit of our educational dollar. Not enough of this has been done in the past.

This is a time when Canadians are greatly concerned with the rate of economic growth. I believe anyone who has examined our position in the last few years has small cause for satisfaction.

In September last I attended a high-level conference of Canadian businessmen in Banff which dealt with the theme "Canadian economic survival." There were present sixty of the top businessmen in Canada, and not one was satisfied with the rate of economic growth of this country or the per capita productivity. As a matter of fact, one of the papers was to the effect that careful research of the construction industry over a period of two and a half years indicated there was 45 per cent idle time on the part of its employees. It was not idle time on the part of the ordinary carpenter or hammer-and-saw man on the job. A lot of the fault lay with management, which had not co-ordinated its work properly and arranged the logistics of getting material on the site in time and in proper order.

If that figure was even approximately right, there is room for a great deal of improvement and we have to make the improvement if we are to survive. But we have not been doing so well in the field of productivity and economic growth. We do not compare too well with some of our competitors in this field.

One of the things I was surprised to find in Malaya recently—and this is regarded as being one of the underdeveloped areas—was that the increase in their gross national product is 4 per cent. In Japan it is 9 per cent. Compared with what is happening in these countries it would appear that we are on a slow boat to nowhere. It is high time Canadians woke up, put their shoulders to the wheel and achieved a greater output of work and a higher standard of productivity in the time at their disposal.

Hon. Mr. Isnor: Is that figure a percentage figure based on a man-per-hour-per-day basis?

Hon. Mr. Cameron: It is a comparable figure to our gross national product.

One way to increase our gross national product and our output per capita is to use a higher proportion of skilled labour. Apropos of this I would like to quote for you a review of Gunnar Myrdal, the Swedish economist

who wrote *An American Dilemma.* I have before me an extract from a review of his book *Challenge to Affluence,* which appeared in *The Commonweal.* I would mention that Myrdal is one of the most important economic writers of our time. Here he is speaking primarily of the American scene, but what he has to say applies with even more force to ourselves. The reviewer summarizes what the author has to say as follows:

> The essential points are that: (1) even admitting the need for more rapid economic growth, such growth won't suffice to lick our 6 per cent plus unemployment because increased general demand won't absorb the growing number of our unemployables—the lesser endowed (by virtue of education, training, age) who have become dysfunctional—

And that is his word, not mine.

> —dysfunctional in an ever more automated economy wherein the blue-collar ranks are shrinking; (2) the shortage of the skilled and highly skilled will intensify, as witness bottlenecks in scientific talent and the prevalence of overtime; (3) vastly greater labour mobility is the best answer, obtainable only through massive increases in training and retraining, in education at all levels, in supporting the relocation of employees and in guiding this process through a far more effective system of intelligence on job vacancies, trends, etc.

May I just say at this point that one of the rather shocking factors of the statistics bandied around at the conference at Banff in September, to which I have referred, was that we may have to adjust our thinking to a very different scale of acceptable unemployment figures than we have had in the past. It has been suggested that an amount of 3½ per cent is tolerable. But who knows what is tolerable? Who knows what is tolerable to the unemployed person who is the victim of technological unemployment? It must also be remembered that having regard to the new ways of assessing what constitutes an unemployed person, we might find ourselves accepting a figure of 8 to 10 per cent in the not too distant future. If this be true, it is a rather shocking statistic to which one must become acclimatized. It does suggest that we have to find new ways of assessing what constitutes unemployment. There is much to be said regarding this matter and I do not propose to go into it here.

Continuing further from this review, I quote as follows:

> Myrdal points to the lengthening intervals of joblessness for the unemployed and the growing numbers among the long-term idle, and he demonstrates this is a structural malady redeemable only through active intervention.

That is active intervention on the part of government. It says further:

> He also makes an incontrovertible case, or so it seems to me, for the Galbraithian emphasis on government spending for the basic social needs and amenities bypassed by a price-market system unresponsive to any sound but the siren call of the buck. This, of course, is pretty old hat. What isn't old hat is Myrdal's demonstration that the crucial investment today must be, not in conventional capital equipment, but in human beings, through education and training, and that this is the secret of economic growth in the age of the computer and the atom.

I say this kind of thinking is the kind we have to accept in this country if we are to cope with what is a basic and vital problem to Canada's economic survival.

For that reason, honourable senators, I say again that this act was a good act in the beginning, and the amendments proposed now make it more effective to serve its purpose in the future. I have great pleasure in supporting it.

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

The Senate adjourned until Monday, December 2, 1963, at 8 p.m.

THE SENATE

Monday, December 2, 1963

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

Prayers.

PRIVATE BILL

FAMILY LIFE ASSURANCE COMPANY—FIRST READING

Hon. William A. Boucher presented Bill S-51, to incorporate Family Life Assurance Company.

Bill read first time.

Hon. Mr. Boucher, with leave, moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DIVORCE

PETITIONS

Hon. Arthur W. Roebuck: Honourable senators, I present some 48 petitions for divorce. These are all new cases which will come before the Senate in due course as a matter of resolution, with the exception of one petition. It is the petition of Madeleine Lydia Gauvin of Montreal, Quebec, praying for the passage of an act to dissolve her marriage with Ronald Joseph Gauvin, which was inadvertently omitted from the list of petitions in divorce which I presented to the Senate on July 22 last. That petition was duly presented at a previous session, but was not presented again at this session. It was reported by the divorce committee, and the bill received the three readings and is now in the Commons. The petition is now presented merely to keep the record straight. All the other petitions are new cases.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Copy of Treaty banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and under Water. Done at Moscow, August 5, 1963. Signed by Canada, August 8, 1963. (English and French texts).

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, November 27, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C. 1952. (English and French texts).

Report of the Department of Agriculture, for the year ended March 31, 1963, pursuant to section 6 of the Department of Agriculture Act, chapter 66, R.S.C. 1952. (French text).

Communiqué issued following the Federal-Provincial Conference held in Ottawa, November 26 to 29, 1963. (English and French texts).

MARRIAGE AND DIVORCE

AGENDA OF FEDERAL-PROVINCIAL CONFERENCE—INQUIRY WITHDRAWN

On the Notice of Inquiry of Hon. Mr. Pouliot:

That he will inquire of the Government:

Considering the respectively exclusive powers conferred by the British North America Act, 1867, to the Parliament of Canada, (S.91, SS.26, concerning marriage and divorce), on the one hand, and to the Provincial Legislatures (S.92, SS.12, concerning the solemnization of marriage in the province), on the other hand, and

Referring to the official letter of the former Chief Justice of Canada, the late Right Honourable Thibaudeau Rinfret, dated at Montreal, December 23, 1958, to the then Premier and Attorney General of the Province of Quebec—which was printed in the revised edition of the Senate *Hansard* of November 8, 1962, pages 221 and 222—and in which the said Right Honourable Chief Justice stated that at least sixteen acts passed from time to time until 1958 by the Quebec Legislature to amend the fifth and sixth titles of the Civil Code concerning respectively "marriage" and "separation from bed and board", were illegal and *ultra vires*, and

Referring to the agenda of the present Federal-Provincial Conference tabled Thursday last in the Senate,

Do the words "6. Other matters" include the necessary steps to legalize and validate the said sixteen illegal and *ultra vires* acts passed by the Quebec Legislature?

Hon. Mr. Pouliot: Dropped. It will remain a mystery.

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, November 28, the adjourned debate on the motion of Hon. Mr. Connolly (Halifax North) for the second reading of Bill C-105, to amend the Technical and Vocational Training Assistance Act.

Hon. Edgar Fournier: Honourable senators, I do not rise to protest this bill, but to express my humble opinion on the question of

vocational education. Having spent the best part of my life as a vocational teacher, it is naturally a subject that is very close to my heart.

Being in full accord and full agreement with the previous speakers on this matter, I would like to give a brief history of vocational education in the province of New Brunswick generally, and in my local region in particular. My remarks will begin with the year 1937 when I first became acquainted with vocational training.

At that particular time the federal Government, in conjunction with the provinces, had introduced a training program across Canada called the Dominion-Provincial Youth Training Scheme. The scheme consisted of hiring local tradesmen and operating part-time classes for three to four months to give training to meet the requirements and demands of the local areas.

For the instructors it was like a do-it-yourself kit. Suitable locations had to be found and the training was done as one saw fit, with very little equipment to work with. It was what you might call a hit-and-miss operation. I will give you a brief example to show what I mean by that "hit-and-miss".

I remember very well in 1937 we had in the second class a group of about twenty young men, and we had brought one of the student's own cars into the classroom for repairs. We had done a complete overhaul job on the engine and put in a new clutch and new brakes; the job was complete and we were all anxious to take the car out for a road test. Being instructors on loan from regular employers, we had an interest in our permanent jobs, but on the afternoon of that particular day we were supposed to take this car out and see how it would operate.

That morning I had to leave for a few minutes and I told the students to behave and not to touch anything. However, a few bright boys—just as we have today—thought they would stage a surprise for the teacher and decided to take the car out. When I returned I did have a surprise.

At this particular school the Department of Education had allowed us to cut a doorway in order to bring cars and equipment into the shop for instruction purposes; they also had given us one of those fancy, overhead folding doors, which was something new at the time and which, incidentally, was the best part of the equipment we had in the shop at that time. To my surprise the boys had taken the car out, but had forgotten to open the door. The front end was all smashed, the windshield broken, and all that was left of the overhead door was on top of the car. That time it was just a hit—no miss.

The results produced by this vocational training were very satisfactory in most cases, and many of the centres where such classes had been in operation became permanent centres for teaching certain skills. But many difficulties lay ahead. Vocational education for many years had been a forgotten subject, and many of our vocational institutes were regarded as dumping grounds for academic failures. Vocational education was classified as a third-rate education. In several instances students with academic ability were denied the privilege of vocational education and were directed toward academic classes, under the pretext that they had too much ability to become tradesmen or technicians. As a consequence many of those young men who were ordered to attend academic classes against their wishes failed in their academic studies and disappeared from the school register, with insufficient education and no trade with which to face our confused world.

Today one has only to pay a visit to his local national employment office to read the long list of unemployed due to lack of education or mechanical or technical knowledge. This deplorable situation was long foreseen by many vocational administrators and teachers, but the warnings fell on deaf ears. School budgets for academic classes were received with open arms, while the vocational budget in many centres was the last item on the list and was used as a measuring device for a deficit or surplus budget. Vocational training had to be done on what was left over.

I recall well that in our schools in 1938-39 the budget for materials and supplies was $1 per trainee per year per trade taught—yes, $1 per trainee, or 10 cents per month. I can assure honourable senators that even in those days 10 cents did not buy much in the way of motor mechanic supplies or electrical materials. Even in carpentry 10 cents would not provide much in the way of lumber, nails or glue. The instructor had to go around the community begging for scrap or supplies.

As this is my first opportunity to do so, I would like at this time to express my thanks to the Fraser Company of Edmundston which made possible the existence of our school in those days. They made donations of all kinds: paper and cardboard for the drafting classes, access to their scrap pile where we could gather copper wire, old electrical apparatus, sheet metal, iron and steel. For us this was as good as new material; it served the purpose. This good will and courtesy lead to many trainees being absorbed by the company after graduation, and many have made good. Some of them are today key men in their own trade.

Today it is costing the nation several millions of dollars to improve the resulting

situation and to bring the neglected up to the general Canadian standard of living. Millions of dollars are being spent to rehabilitate people, or re-educate them, in some form or another, through adult education training programs. With regard to this group which has been neglected, not only are millions of dollars being spent in re-education and training, but millions more of the taxpayers' money is being spent yearly in unemployment insurance and other forms of social assistance. Unfortunately, this bill will do very little for the class of people to which I have just referred, but it will surely help to correct and bring to an end this too-long existing situation.

I hope that these new vocational schools will fulfil an existing need among the younger generation who have the ability, aptitude and desire to become tradesmen or technicians. I trust that no longer will we hear from some academic teachers that a young man is too smart or has too much ability to attend a vocational school. In a country like ours there is a place for everyone—the businessman, and the professional of all classes. Those of the latter class have found a place for themselves in this world. Canada has supplied the whole world with leading men in science, engineering, and in the medical and legal professions. We are all proud of them. But behind these great men stand Canada's greatest assets: our labour force, our tradesmen and technicians. Without an adequate and well-trained labour force, all would be in vain. The dreams of scientists and engineers could not be realized and many professions would be at a standstill if the labour class was not there to supply them with someone to work on and to work for.

In the early forties this serious lack of vocational training became evident when we had to pool our efforts to save our democracy. Our country was compelled to participate in a defence program against German aggression. Among Canada's many obligations was one to build and supply defence material of every kind to our active force. This called for an immense training program to qualify men and women to operate the hundreds of thousands of machines to build defence material.

Canada had no difficulties in locating suitable quarters to open factories. The Canadian people were eager to do their part. However, it did not take long to realize that there was a serious shortage of mechanics, technicians and machine operators. Those who had the responsibilities of defence production were faced with a serious problem. Their greatest challenge was to train in a very short time several thousands of men and women, single or married, to operate the wheels of production.

The federal Department of Labour, in conjunction with the departments of education of the various provinces, organized a special training program called the War Emergency Training Scheme. The first task of those departments was to find suitable locations, available quarters, and from existing tradesmen to find the ones who could qualify in a short time to operate such schools and train others to become instructors. It was my good fortune to fall into that category. Once selected, we were sent to various schools and factories across the country to train and to acquaint ourselves with various problems and requirements.

In this rush no one seemed to know exactly what to do. Vocational institutes were practically unknown except in larger centres, and those were already filled to capacity. After a few months of instruction came the question of deciding who would teach what. This was done very successfully; in no time men left their usual occupations, women left their household work behind, students left university—old and young, all wanted to help in the fight to save our democracy. For hundreds of thousands training in vocational or industrial schools was the number one step.

There we found thousands and thousands of our Canadian people, some already advanced in age, and some still young who, having left school with very little education, now with the courage and bravery of a Canadian faced the challenge of life. They had become in their own way what we often call in common language a "jack-of-all-trades and master of none"—sometimes called the handyman.

During our short period of training it did not take long to see very clearly the great difference between Canadian, British and American training. The Americans were trained to be machine operators, with very little know-how, geared to mass production, assembly lines, and putting together many parts made by push-button operation of machines.

The British, on the other hand, had for years operated an apprenticeship system to train their labour force. For example, a young man who wanted to become a machinist had to train at least five years, starting by sweeping the shop and working his way up progressively. We remember those days when if we bought something made in England it was sure to be of superior quality, especially in respect of workmanship. But where stood we poor Canadians?

Let me illustrate this by telling you of a little experience I had in my training during the war. My memory is that what I am about to relate happened during a short training course at Galt, Ontario, where we were given a lecture by a British officer from the R.A.F. on a lubricator used on an aircraft. This officer began his lecture by explaining the need of lubricators, the elimination of friction, the type of metal involved, the speed of the moving parts, and the pressure at which those parts were moving, the heat created by the moving parts, he went on and on and then talked about the lubricant itself. He told us where it came from, its quality, its resistance to heat, its corrosive effects on certain metals, its selection and uses. Then he went on to talk about the lubricator itself. He spoke about the type of metal used in its construction, and the pressure under which it would operate. Inside there was a little spring and a ball, and he described the spring and told us what it was made of. He described the little ball underneath as to its size and its weight. It was a very interesting lecture. At the end of it someone asked if we could see one of these lubricators, and he pulled out of his pocket one of those little aluminum fittings which we called an alemite grease cup, such as we have all seen in our cars.

When we greased our cars we did not care what type of grease we used. We just greased the car by putting grease in the cup because the factory probably instructed us to put grease in this cup every 10,000 or 20,000 miles. In the factories it was also known as a grease cup. Nobody cared about the type of lubrication. On some of our machines there was a little hole and the instructions were, "Oil every two hours," or something like that. It mentioned nothing about the type of oil to use. The same thing applied to these grease cups. This officer did not refer to grease; he referred to a lubricant, and so on.

I remember also another incident which occurred during 1941 when we were bringing hundreds of aircraft, such as Hurricanes and Spitfires, into Canada from England. They were dismantled for reassembly, and I remember we were having a lot of trouble when an R.C.A.F. officer walked into my class one day and said: "Fournier, you have 90 boys in your class and you are going to have them for three months. You must convince them of the difference between American and British threads. That is all we ask of you". The reason for his saying that was because in the reassembly of these aircraft thousands of nuts and bolts were used. It was possible to lose one of these. Aircraft nuts and bolts are made to very rigid specifications, and there is a slight difference between American threads and British threads. These were all British bolts, and when the men were putting these aircraft together they would sometimes be short of a bolt. They would go to the stockrooms or anywhere else and just pick up any bolt, which fitted the hole, with the result that a wing would fall off the aircraft, or an engine would fall off its mounting, causing a rather serious accident.

This was the situation with respect to the Canadian people. It was referred to by Senator Connolly (Halifax North) when he mentioned the cook who could not cook, the carpenter who could not carpenter, and the plumber who could not plumb. However, I would like to say that the Canadian people had a certain quality.

Let us take, by way of illustration, the cook who could not cook. Although this man was not a cook, he was cook enough to prepare a decent meal for his family with whatever he had. And this same Canadian, be he the cook or the carpenter, could build his own home. He would start by building the foundation, and putting in the forms for the concrete basement walls. He would put in the floors. He would build the walls and put on the roof. He would do the interior finishing and install water and plumbing and the heating system. He would do the electrical work. Yet, this same man was the cook who could not cook and the carpenter who could not carpenter. The Canadian was a jack-of-all-trades and master of none. But perhaps that is a quality we should not overlook. However, when it came to precision work and being instructed by blueprints with rigid specifications, we were just not there.

It was easy for a Canadian to build anything consisting of several parts, provided he had all the parts together. He was able to make them fit, and when the job was completed everything was good and it was acceptable—that was Canadian labour. The trouble came, however, when one part was made in Halifax and the other was made in Vancouver and they were put together in Toronto. Then none of them would fit. That situation came about especially in the building of aircraft, where a variety of parts were made across Canada and then sent to one centre to be put together. The result was that nothing would fit. The same thing occurred regarding ammunition and gun parts. It was a difficult job to train people in the use of precision tools, or at least to make them understand that there were such things as precision and fine dimensions.

As a result, the first two years of defence production were slow; we were merely building up scrap pile. However, by 1942 thousands had received training through this

program and the wheels of production began to turn in the right direction. By 1944 Canada was one of the leading production countries in the world.

The only reason I make this brief review is to show the necessity of vocational and industrial training. That necessity is greater today than ever, and I hope that our country will never find itself in the unfortunate situation in which it was in the early forties.

At this moment I should like to pay tribute to my associate instructors at the Edmundston Aircraft School, where I worked. This little school of ours, at the end of the training program in 1944, was rated by the officials of the National War Emergency Training Program in Ottawa as the second-highest school in Canada. We took second position, with less than one point from the first position. This was based on all-out efficiency throughout those training years and was due to two reasons.

First, from the opening of the school in December 1939 until 1942, it was organized under the able leadership of Captain Martin Therriault, a lifetime vocational educator. In 1942, Captain Therriault was called to active service and we were left with the direction of the school. Under Captain Therriault that school had already made its mark among the hundreds of schools across the country. It was an easy task for us. We had only to follow the course laid down by Captain Therriault, a course which he had put on his desk before leaving.

The second reason was the co-operation and devotion received from the instructors, who worked day and night, seven days a week, under the close supervision of the Department of Education, Vocational Branch.

In 1945 this little school was transformed into a rehabilitation school for ex-servicemen, and continued as such until 1957. Many of our former trainees came back for peacetime training but, unfortunately, many of its young aviators never came back.

Honourable senators might like to know that during that short period over 2,000 young men and women were trained in that school. The great majority went to the R.C.A.F. and over 500 went to industries in Montreal and the Maritimes.

However, this is water under the bridge. Now we should look into the future. Automation and mechanization, vocational and industrial training, are all of prime importance.

I have no intention of getting into the details and the function of this bill, as every dollar spent for education is a dollar well spent. I am glad to see that vocational education is at last getting its share, the share which is long due. At the same time, we must be careful that the millions of dollars in taxpayers' money authorized by this bill are spent with one idea, that is, education—education of the right people in the right place, and for no other purpose.

One must remember that each Canadian citizen is entitled to some kind of education, according to his ability, whether he has a very high I.Q., has average ability, or is below average.

For too long, educators have had their eyes turned only towards the student with average and above average ability. This was done for more than one reason. In education, ability and aptitude must work together. Ability and aptitude, when not fully co-ordinated, lead to failure. A student with ability and special aptitude for medicine will not prove too efficient if guided towards another profession. Usually students in that category are guided by orientation in the right direction.

The same principle applies to vocational training. A young man with ambition and the aptitude to become a welder will never be a success if guided to another course because welding is not available to him.

There are many other classes and categories in the vocational school. There are fine students who are below average, with no aptitude. There is the student who cannot follow the academic subject; the student who does not know what he wants or does not seem to find out what he would like to do. There is the student who may have a desire to take certain training but who has not the ability. For too long those students were ignored and allowed to drop out of school, with no place to go. This is where vocational and industrial classes take over. They give each individual student some sort of training, according to his ability and aptitude. It is better to spend a few dollars at that level than spend money later on public charges, unemployment and so on.

Vocational and industrial training requires the best teachers. Usually they have to make their own curriculum, their own courses.

Our vocational teachers have a tendency sometimes to follow the curriculum written by professors or others who have very little knowledge of the course itself. We must remember that vocational training is individual training. I have at times my doubts about the efficiency of some schools where the teaching methods have a tendency to follow or copy the academic methods of teaching.

In my region during the last two winters vocational, industrial and academic classes were operated with federal assistance to promote adult education and specialization in various trades. In many areas those classes were very profitable and did a lot of good, but in other areas the promoters of the

schools were not interested in education. Some were interested in obtaining rental for an old unused building or community hall. People were encouraged to attend those classes merely to draw $15 per week, plus a few extra dollars for transportation. An interest in education was the last thought in the minds of some of those promoters and of some who attended the classes. It was merely a waste of public funds.

I strongly recommend that a closer survey be made in some areas and that where education is not the prime factor, those so-called classrooms or playrooms be closed and the money spent to better advantage.

The building of a vocational school in a region always draws political attention. The politician tells the people of the wonderful future this will make for their children and of its effect on the economy of the region, not overlooking the wonderful and generous grants from his Government. Naturally, he forgets to tell the people who the Government is and where the money comes from. The contractors are on the spot with extended hands and open mouths; the building material dealers become very friendly, and all other suppliers are lined up at the politician's doorstep. Jobs are promised right and left. No one seems to realize that once this big school is built, the community will become responsible for its operation and part of its finance. The people are not told that these grants are their own money and that the new vocational school could become the community white elephant. That may be so in the case of many fancy elementary schools built across the nation, which have brought about exorbitant school taxes.

It is to be hoped that, before too many schools are built, a close survey—and I regard this as very important—will be made of the necessity for a school in such a region. The study should include the number of students which the community can supply, not just in the immediate future but on a long-range view. If there are already in the area vocational or industrial schools, there should be an extensive study as to whether an extension of the existing facilities would be sufficient so as not to duplicate expensive services.

The possibilities of finding local employment for those who graduate in the region, or nearby, should be studied, since a vocational school located in the wrong centre could be responsible for a mass expatriation of people of rural areas to larger centres which are already overcrowded.

In many instances there are facilities for apprenticeships in various industries. New Brunswick has been very successful in this respect, where many companies have training classes. There is nothing like being trained on the job. I do not think that should be overlooked, but I am afraid in some cases it has been lost sight of. Manufacturers and industrialists are most willing to share in the expense. I want to stress that that is the type of training which is needed; if you want to get a good papermaker you have to train him in a pulp and paper mill, not in a class for mechanics or welders.

It seems to me that in some regions vocational schools are built more from political ambition than for education. Unless such schools are immediately followed, or preceded, by local industries, the schools could very well lead to serious problems. It would appear to me that in some provinces the government of the day is taking advantage of this federal assistance for political gain rather than for serious education, and that thereby the cart is being placed before the ox. It is my opinion that industries should be developed first, and followed very closely by industrial and vocational classes to fulfill the requirement of local industries; otherwise—and I want to repeat this—it will lead to mass expatriation of our youth to other provinces and bring about most unfortunate results.

We must remember also that 75 per cent of the cost of each and every one of those schools will come from the federal treasury, and several hundreds of them could become a serious problem—a heavy burden on the taxpayer.

While much more could be said, I wish to repeat that I am not opposing this bill. I merely suggest that this portion of the taxpayers' money be spent for one purpose only, namely, a true and valuable technical training program.

Let us give our young men who have ability and desire to become tradesmen or technicians, and who have some aptitude for a specific trade, the opportunity to go forward and become experts in their field. No matter what the field may be, every young man must have a chance to find a place in our world of today, in our great Canada, so that he may become a citizen who is proud of Canada because Canada has a place for him; and that he may become a citizen who can associate himself with the wheels of progress, not only to raise a fine family but to build a better Canada for his own and future generations.

Hon. G. Percival Burchill: Honourable senators, first of all I wish to congratulate my colleague from New Brunswick (Hon. Mr. Fournier) on the very interesting address he has just delivered. I am quite sure we all agree with much of what he has said.

My particular object in rising is to pay tribute to the federal Government for the grant which it has made available to us in

New Brunswick in respect of our Maritime Forest Ranger School. That institution, in which I am very much interested, has greatly benefited during recent years under the Vocational and Technical Assistance Act.

I do not want to confuse the Maritime Forest Ranger School with the Department of Forestry in the University of New Brunswick. The Department of Forestry has attained national prominence. It is one of our great Canadian institutions. It attracts students from all over the world. I do not, therefore, need to say anything on its behalf. However, The Maritime Forest Ranger School of the Maritime provinces was established in Fredericton in 1946. It was a joint undertaking by the provinces of New Brunswick and Nova Scotia and the forest industries of both provinces. The school operates in affiliation with the University of New Brunswick and has been financially supported since its establishment by annual grants from the New Brunswick Department of Lands and Mines.

It might be of interest to note that when this school was established in 1946, the contributions made by the Province of New Brunswick amounted to $100,000, and from the Province of Nova Scotia, $50,000. Our Atlantic provinces co-operate in these matters. The Fraser Companies Limited contributed $25,000; New Brunswick International Paper Company, $25,000; Bathurst Power and Paper Company, $15,000; J. D. Irving Limited, $10,000; Bowaters Mersey Paper Company Limited, $10,000; Ashley Colter Limited, $6,000; Dead River Limited, $2,000; and Scott Paper Company, $1,000.

I mention that, honourable senators, to show how industry and governments co-operated to establish this school. The school exceeded our fondest hopes. It has had more applicants during the years than it could handle.

I must not overlook telling you that the initial objective of the school was to provide technical forestry training to meet the needs of governmental departments of forestry and forest industries, and to assist young men who cannot afford to pay their way for three, four or five years in college.

The school has assumed the increasing secondary role of providing vocational training in the form of various short courses for governmental and industrial employees. It was originally designed to accommodate 50 students, but there were many more applicants than could be taken care of; we were most anxious to expand our facilities in order to take care of the applications we had.

Over the years the school has graduated students who came from New Brunswick, Nova Scotia, Manitoba, Quebec, Newfoundland, Ontario and the United States. Therefore, the school can in no sense be regarded as a provincial institution, or even a Maritime or Atlantic provinces institution, for it accommodates students from all over the country.

This legislation was first brought down in 1961, I believe, and the authorities at once made application for a grant from the federal Government. That was arranged, and as a result we now have a school that can take care of at least 75 students. The school is filled, and there are many more applicants awaiting enrolment. As I have stated, the expansion was made possible by means of the federal Government grant. As one who is interested in the school, I again wish to express my appreciation to the Government, as well as to those who serve on the board, for the help we received from Ottawa to carry out our plans.

Since the act was passed, the province of New Brunswick has expended in technical and trade schools some $8,700,000, of which $5,500,000 has been contributed by the federal Government; of this amount, to date, $96,750 went to the Maritime Forest Ranger School.

Honourable senators, before I conclude I should like to say a word about automation. While I support this bill wholeheartedly in its objective of trying to do something to meet this serious problem of unemployment in Canada, and while we are all optimists, to some extent, at the same time, lest anyone should think we have found a cure-all, we must be realists and face the facts. As a manufacturer, I regard automation as one of Canada's most pressing problems. I believe that problem will be with us for a long time and that it will call for all the brains and ingenuity possible to meet it.

Honourable senators, I should like to read to you a statement which was given to the United States Congress in October and which is contained in a dispatch in the Ottawa *Journal* of October 4.

> John I. Snyder, Jr., chairman and president of U.S. Industries, Inc., branded the claim that automation is not going to eliminate many jobs as "the most seductive of (the) myths" about automation.
>
> Snyder told a Senate Labour Subcommittee that "too few people accept the very few truthful facts which are being turned up by real experience and intelligent study."
>
> He said equipment is being developed that "works miracles." But, as is too often the case in this age of the widening gap between scientific progress and

man's ability to cope with it, we have failed to keep pace."

Snyder attributed much of the "failure" to wide acceptance of "myths" about automation which has had "a deep tranquilizing effect on many of those who might make effective contributions toward solutions of the human problems created by automation."

Snyder said another myth was that automation would create jobs, not only in running the machines, but in maintaining and building them.

"The hard truth," he said, "is that modern automated equipment requires very little maintenance. If it did not, it would not pay to operate it; and if the equivalent number of workers replaced by automation were required to build the machines and systems, there would be no point in automating."

Another myth is the belief that those who lose their jobs to automation can be retrained and put into other jobs requiring higher skills and paying more, Snyder said.

"As studies have shown," he said, "automation is more likely to reduce the demands for skills and aptitudes and, besides, many workers are just not retrainable, due to their levels of intelligence, education and age."

Snyder said another myth was the claim that workers replaced by automation can find jobs in other areas of the country.

The workers thrown out of jobs are usually those who are least able to move, he said. "They are the lower paid, the older, the unskilled. Either they cannot afford to move or they are psychologically incapable of beginning a new life in a strange area."

Snyder described the work of the American Foundation on Automation and Employment, which was established by his company and the International Association of Machinists to study the impact of automation. A foundation study on the shorter work week to be issued soon will indicate that a reduction in working hours is necessary, Snyder said.

As a manufacturer, I must say that what Mr. Snyder says is all too true. The manufacturer today, in order to meet world competition, has no alternative than to install automatic machines. The sad fact is that our older workers, people who have been with us through the years, are being thrown out of jobs in smaller places, in rural communities where other jobs are not obtainable. I say to you, honourable senators, that presents a very serious situation.

In the business in which I am interested, the plywood business in New Brunswick, of all the machines purchased for that plant, involving the expenditure of a considerable sum of money, not one was obtainable in Canada. They were all bought in other countries of the world. This goes to show that our Canadian workers are not going to reap any of the rewards through obtaining jobs in the manufacture of machines which are being installed to replace workers.

As you know, ever since the industrial revolution the cry has always been, "This is progress and you will find other jobs in place of the ones you lost." Evidence at the present time is very much to the contrary.

I was happy to learn just last week that the owners of a new pulp and paper mill to be built in Canada have been able to buy all equipment from Canadian manufacturers. This would indicate at least that we in Canada are manufacturing, as far as the pulp and paper business is concerned, machinery for that industry, and are much further ahead than are some other countries.

I believe that Finland has set the world an example in building machines designed to manufacture the products of their own country, machines for the pulp and paper industry especially, as well as sawmill machinery. Finland is at the top of the list because they manufacture very efficient and reliable machinery.

I have made these few remarks, honourable senators, because I am very much concerned about the matter of automation. As I said before, one of Canada's greatest problems is the effect of automation on employment. I might suggest that the Senate could do worse than to set up a committee to study this very problem, which I think is going to be with us for a long time.

Hon. John A. Robertson: Honourable senators, being one of the last to speak on this bill I feel that the subject has been well covered. As I listened to the debate I slowly crossed off parts of my speech until now I have been left with very little to say.

I read in the Ottawa *Citizen* of November 30 that the Minister of Education for Ontario, in a speech to the Rotary Club in Toronto, said that the cost of education in the province was in for a sharp rise. He said that in 1946 the total cost of operating elementary and secondary schools amounted to some $68 million. At the present time, he said, one in every four in the Province of Ontario was attending school or university, and that by 1973 there will be one in every three at school and university. He said the annual expenditure by that time will be around the $2 billion mark. Therefore,

honourable senators, we can expect a large increase of expenditures in the academic field.

I would like to say that this bill is a continuation of good, sound policy laid down by the previous Government, as enacted in the year 1960; and I believe that the first amendment, to raise the federal Government's participation from 75 per cent to a figure not exceeding 90 per cent, will meet the demands required to carry on the program initiated by that former Government in 1960. Increased grants for such worthy causes are, I am sure, welcomed by every member of this chamber.

We should have no doubts about the future in respect to increased grants to finance vocational training schools. With the axe of automation falling heavily throughout the country and with our exploding population, I believe that particularly within labour ranks more financial assistance will be necessary in the years ahead.

During the year 1960, the Government of the day recognized the need of retraining many persons displaced by automation and many more who could not secure work because of lack of academic standing. I believe that today in Canada we are benefiting from the action that has been taken to aid those so displaced. We are all aware of the fact that this action is now well recognized by people from every walk of life, and I am sure that honourable senators will agree this was excellent legislation.

On Saturday, September 28 last, I returned to my hometown of Kenora and had the pleasure of unveiling the cornerstone of the Beaver Brae secondary training school, which cost approximately $1,100,000. This fine new school, only one of 254 new schools spread across the country, is a magnificent building, to say the least, for a municipality of some 11,000 inhabitants and those of the surrounding area whom it will serve.

On this occasion we received guests and heard speakers from all over the Province of Ontario; also, hundreds of local citizens attended the ceremony. During the course of my remarks I gave great credit to the local Secondary School Board in Kenora for the prompt action it took in making sure that such a school was secured for our area. I also gave credit to the former administration, the government of Ontario and the municipal government. I thanked them for the wonderful co-operation which existed at the three levels of government. Appreciation of the fact that this school is being opened in this area was clearly reflected on the glowing faces of those assembled at the opening. Many voiced their feelings as to the effect it would have on the general population of the area in improving their academic level.

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I would now like to consider for a moment the number of such projects that have been completed across Canada. The figures I have read—and I have every reason to believe they are correct—show the completion of 254 new schools, 4 technical and 47 trade schools. The balance—a total figure of 519 completed projects—would, I assume, be additions to existing buildings. These schools will provide space for some 138,000 students each and every year. This is, indeed, a remarkable record over the past three years, and one of which I feel we should be very proud. The total cost to the federal Government for the construction of these schools is $326 million, which is the greater part of some $511 million already expended. When I recall the $2 billion figure for the province of Ontario, it does not seem like a large amount of money. I believe that this great advance and attack on our educational and unemployment problems is, indeed, an achievement of note.

The continued efforts of all three levels of government must be sustained. We must not sit back, gaze through rose-tinted glasses and hope these problems will remedy themselves, because this has not been so and I do not suppose it ever will be the case.

In certain areas of Canada and, as far as I am concerned, especially in the Kenora-Rainy River area, Port Arthur and Fort William constituencies, we have large numbers of Indian citizens. From personal knowledge as to the way the Indian citizen conducts himself in school, and as to the way he will embrace training of this nature, I am sure that these new technical and vocational training schools will prove of great benefit to many of them in the years to come.

One must give credit where credit is due. I believe the previous administration certainly did a terrific amount of work in bringing this legislation into being in 1960. During their years in office they ploughed and broke plenty of ground in the work that they did, and now with these amendments I believe the present administration is harrowing and seeding the efforts of the previous administration, which is a happy note.

Therefore, honourable senators, I wholeheartedly support this legislation in every respect, and feel it will do much throughout Canada to better all Canadians in years ahead.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Halifax North), bill referred to Standing Committee on Banking and Commerce.

ADMIRALTY ACT

BILL TO AMEND—SECOND READING

Hon. A. B. Baird moved the second reading of Bill C-108, to amend the Admiralty Act.

He said: Honourable senators, this is a very short bill and one that you will find not difficult to understand. A brief explanation on my part should be sufficient.

As you know, the Exchequer Court of Canada also acts as a Court of Admiralty exercising a general jurisdiction in admiralty cases, and in this capacity the court has original jurisdiction as well as jurisdiction in appeal. In practice, however, most cases are tried in local admiralty court and to this end the Governor in Council may from time to time appoint any judge of a superior or county court, or any barrister of not less than ten years' standing, to be District Judge in Admiralty for a special admiralty district.

There are now eight admiralty districts in Canada and these districts correspond with the eight Canadian provinces bordered by salt water.

The Governor in Council is further empowered to appoint for any district, or portion of an admiralty district, a surrogate judge or judges, and any person having the qualifications of a District Judge in Admiralty may be appointed a surrogate judge.

The purpose of this amendment to the Admiralty Act is to permit the Governor in Council to authorize the payment of a salary not exceeding $400 per annum to a Surrogate Judge in Admiralty and a salary not exceeding $300 per annum to each Registrar in Admiralty, and to provide that in those districts where the holders of such offices are paid these salaries, the fees that otherwise would be paid to them will be paid into the Consolidated Revenue Fund.

The office of Surrogate Judge in Admiralty is similar to that of a local master in provincial courts. That is to say, he may exercise only such jurisdiction as may be prescribed by the rules of court. There is at present only one surrogate judge, namely, the Senior Master of the Supreme Court of Ontario. At the present time the surrogate judge and nine registrars in Admiralty are paid from the fees to them in respect of proceedings taken before them.

In most admiralty districts, the fees they collect no longer constitute adequate remuneration for the duties and responsibilities of these offices. In the Ontario admiralty district, for example, the registrar has in some years collected as little as $75 in fees, and out of this he has had to pay for part-time clerical and stenographic assistance and purchase his own record books.

The new salary provisions will not necessarily be applied to all registrars, nor will the salary necessarily be the same in all cases. It may be, in some districts, that the fees constitute adequate remuneration or that the work does not warrant full salary. Under the proposed bill, each situation can be dealt with on its merits.

However, if all the registrars and surrogate judges were to receive the maximum salaries proposed by this amendment, the total cost per year would be $3,100, a portion of which would be recovered through the payment into the Consolidated Revenue Fund of the fees otherwise payable to the registrars.

Hon. A. J. Brooks: Honourable senators, this is a very short bill, as the sponsor has explained to us, and I am sure it does not require much debate. The amount of money involved seems to be in the area of $300 per year, which sum is needed to pay the salary of a judge in the Province of Ontario. I understand it applies only to one port in the Province of Ontario. Since the sponsor did not mention which small port is involved, I find myself wondering whether it is Toronto or Hamilton.

I can see no objection to this bill, honourable senators, and as far as we are concerned we are very agreeable that it should receive second reading.

Motion agreed to and bill read second time.

On motion of Hon. Mr. Baird, bill placed on the Orders of the Day for third reading at the next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, December 3, 1963

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

Prayers.

AIR DISASTER

EXPRESSION OF SYMPATHY FROM BELGIAN SENATE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following telegram has been received from the Speaker of the Senate of Belgium, expressing sympathy to the bereaved families of those who lost their lives in the recent air disaster at Ste. Thérèse de Blainville, near Montreal, Quebec.

> Apprends avec peine la catastrophe aérienne qui vient d'endeuiller tant de familles de votre pays. Vous prie agréer et transmettre aux parents si cruellement éprouvés mes vives condoléances et celles du Sénat tout entier. Paul Struye, Président, Sénat.

I translate:

> I have learned with great regret of the air crash which has plunged into mourning so many families of your country. I wish you to accept and convey to the relatives so cruelly stricken my most heartfelt sympathy and that of all the members of the Senate. Paul Struye, President of the Senate.

I am sure that honourable senators would wish me to express to Mr. Struye and to the Senate of Belgium our profound appreciation and gratitude for this kind message of sympathy, which will be a source of comfort to all those who have lost relatives and friends in the tragic accident which has shocked the whole Canadian nation. Steps will be taken to inform all families concerned of this message of condolence from the Belgian Senate.

INCOME TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-95, to amend the Income Tax Act, and had directed that the bill be reported without amendment.

Report adopted.

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

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Hon. Mr. Macdonald (Brantford): With leave, now.

Hon. Mr. Brooks: At the next sitting of the house.

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ADMIRALTY ACT

BILL TO AMEND—THIRD READING

Hon. A. B. Baird moved the third reading of Bill C-108, to amend the Admiralty Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

FAMILY LIFE ASSURANCE COMPANY—SECOND READING

Hon. William A. Boucher moved the second reading of Bill S-51, to incorporate Family Life Assurance Company.

He said: Honourable senators, the purpose of this bill is to incorporate Family Life Assurance Company.

The history of the company dates back to 1923, when the then president of the company, Mr. J. D. Lalonde, formed an assessment club providing a maximum benefit of $1,500 under the Benevolent Societies Act of Saskatchewan. This society, subsequently called the Co-operative Family Protection Society, was operated from the same office in St. Victor, Saskatchewan, as were other similar mutual benefit societies.

Some 25 years later these societies had attained their maximum potential growth, and although the membership remained stable and then began to decrease, the societies were able to continue granting the maximum benefits.

In 1954, the above-named president joined with some of the directors of the above societies to form the Family Life Assurance Company Ltd., which was incorporated under the Companies Act of the Province of Saskatchewan.

During the period 1955 to 1958, all of the certificates of membership then in force under the Benevolent Societies were converted into whole life policies with the company. Under this conversion each certificate holder received a guaranteed level premium, level benefit whole life policy with accumulated benefits based on previous contributions to the societies; also, the full equity of each member in the assets of the society or societies to which he or she belonged was allocated to each member in the form of increased benefits or reduced premiums.

From 1954 onwards the Family Life has, of course, established its own sales organization throughout the Province of Saskatchewan.

By the end of 1962, the company had over $21 million of insurance in force, of which more than half was new business.

The capitalization of the company consists of 100,000 shares of a par value of $10 each. Under incorporation in 1954, eight fully-paid shares were issued to the eight original directors. In addition, 25,000 shares were offered and subscribed, each of these shares being considered 10 per cent paid, that is, subject to further calls of $9 per share. Thus, the company's paid-in capital at the end of 1954 stood at $25,080.

During 1961, a call of 10 per cent was made on each of the shares, and a dividend of 5 per cent was paid out by the company and applied as further payment on the shares. Furthermore, an additional 15,000 shares were issued, with 25 per cent paid. The paid-in capital was thus increased to $100,080.

During 1962 an additional 5,000 shares, with 20 per cent paid, were issued; this brought the paid-in capital to $112,580. Meanwhile, the company realized an operating surplus during each of the years 1954 to 1962, inclusive, with the exception of 1959. These, at December 31, 1962, provided an accumulated surplus of $282,939, of which $25,000 was diverted to an investment reserve. Thus, at the beginning of this year the company's total capital and surplus amounted to well over $400,000.

On November 1, 1963 an additional call of 10 per cent was made on each of the 45,000 outstanding shares. On December 2, 1963, a dividend of 5 per cent was applied as paid-in on each share. These two transactions will make all shares 40 per cent paid, and will increase the paid-in capital to $80,000. In addition, a new issue of 5,000 shares has been offered to the existing shareholders, and at this time this issue has been nearly completely subscribed.

Upon completion of the above call, dividend and new issue, the company's paid-in capital will have been increased to $200,080, and an additional $105,000 will have been added to the contributed surplus from the proceeds of the sale of the shares at a premium. By the end of 1963 the company's total capital and surplus will exceed $600,000.

The company issues all plans of life, endowment and term insurance to individuals and groups, on participating and non-participating bases. The company also issues accident and sickness policies in conjunction with its basic policies.

The great majority of the policyholders reside in Saskatchewan, since this is the only province where the company is now authorized to transact business. However, many policyholders, including those who were certificate holders of the predecessor societies, have moved to other provinces over the past 40 years, so that the company now has a good number of policyholders in all provinces.

The company now seeks federal incorporation for the following purposes:

1. To enable it to seek new business in any other province, and incidentally to better serve the interests of its existing policyholders residing in other provinces.

2. To increase its area of operation so as to broaden the risk.

3. To increase its market area and its business in force, so as to decrease its administrative costs per policy, and hence grant higher benefits at lower costs.

4. To obtain a greater share of the Canadian life insurance market for a company that is virtually one hundred per cent Canadian owned.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

SUSPENSION OF RULE 119

Leave having been given to revert to Notices of Motions:

Hon. Mr. Boucher moved, with leave, that rule 119 be suspended in so far as it relates to Bill S-51, to incorporate Family Life Assurance Company.

Motion agreed to.

ST. LAWRENCE SEAWAY AUTHORITY ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. F. W. Gershaw moved the second reading of Bill C-111, to amend the St. Lawrence Seaway Authority Act.

He said: Honourable senators, this is a bill to amend the St. Lawrence Seaway Authority Act for the purpose of allowing the Seaway Authority to borrow a little more money. At the present time the Seaway Authority was authorized to borrow $345 million. This amending bill will permit it to borrow up to a maximum of $535 million.

The Seaway Authority may borrow this money only with the approval of the Governor in Council. It may be borrowed from Her Majesty or from any other source.

The purpose for which the Authority proposes to use this money is to improve and

twin certain locks on the Welland Canal. It is expected that the credit rate will be about 4½ per cent.

It will take about $10 million to conclude some obligations regarding the diversion of water at Victoria Bridge. The other $180 million will be used for twinning certain locks on the Welland Canal.

It is very important to keep the channels of commerce clear; they mean much to the welfare and prosperity of this country. We in Canada must export. I understand that of every five men employed, about two are engaged in the export business. Therefore, it is of great importance.

It is a wonderful thing to see huge ocean vessels go right into Fort William and Port Arthur, there to load up with wheat or merchandise to be delivered to terminals along the Great Lakes or to carry it across the ocean to any one of the important countries of the world.

Keeping this channel clear is also of considerable help to the pulp and paper industry. It also permits the carriage of iron ore from Labrador and Quebec to the American ports. It has its value also to the steel industry.

This work I refer to, being carried out by the St. Lawrence Seaway Authority, is not on a paying basis. It is far from showing a profit. We might just as well make up our minds that its maintainance is a basic service which the taxpayer must finance for the sake of the people of Canada.

In speaking of the advantage of twinning these locks, we must have regard for the labour which will be employed. It will take four summers and five winters to complete the work. During that period there will be from 4,000 to 6,000 men employed practically all the time. The wage bill itself will amount to $100 million. This will probably be added to the national debt and passed on to future generations to pay. However, despite the debt that will be incurred, an almost permanent and useful structure will be built and used for many years to come; it will be a real asset for future generations.

Of course, the money will not be expended all at once. The expenditure by years will be as follows:

1964	$10 million
1965	$20 "
1966	$40 "
1967	$40 "
1968	$40 "
1969	$30 "

The major portion of the project will be completed by the first quarter of 1969.

The Welland Canal is an historic structure. About 27½ miles in length, its purpose is to overcome the difference in levels between Lake Erie and Lake Ontario, a difference of about 326.7 feet. This is overcome by eight locks, each lock lifting the water about 46½ feet.

When the canal was first built, owing to the acute steepness of the incline it was necessary to twin locks Nos. 4, 5 and 6. The locks are numbered from 1 to 8 with Lake Ontario working westward. The three locks were twinned so that vessels could go up from Lake Ontario to Lake Erie at the same time as other vessels were coming down from Lake Erie to Lake Ontario. It has now become necessary to twin some of the other locks.

Lock No. 8 has two functions to perform. It is the longest lock in the world, being 1,380 feet in length. Like all the other locks, it is about 80 feet in width. Its two purposes are, first, to compensate for the changing levels of Lake Erie. The water in Lake Erie seems to increase or decrease according to a certain cycle, and if there is a strong west wind the water at the east end of the lake will rise from four to six feet. This lock not only regulates the height of water in the canal, but also compensates for changes in the height of water in Lake Erie.

The twinning of these locks will add about 60 per cent to the capacity of the Welland Canal. Why is this needed? It is needed to carry the traffic which is increasing rapidly. In 1895, for instance, less than one million tons of shipping went through in that year. The following figures show the increased traffic in recent years.

Year	Tonnage
1895	870,000
1958	21,000,000
1959	27,500,000
1962	35,000,000
1963, Up to November 14	36,972,000

It has been predicted that when the tonnage approaches 40 million tons per year, that will be the critical time. That time is rapidly approaching; it is expected that the traffic will be acute by 1966, unless something is done. Ships now have long waiting periods before they can be locked through. I heard over the radio a short time ago that 25 vessels were lined up waiting to be locked through. In the year 1961, during a period of 162 days, an average of four vessels every day were waiting to pass through. In 1962, over a period of 194 days, an average of seven vessels per day had to wait at the locks. Therefore, there is need for the twinning of these locks.

The history of the Welland Canal is most interesting. We have all read about it in our school books. The first sod turning for the

Welland Canal was performed by the honourable William Hamilton Merritt in 1823, and the work was completed in 1829. Its depth was eight feet, and the cost $7,700,000. In 1841 Canada acquired the Welland Canal. Following Confederation it was deepened to 14 feet. In 1932 the newer canal was opened at a cost of $130 million. The canal had then a depth of 27 feet, so that ocean liners could be admitted.

From time to time tolls have been collected. For instance, in 1895 there was a toll of 2¼ cents per ton; and though the tonnage was not great, they collected $139,000 that year. In 1903 the tolls were removed, but of course the shipping companies had to pay the men to tie up boats and generally look after them. Then, rather suddenly, in 1962 tolls were suspended. However, the question is not altogether settled, and the Government is preparing now to review with the United States the whole question of tolls, and by the middle of this coming summer some decision will be reached.

Looking backward, it is interesting to note that this watery channel dates back to ages long gone by. In 1535 Jacques Cartier, with three ships and a hundred men, sailed into this great gulf on St. Lawrence Day. He was the first white man to enter this great gateway which leads into the heart of Canada. He was delighted with the beauty of the scenery along its shores. He erected a cross 30 feet high with a shield on it bearing the emblem of France. He climbed to the top of a mountain which dominated the island, and gave it the name of Mount Royal, from which he could view the upper waters of the St. Lawrence and the Ottawa River. Surely these rivers would lead to Asia. Surely they would lead to the Northwest Passage, to the land of spices, silk, gold and silver and precious stones of the orient so much to be desired.

Some years later, in 1615, Samuel de Champlain paddled up the St. Lawrence and up the Ottawa River, and portaged across here to miss the falls. He portaged across the land on which the Parliament Buildings now stand, embarked and went on up the river to Lake Nipissing, where he spent the winter on the shores of Georgian Bay, and then went down to Lake Ontario.

From that day to this the waterway has been a highway of commerce for the people of Canada. It has been improved from time to time to meet the needs of commerce. The time has now come when further improvement by way of twinning these locks is necessary, and it is an obligation which has fallen upon the taxpayers at the present time.

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

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. W. Ross Macdonald: Honourable senators, before moving the adjournment of the house may I remind honourable senators that there will be a meeting of the Standing Committee on Banking and Commerce immediately after the house rises.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, December 4, 1963

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

Prayers.

APPROPRIATION BILL NO. 4, 1963

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-116, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Bill read first time.

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

Hon. W. Ross Macdonald: Honourable senators, it may be possible to consider this bill on second reading this afternoon. I therefore ask that it stand until later this day.

Hon. Senators: Agreed.

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Norman P. Lambert, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-105, to amend the Technical and Vocational Training Assistance Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Harold Connolly moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

FAMILY LIFE ASSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Lambert, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-51, to incorporate Family Life Assurance Company, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. William A. Boucher moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE SENATE

ACKNOWLEDGMENT OF PUBLICATION—*THE UNREFORMED SENATE OF CANADA*

Hon. G. Percival Burchill: Honourable senators, before the Orders of the Day are called, I should like to make an acknowledgment. I hold in my hand a copy of a book entitled *The Unreformed Senate of Canada,* by Robert A. MacKay. This is the revised version of the book written in 1938.

In this edition, dated June of this year, the author acknowledges the assistance of the honourable Senators Lambert, Roebuck and Croll; Mr. Hopkins, the Law Clerk of the Senate; Mr. MacNeill, the Clerk of the Senate; Mrs. Sutherland, and Dr. Pauline Jewett.

I understand this publication has been made available to us by the Internal Economy Committee. I am sure it will be very helpful to every honourable senator; I feel it should be in every senator's library because it contains much useful information concerning the Senate. I rise to acknowledge it and to thank the committee for putting it at our disposal. And in expressing my thanks to them I am sure I am voicing the sentiments of every member of the Senate.

INCOME TAX ACT

BILL TO AMEND—THIRD READING

Hon. William H. Taylor moved the third reading of Bill C-95, to amend the Income Tax Act.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Taylor (Norfolk) seconded by the honourable Senator Leonard, that Bill C-95, intituled, "An Act to Amend the Income Tax Act," be read the third time now. Is it your pleasure to adopt the motion?

Hon. M. Wallace McCutcheon: Honourable senators, in amendment I move, seconded by Hon. Mr. Thorvaldson, that Bill C-95, an act to amend the Income Tax Act, be not now read a third time but that it be amended by striking out clause 15, clause 22, subclauses 1 and 3 of clause 23, clause 24 and clause 28, and that the remaining clauses be renumbered accordingly.

Some Hon. Senators: No.

Hon. Mr. McCutcheon: The effect of this amendment, if adopted, will be to eliminate the discrimination which would otherwise be introduced by this bill—a discrimination between companies having different degrees of Canadian ownership. It is a discrimination which extends not only to the field of withholding tax, but is a discrimination also between companies as to their right to take advantage of the special depreciation which was announced in the budget speech and which has since been put into force by regulation, because, of course, it needs no statute to change the depreciation rates.

As far as taxes are concerned, the elimination of clause 28 would leave all Canadian companies the same in the eyes of the law. The other clauses that my amendment seeks to strike out are to be struck out consequentially upon the deletion of clause 28 because, if we are going to turn down this proposal of discrimination between taxpayers of the same kind based on who their shareholders are, it follows, of course, that the other clauses become meaningless.

Clause 15 increases the tax on non-resident investment-owned corporations to 20 per cent. That is merely to bring it into line with the proposed 20 per cent withholding tax on corporations not having the degree of Canadian ownership prescribed under clause 28.

Clause 22 provides for penal taxes where a corporation not having a degree of Canadian ownership within the limits described in clause 28 increases its dividends between now and December 31, 1964, or pays out dividends in excess of 5 per cent of its capital, in which case it is taxed directly 5 per cent on the increased dividends.

Clause 23(1) introduces the principle of a withholding tax on management or administration fees or charges.

I shall not discuss that at length. There is already plenty of room under the statute and under the tax convention to disallow such expenses if they are not bona fide and for value received.

Subclause 2 of clause 23 is not touched by the amendment. In my opinion, that is a step in the right direction. That subclause would eliminate any withholding tax on certain types of bonds, debentures and other obligations issued after June 13, 1963, where the foreign holder was free of income tax in his own country. In other words, it is an incentive to the great pools of capital, now being assembled by pension funds in the United States and elsewhere, to buy our bonds. They are tax-free in their own countries, they have no possibility of offsetting any withholding tax that we impose, and that subclause would enable them to buy our bonds free of withholding tax. The amendment does not touch that subclause of clause 23. I repeat that I believe it is a proper step. I believe it should be extended so that it would include elimination of withholding tax on any equity securities when held by like portfolio investors.

Subclause 3 of clause 23 gives effect to the principle that a distinction is to be made between two groups of people, and imposes a 20 per cent withholding tax on one group and a 10 per cent withholding tax on the other group.

Clause 24 falls in the same category. It provides that non-resident corporations carrying on business in Canada shall, from January 1, 1965, pay a 20 per cent tax, so that they will be placed in the same position as those undesirable companies who under the terms of this bill are subject to a 20 per cent withholding tax.

Honourable senators, I do not want to detain you long this afternoon. I am sure others will have some comments to make on the amendment and on the bill. In particular, I do not want to traverse any of the ground already covered in this debate.

If my recollection serves me aright, no person who spoke in this chamber supported the principles underlying the clauses which the amendment seeks to delete. From that one might almost conclude that there would be no necessity for debate and the amendment would pass.

Since the bill was debated in this chamber, it has been before the Standing Committee on Banking and Commerce. There we heard witnesses, among whom was Mr. J. S. D. Tory, director of a very large Canadian company which has subsidiaries throughout the world and, in particular, subsidiaries in the United States which do about five times as much business there as the company does in Canada and from which the Canadian company derives some 80 per cent of its income. Mr. Tory described the position in which the enactment of this bill might put this particular company.

As I said when I spoke earlier, the effect of the enactment of this bill will be that, either immediately or on January 1, 1965, the clause of the convention between the United States and Canada which governs withholding taxes will be abrogated and Canadian companies and Canadian individuals will then become subject to the normal withholding tax in the United States, which is 30 per cent.

If with respect to 80 per cent of your income you are faced with the possibility of a withholding tax of 30 per cent on that percentage of your income with no offset against taxes in this country, then, as Mr. Tory pointed out, you will have to appraise

your situation very carefully and take measures to protect your shareholders. One measure which he suggested, and I thought very frankly and fairly, might be the necessity of removing the centre of the company's operations from this country. The company of which Mr. Tory spoke is only one of half a dozen I could name that are in a similar position; there may be others, I do not know.

So that having listened to Mr. Tory, those of us who had doubts about the particular philosophy underlying these particular clauses had our doubts strongly reinforced. The stated objectives of these clauses was to increase Canadian ownership, to reduce unemployment, to improve our balance of payments. Those are the three matters the Minister of Finance has mentioned when he has been discussing those questions. We were not only concerned that it might not be effective in those fields, but very concerned that it might have a strongly adverse influence on Canadian companies which are doing the very thing that we want them to do, moving out into the world and establishing plants elsewhere and competing in foreign markets. After all, in a great many cases that is the only practical way for Canadians to proceed into other markets. Having listened to Mr. Tory, I suggest that this bill, if passed in its present form, will inhibit Canadians from doing the very thing that we want them to do.

We listened also to Mr. Lockwood, President of Lever Brothers Limited, a company which has been here for 50 or 60 years and has paid dividends regularly. It is true that his company is not immediately affected by the clauses in this bill, because of course the United Kingdom convention cannot be abrogated simply by the passing of an act, as can the United States convention. But it has been announced that these treaties are going to be renegotiated. Of course, the answer given to us about the 30 per cent withholding tax is that that is going to be renegotiated. Well, it may be renegotiated; but, personally, I have not the confidence that some people may have that it will be possible under present circumstances, in the light of the present atmosphere, to renegotiate the treaty and obtain its approval by the United States Senate before January 1, 1965. If the year were to be stated as 1967 or 1968, I would think it would be much more realistic.

Mr. Lockwood, in answer to a question, indicated that his parent company would not suffer if he did not pay dividends from the Canadian company. In other words, he can, as I think most Canadian subsidiaries of foreign companies can do, cease paying dividends without any great detriment to their parent. The characteristic of Canadian subsidiaries of foreign companies is that, by and large, they are small in relation to the global operations of their parents, and the parent can well forego dividends, use the money for further direct investment in Canada—for that matter, use the money for further direct investment elsewhere; but he can avoid the incidence of this penalty.

We also had the minister before us, and when this was put to him he agreed that that was possible; he also stated that he was not looking for revenue from this measure.

Hon. Mr. Macdonald (Brantford): Not only from this measure.

Hon. Mr. Croll: Primarily, he said.

Hon. Mr. McCutcheon: I can bring in the transcript and show the honourable senators, if necessary. He made three statements in committee yesterday. Twice, he said no; the third time somebody had told him he was treading on slippery ground, and he said, "Not primarily". I went over the transcript this morning.

Now, the characteristic of the Moore Corporation, and of a number of other Canadian companies in the same position, is quite the opposite. Their Canadian operations are small in relation to their global operations, and they cannot afford the luxury of submitting or being subject to the retaliation which I see coming if these clauses become law. In short, I would say this: having listened to the witnesses, having listened to the officials and to the minister, it seems to me we must all come back to this chamber more reinforced than ever in our view that this is bad legislation and that it should not be approved by this chamber.

I can talk at great length on this matter. I have talked a little more on the details of the bill than I had intended when I rose, but I say to honourable senators that this is an opportunity for this chamber to justify its existence to the people of Canada. This is said to be the chamber of sober second thought. It is true the bill went through the other place with very few amendments suggested, but in the other place partisanship plays a part, and a proper part, that it is not intended to play in this chamber. This matter, in my opinion, transcends party lines entirely. We had some evidence of that in the votes that were taken yesterday, in the Standing Committee on Banking and Commerce, and I hope we will have much more evidence of that later this afternoon.

Hon. Mr. Brooks: And also in the debates in the chamber no one defended—

Hon. Mr. McCutcheon: As the Leader of the Opposition (Hon. Mr. Brooks) reminds me,

and as I think I said earlier today, we have no one to stand up in this chamber and defend the principle of the clauses which I am now seeking to have deleted from this bill.

We are faced here with an issue of national importance. I do not think anyone here who has any knowledge of finance, financial markets, capital movements and so on, would predict what the repercussions may be if these clauses become law.

I suggest that we cannot afford to take the risk of the repercussions which I see very clearly may come. The minister told us yesterday that almost weekly he is making representations to Washington about the Interest Equalization Tax Bill, a bill, the direct consequences of which resulted in our net imports of capital during the last quarter dropping to $27 million; a bill which, as the minister said yesterday morning, made it practically impossible for us to borrow in the United States. At the same time the minister was generous enough to agree that for a long time in this country we are going to need an infusion of foreign capital.

I say, let us remember that if these clauses are passed they will hit the United States first, and until we go through very difficult treaty negotiations that is the only people they will hit. The minister's lot is not going to be a pleasant one, trying to convince Washington that Canada should have some special status under the Interest Equalization Tax Bill, if at the same time companies which have made and are continuing to make a great contribution to this country, developing its resources and employing its people, are faced with this type of discrimination.

Hon. T. A. Crerar: May I ask my honourable friend two questions?

First, I have not, and I assume all my colleagues in the house have not, had an opportunity to study the effect of this amendment on the various clauses it deals with. I am quite prepared to take Senator McCutcheon's word for it. If I understand this aright—and I would like this understanding confirmed—the amendment suggested here deals only with what is commonly called the withholding taxes. It does not touch any other part of the act. Is that correct?

Hon. Mr. McCutcheon: Honourable senator, that is substantially correct. The custom has been to levy a special tax on non-resident businesses and non-resident investment companies equivalent to the withholding tax; so, the clauses included here would raise that tax from 15 per cent to 20 per cent. There is no suggestion it would have been raised to 20 per cent if there had been no proposal to increase the withholding tax.

Hon. Mr. Crerar: Perhaps I could state my question a little more clearly. As I understand it, if this amendment carries, the provisions in the present act will remain precisely as they are at the present time.

Hon. Mr. McCutcheon: That is correct.

Hon. Mr. Crerar: That is the case.

My second question is: What happens if this amendment passes? This amendment asks that the Income Tax bill be not now read a third time, but that it be amended in certain particulars. When is the bill to be read a third time?

Hon. Mr. McCutcheon: As soon as you approve these amendments.

Hon. Mr. Macdonald (Brantford): Question.

Hon. Mr. Croll: Question.

Hon. Mr. Crerar: Honourable senators, I have a few words to say in respect of this amendment. I was unaware that it was going to be moved, though there were various rumours floating around the territory adjacent to this building and in it as to what treatment might be accorded this bill when third reading was moved, but the precise amendment or the nature of the criticism was unknown. However, I have no fault to find with that whatever. But it leaves one in the position of having to get a pretty quick comprehension of what is involved here. I do not know whether or not this discussion will go over until tomorrow.

Hon. Mr. Macdonald (Brantford): I hope not.

Hon. Mr. Crerar: At any rate I want to make my position clear, because I have to leave tomorrow afternoon and might be in the chamber only a very short time tomorrow.

I do not like this section of the bill, and there are other sections of it also that I do not like, any more than does Senator McCutcheon. I think much of it is bad legislation. I have no hesitation in saying that. The one redeeming feature, however, is that an opportunity is given for second thought because the provisions of the sections which Senator McCutcheon seeks to amend do not come into operation until the beginning of 1965 and, consequently, there will be an opportunity in another budget, which should be brought down within four or five months at the outside, to change those provisions.

I am bound to say I am a bit reluctant to interfere with budget resolutions. I do not wish to be misunderstood: budget resolutions are not sacrosanct, not so sacrosanct that the Senate cannot deal with them. However, I think this should be done only after very

considerable thought and where grave mistake or error has been made, and in particular in cases where our economy is affected.

As far as my understanding goes, in this respect the Senate has the same power to amend legislation as have members of the House of Commons, outside the cabinet. That is, we cannot move in this house to increase a charge on the taxpayers; we can move to reduce a charge. At any rate, Senator McCutcheon has not argued this section on the basis of reducing a tax. He places his argument on a broader ground.

Frankly, I find myself in a bit of a quandary on this matter. If the motion for amendment were changed to read that "Bill C-95, an Act to amend the Income Tax Act, be not now read a third time, until the following amendment has been made—" and then the amendment were defeated and we went on to third reading of the bill, that would be in order. However, technically, I am not just certain as to where we would stand if this amendment were passed as it is.

Hon. Mr. McCutcheon: We would proceed immediately to third reading.

Hon. Mr. Brooks: That would be the procedure anyway.

Hon. Mr. Crerar: I do not like this proposed section of the Income Tax Act that we have before us. I do not like other sections either. I am conscious of the fact that within four or five months another budget will be brought down, and I feel pretty confident that the blunders that have been made in the recent budget will be corrected.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Crerar: At least, I hope so. In the meantime, my own judgment is it would be better to accept this bill as it is, and trust that in a few months' time the errors and mistakes that have been made in it will be corrected.

I see my honourable friend, Senator Thorvaldson, shaking his head, and I expect he will proceed immediately to deprive me of my skin when he gets up to speak; but I do think amendments to budgets should be made only after careful consideration.

If I did not believe fully that these abuses or errors in the budget would be corrected within the next 12 months, before they became effective I would certainly support this amendment; but I do think that because they would not become effective until the beginning of 1965, we should, perhaps, in all reason and fairness, give the Government an opportunity to correct the situation.

I am influenced by another thought. This Government came into power, as I recall, on April 18 last.

Hon. Mr. Choquette: On April 8 of this year.

Hon. Mr. Macdonald (Brantford): You are thinking of the election.

Hon. Mr. Crerar: The election was on April 8, but the Government did not come into power, as I recall, until April 18 or 20. Be that as it may, one mistake that was made was endeavouring to do too much in too short a time. I believe the Prime Minister was entirely candid when, on a certain occasion, he made that statement publicly.

I recall when I first joined Sir Robert Borden's Union Government in 1917, and I know what it means for a person with ordinary intelligence—I hope I am not below that—to take over a portfolio of administration and get acquainted with all a government has to get acquainted with in its initial stages. I am also mindful of the fact that there were, I think, only three members of the present administration who had ever served in the Privy Council, in a cabinet, before.

Hon. Mr. Macdonald (Brantford): Four and the Prime Minister. You are leaving me out.

Hon. Mr. Crerar: They came in as full of expectation as any new government does. On that I could argue the experience of the former Government, but I shall not do so. However, I know I am speaking within the book when I say a government takes time to get settled into office. I can understand the Government's desire to bring down a budget at the earliest possible date, because we had no budget at all last year and our whole governmental financial system was, to say the least, in a substantial degree of disorder.

Hon. Mr. Roebuck: Chaos.

Hon. Mr. Crerar: And it was important to get order out of that state. It may be that if there had been a little more time to reflect upon the provisions that should be included in a budget, it might have been different.

Again, I am bound to say that I think the Minister of Finance was altogether too confident and too self-assured; he could have sought advice from the experienced officials of the department and the Bank of Canada, which would have been invaluable to him, had he realized it. I have not much use for bringing in so-called outside consultants to draft an important document like the budget. That is too serious a matter to be dealt with in that way.

Hon. Mr. Horner: This fellow had written a book too.

Hon. Mr. Crerar: Yes, Mr. Gordon did write a book. In fact, I read it; and based on that experience I would certainly advise Senator

Horner never to write a book. Writing books is always dangerous, particularly for politicians and public men.

For the reasons I have outlined, while I have a lot of sympathy for this amendment, I doubt the wisdom of disturbing the whole situation at the present time by passing it. I do not want Senator McCutcheon to misunderstand my position. If this situation is not remedied in the next budget and if Senator McCutcheon brings in a measure to remove this provision from the Income Tax Act, I give him my assurance now that I will support him.

Hon. Gunnar S. Thorvaldson: Honourable senators, I rise, of course, to support the amendment which has been proposed by my colleague, Senator McCutcheon.

However, at the outset I want to say to Senator Crerar that I intend saying nothing to criticize him personally in any way, because I have some knowledge of what he feels in his own conscience at the present time in regard to this legislation. After all, of the various speeches that were made in this house on the principles of this bill we are discussing now, I do not think anyone was more critical and, indeed, more direct and forthright than was the honourable senator who has just spoken. Having said that, when I have finished with my remarks I have some hope of inducing him to change his mind and vote for this amendment. Indeed, in a moment I propose to suggest an argument to him in this regard which I think may induce him to look twice at the position that he has just taken.

Honourable senators, as everyone knows, the clauses which we seek to have deleted contain a principle which is completely at variance with the thinking of the people of this country during the past 50 to 100 years on the subject of capital investment in Canada, and particularly in regard to capital investment here by foreign countries. It is a total departure from my previous thinking on this subject, as I am sure it is from the previous thinking of every member of this house. Consequently, this amendment is proposed in the hope that Canada will be saved from the consequences of legislation which I feel everyone in this house agrees is bad, and which has been opposed and condemned by some of the outstanding citizens of this country during the last four weeks. It has been commented on by the Canadian Chamber of Commerce, the Canadian Tax Foundation, and by others who are knowledgeable on this subject of investment and they too have universally condemned it.

The purpose of this amendment is to try to prevent the making of a mistake. When the honourable Senator Crerar said he wondered whether it would be a grave mistake or error if we allowed this bill to go through in its present form, I would say to him in reply that in my judgment we would indeed be making a serious mistake. It has been stated all across the country that this is not only bad legislation, but also a dangerous experiment. It is an experiment that may seriously damage this country. There have been warnings to this effect from all over Canada. Furthermore, there have been warnings in regard to the question of retaliation, and during the last few days statements have appeared in the press from various people who are now considering this question of retaliation and who indicate their serious concern on this score.

As honourable senators will realize, the effect of this legislation is to tell the world that Canada is reluctant to accept foreign investment. That is a situation which no one could have envisioned heretofore. Nobody would have dreamed that Canada would be reluctant to receive foreign investments.

Hon. Mr. Connolly (Halifax North): I should like to ask the honourable senator a question. Where is that stated in the bill? I do not find that language in this bill, that Canada is reluctant to accept foreign investment.

Hon. Mr. Thorvaldson: I did not say it is in the bill. I refer to the whole bill—the very fact of these discriminatory measures is a warning to the world that we are reluctant to accept foreign investment.

Hon. Mr. Connolly (Halifax North): That is an assumption.

Hon. Mr. Thorvaldson: Surely my honourable friend can gather nothing else from this legislation but that we are against foreign investment. Why do we discriminate against it? Why does one discriminate against anything except it be that one is opposed to it. That is what this legislation does.

I should like once again to quote to my friend Senator Crerar an excerpt from his favourite newspaper, the Winnipeg *Free Press*, when, in a thoughtful editorial of a few days ago it said:

> This measure obviously is unsound in principle, dubious in operation and almost certain to provoke foreign retaliation.

That is why I say how dangerous it is to pass this legislation now, with the understanding it can be revoked at budget time four months hence. The point to remember is that the moment this legislation is passed the damage has been done. That is essentially

the tone of Senator Crerar's speech when he says, in effect, let us go through with this now and let us see, on sober second thought, what the result is in, say, four months' time. I say, this sober second thought should be applied now.

I come now to another point which I think is of the utmost importance in regard to this legislation, and which ought to indicate to us the desirability and indeed the need that this legislation should not pass. I refer to the view held by many knowledgeable people, which in my opinion cannot be challenged, and which is summed up in this further extract from the editorial of the Winnipeg *Free Press*, where it says that no country in the free world imposes this sort of tax, nor is there discrimination against foreign-owned companies once they are established.

Honourable Senator McCutcheon referred to the fact that Mr. Lockwood, president of Lever Brothers in Canada, appeared before the Standing Committee on Banking and Commerce the other day and spoke on the position of his company. In the course of his extremely well-reasoned submission he made the following statement:

> From the research I have made through our own headquarters operation in London, and through research that was carried out in the States and reported on in the *Globe and Mail*, it looks as though Canada will be in the unenviable and unique position of being the only country in the free world which will legislate or discriminate against foreign capital by taxation.

A few days ago a survey was made on this very point by Mr. Ronald Anderson, who writes for the Toronto *Globe and Mail*, and in an article headed "Canadian Tax Penalties Unique, Unfair," he reviewed the restrictions, if one may call them that, in regard to capital investment in various countries in the world, and he confirmed the statement made by Mr. Lockwood as I have read it to you from the committee report. In the first paragraph of his article Mr. Anderson says this:

> Canada's new variable rate of withholding tax is coming to be regarded as a unique and potentially dangerous experiment in economic nationalism. Criticism of the tax is based on the claim that Canada has held the door wide open for foreign capital and now is changing the rules of the game after the foreign savings have been committed.

The rest of the article, which is quite lengthy, continues in similar vein.

Yesterday an honourable senator in committee expressed himself this way: "Well, I am against this, but after all this is Government policy, and I think I will have to go along with it." I hope some other honourable senators will have something to say on this point, particularly in regard to just how far a body like this should go in following Government policy as such. However, in that regard I say that if this is Government policy, it is policy that was never forecast, never predicted, and has never been tested at the polls.

As I said a moment ago, there has been universal condemnation of these proposals all over Canada. But I think the most drastic and determined opposition to this bill has been presented right in this Senate chamber. How can a person who has opposed this legislation on the basis of the most fundamental principles, in all conscience rise and in so many words say, "Well, this is Government policy, and we must go for it," or say, "Because I am for the party I must support this bill"?

I say that that is an impossible position to be taken by those who have condemned this legislation in this house on a matter of principle. I need not name those honourable gentlemen because *Hansard* contains that information.

I have examined carefully the speech made by honourable Senator Croll when he spoke in the debate on second reading of this bill. I could not detect any place in his speech where he supported the principle of discrimination that is contained in this bill, and which we now seek to amend.

So on that point all I say is that it would be unique indeed if clauses of a bill should pass the Senate under circumstances where not one single senator had one good thing to say in support of them.

My honourable friend Senator Bouffard was perhaps more critical than any of us on the opposition side of the house with respect to this legislation. He said it was bad. He repeated many times his feeling that it was discriminatory. I certainly felt that he was opposed to it, and opposed to it on the most fundamental principles.

I have said to you that various organizations across Canada have made it known that they are opposed to this legislation. I think one of the most important of these is the Canada-United States Committee, an organization of Canadian and American residents, organized some years ago, and which studies relations between our two countries. That committee prepared a very critical report on these provisions a couple of months ago. They said something to the effect that the only common market that has ever existed in the world in the last hundred years

or so in regard to financial transactions is the common market that we have had between Canada and the United States.

During the sitting of the Standing Committee on Banking and Commerce yesterday I stated it had been the effort of the Parliament of Canada and the Congress of the United States to curtail as much as possible the restrictions with respect to trade between our two countries. On top of that we have had this common market in our financial affairs. We have had the free flow of capital between our two countries ever since we became a nation, and before; yet at one fell swoop this common market is being destroyed. It will be destroyed the moment this bill receives royal assent, if it does, in its present form.

Honourable senators, I want to refer to the last disciple to join the group of dissenters—which we are—in regard to this bill, namely, Mr. Kierans, the Revenue Minister of the Province of Quebec. May I put on record a report which appeared in the Montreal *Gazette* yesterday, December 3, in regard to some of the things that he had to say concerning this legislation. May I read it to you?

> Quebec Revenue Minister Eric Kierans yesterday lashed out at what he described as the "distinct cleavage" that exists between the Federal Government's international policies at the political level and the economic policies it is presently pursuing.
>
> "On the political front," he told an overflow audience at the Canadian Club, "we are confirmed internationalists. On one hand we give our complete support to the United Nations organization, and on the other, we follow a policy of extreme economic nationalism."

I wish to repeat those words and adopt them as my own, honourable senators. This legislation is extreme economic nationalism. The report goes on:

> We have established policies—

Hon. Mr. Macdonald (Brantford): Is my friend going to read his whole speech?

Hon. Mr. Thorvaldson: I am reading a quotation from the Montreal *Gazette*. I know it makes painful listening for my honourable friend, but I want to read two or three more paragraphs.

Hon. Mr. Macdonald (Brantford): I rise on a point of order, Mr. Speaker. This is not painful to my ears, but I think we should observe the rules of the house and not read a speech that somebody made outside this house. I do not object to a few comments.

Hon. Mr. Thorvaldson: Honourable senators, I am reading from a newspaper report, and only two or three short paragraphs. I hope the house will bear with me.

Hon. Mr. Brooks: You are perfectly in order.

Hon. Mr. Thorvaldson: Mr. Kierans said:

> We have established policies that discriminate against foreign capital and have set up barriers against the free flow of goods and services.

The report goes on:

> Mr. Kierans said the Federal Government's application of withholding taxes and depreciation allowances "is going to get us into trouble."

That is the reason why I say to my honourable friend—

Hon. Mr. Macdonald (Brantford): That is not in order.

Hon. Mr. Thorvaldson: —that to pass this legislation now with a view to repudiating it four months hence is not good enough. This legislation is going to get us into trouble now.

Honourable senators, the real and fundamental question in this whole problem is: Do we or do we not want foreign capital in this country? That is the question. The sections say most unequivocally that we do not want foreign capital in Canada.

Hon. Mr. Roebuck: Pardon me, that is incorrectly stated. They do not say that.

Hon. Mr. Thorvaldson: They mean that. That is what those words mean and they tell that story to the world. They say to the world that Canada no longer is anxious for foreign capital to develop its resources.

Hon. Mr. Roebuck: I think my friend must be fair. That is his reading of it, or his understanding of it.

Hon. Mr. Thorvaldson: That is what I say is the understanding of the world, and I think my honourable friend knows that. Every country in the world with which we trade and with which we deal is conversant with this legislation. All the capital markets of the world know about this discriminatory legislation. What else can it mean except the meaning I have ascribed to it?

Honourable senators, I am through with what I wanted to say. I conclude by saying that the Senate now has an opportunity to apply sober second thought to this problem, and thereby do a favour to both the Government and the people of Canada by closing the door to this hasty and damaging legislation.

Hon. M. Grattan O'Leary: Honourable senators, I rise to speak only briefly. When this house met this afternoon the honourable and distinguished Senator Burchill commended to all of us a book that has just come off the press entitled *The Unreformed Senate of Canada*. I think if he had read the book he would have found that it made the most devastating criticism of a position such as he took yesterday during the hearing of the Standing Committee on Banking and Commerce. But, mainly, I am astonished and, indeed, grieved that that veteran sentinel of good government, Senator Crerar, should have arisen here this afternoon and made the speech he did.

I sat in this house last week and I heard him and I admired him. I admired the physical and mental vigour of the speech he made. It was a devastating criticism of this bill. He said this bill is bad. He said it discriminates. He said it imperils our relations with the United States. Yet, today he rises and says that notwithstanding all this evil he is willing to put it on the statute books. This law which he says is evil for Canada he wants now placed on the statute books of Canada to advertise to all the world what we propose doing to our neighbours, to ourselves and to others.

He also said we can take a second look at it. Why does he need a second look at something he has already pronounced evil? He did not seem to require any second look last week. Why is it that this pall of silence has fallen on the ranks of the opposite side?

I heard the sponsor of the bill (Hon. Mr. Hayden) last week. If I had never read the bill, I should be convinced from hearing him that it was a bad bill. This was a clear and unanswerable criticism of the principle and the contents of the bill.

Senator Campbell and Senator Crerar, both on the other side of this house, talked against this bill; and not one member on the other side rose to say one word in favour of it.

Clearly, those gentlemen feel that it is a bad bill. Yet, apparently, here today not one of them is willing to rise and say what he believes.

I have heard various reasons for this silence. I have heard it said that this in effect is a money bill. Honourable gentlemen, it may be a money bill, although I heard the Minister of Finance yesterday practically deny it on two occasions. But even if it were a money bill, this Senate will be denying its historic right if, with respect to this bill, it votes what it knows to be wrong because it thinks this is a money bill.

This question of the Senate's position with respect to a money bill was decided by a distinguished committee of the Senate away back in 1917. A committee was set up under the chairmanship of a very great senator, Senator W. B. Ross. He enlisted the support of perhaps the most distinguished constitutional lawyer this country has ever had, namely, Mr. Robert Lafleur. What did they say about it, what were their conclusions? They said that the Senate of Canada has, and has had since it was created, the power to amend bills originating in the Commons and appropriating any part of the revenue or imposing a tax, by reducing the amounts thereof.

If there is an honourable gentleman on that side of the house who is not prepared to rise today and oppose this bill because he thinks it is a money bill, or rise and oppose it, knowing that it is a bad bill, and saying that it is a bad bill, then he is not being true to himself and he is not being true to the historic rights of this Senate.

I sat yesterday in the Standing Committee on Banking and Commerce—and now I come back to my distinguished and honourable friend, Senator Burchill. Senator Burchill said that he abhorred this bill but that we must vote for it because it represents Government policy.

Also, my distinguished friend Senator Roebuck, for whom I have such great admiration, spoke yesterday in that committee and said this was a bad bill. He said it was bad for Canada but he, too, said we should be careful about voting against bills that represent Government policy.

Honourable senators, what is the logic of a position like that? If the House of Commons in its wisdom, or lack of wisdom, decided tomorrow to abolish the French language in the House of Commons, would we in this Senate be compelled to support it because it represented Government policy?

Hon. Mr. Macdonald (Brantford): No.

Hon. Mr. O'Leary (Carleton): If the House of Commons decided, by a vote, drastically to reform, or indeed to abolish the Senate, that would represent Government policy.

Hon. Mr. Macdonald (Brantford): That has no relationship to the principle of this bill, surely.

Hon. Mr. O'Leary (Carleton): If my honourable friend wants to discuss the bill, he can get up and discuss it. I notice he has not discussed it so far. It is an extraordinary thing to me that the Leader of the Government in this house has remained silent during the past four days while this bill was under discussion.

Hon. Mr. Macdonald (Brantford): Mr. Speaker, on a question of privilege, I must say that I was prepared to speak, but when

I saw Senator O'Leary stand up, surely I would not interrupt him and take his place. I can assure him now that I will be speaking.

Hon. Mr. O'Leary (Carleton): I am glad to hear that, but I heard my friend call "Question" shortly after Senator McCutcheon spoke.

Hon Mr. Macdonald (Brantford): That was on the amendment.

Hon. Mr. O'Leary (Carleton): What are we discussing now?

Hon. Mr. Macdonald (Brantford): If the amendment is defeated I will speak on the bill itself.

Hon. Mr. O'Leary (Carleton): I am delighted to hear that my honourable friend intends to stand up and discuss this bill.

Hon. Mr. Macdonald (Brantford): I have never failed.

Hon. Mr. O'Leary (Carleton): Honourable senators, what does a man mean when he says that if a Government bill represents Government policy we in this house are not in a position to amend it or to reject it?

Honourable senators, do you know that since Confederation 204 Government bills have been rejected or amended by this house? Do you know that between 1921 and 1930, 47 Government bills were rejected or amended by this house? A matter of Government policy? Honourable senators, I had the privilege in 1913, 50 years ago, of sitting in the gallery of this house and hearing the late Sir George Ross call for the complete rejection of Sir Robert Borden's naval aid bill. I believe—Sir Robert says so in his memoirs—that Sir George Ross wished merely to amend the bill, but Sir Wilfrid Laurier insisted that the bill be rejected outright. Did that bill not represent Government policy? It represented Government policy so much that the Government brought in closure to put it through.

Again and again in this book, *The Unreformed Senate of Canada*, examples are given of very important money bills and others, certainly representing Government policy, that were rejected by this house.

I say to my honourable friends, having taken the position you have taken over this bill since it was introduced, why would you vote, or how can you vote, against the amendment proposed here today by Senator McCutcheon?

This bill is good or it is bad. My honourable friend Senator Crerar says it is bad; Senator Hayden says it is bad; Senator Campbell said it was bad; Senator Burchill said it was bad, and Senator Roebuck said it was bad. Are they going to stand in this house now and vote that it is good? Or, if they do not vote that it is good, are they going to vote against it because they have some strange notion that they are not permitted to vote against Government policy?

Honourable senators, if this Senate rejects the amendment proposed here today, and rejects it on the ground that it cannot vote against Government policy, then this Senate will put a weapon into the hands of all those who say that it should be reformed or indeed abolished.

If we are to sit here and merely say that we are a part of ritual and ceremony, that we have no reason to take a second look, or to say we are going to take a second look and, having looked and seen, close our eyes and say, "Well, let bad prevail"—and evidently that is the position being taken by some of my honourable friends—if we are going to say that, then we do put a weapon into the hands of people who think this body should be abolished.

If we take that view, we are voting to say that we here are only a body of ritual and ceremony and I think the people of Canada would say that they cannot afford such ceremony and ritual at this time.

Hon. David A. Croll: Honourable senators, I know everybody wants to hear the honourable leader. They have been calling for him, but it is my turn to come in from the wings at this time. I have something to say about this bill. First, I want to set the record straight. Senator McCutcheon, Senator Thorvaldson and Senator O'Leary have all spoken and made the same statement that no one from this side spoke in support of the bill.

I am referring to page 743 of Senate *Hansard*, where I said:

> Honourable senators, if there is any doubt in your minds at all, I assure you that I support the bill as is, with the hope that any suggestions made can be usefully incorporated in the next measure.

Then, in order to make sure that I was heard—and it looks as though I failed—I said, as reported on page 745:

> I have already indicated that I support the bill.

Could I be any clearer than that?

Hon. Mr. O'Leary (Carleton): Did the honourable senator support specifically the clauses which Senator McCutcheon would have eliminated?

Hon. Mr. Croll: Honourable senators, Senator O'Leary knows better than that. I did not mention the title or the number—I supported the bill and what was contained in it. That is the only conclusion one can draw from what I said.

Hon. Mr. Thorvaldson: Did you defend those particular sections?

Hon. Mr. Croll: I defended a lot of things.

Hon. Mr. Thorvaldson: Did you defend those particular sections?

Hon. Mr. Croll: I knew what those sections meant; and before I am through you may agree with me, though I doubt it.

The honourable Senator McCutcheon said, let this be a nonpartisan bill and he referred to the fact that there were, I think, two Liberal senators who did not support the bill. It strikes me that when Liberals support the Conservative side, then it becomes nonpartisan. But how many Conservatives supported this bill? What sort of nonpartisan bill is that, introduced by a Liberal government and opposed by all Conservatives?

Hon. Mr. Thorvaldson: How many supported it from your side?

Hon. Mr. Croll: Seventeen against nine in committee.

My friend Senator Thorvaldson was not too sure of himself when I heard him quoting the Winnipeg *Free Press*. He must surely quote that paper just once a year. I did not think he would reach so far as to quote the *Free Press*. I have subscribed to that newspaper for years, and I regret the way it is carrying on a vendetta against the Minister of Finance. It does not look good on the part of the Winnipeg *Free Press*.

Senator O'Leary spoke in the tradition in which he usually speaks, that is, very well and interestingly; but he takes it upon himself to point out the fallacies and the philosophy of others. As a matter of fact, I anticipated him. We had a debate in this house on second reading of the bill, and I had something to say at that time. We also had hearings before the committee, where the significant implications of this particular bill were pointed out. I think the Senate understands the bill. The minister appeared before the Senate committee, and I was impressed with his attitude and the evidence he gave. He was cautious, fair, and honest in reply to all the questions which Senator McCutcheon presented and repeated in his speech here today. I believe that everyone present agreed with the motives behind the bill. The only difference was in the method of carrying out those motives. I felt that the minister was confident and assured. He consulted with his experts in order to answer specific questions and he left me with the impression, as I am sure he did with others, that he knew where he was going.

Hon. Mr. Horner: I wish he always did.

Hon. Mr. Croll: Not only that, but I thought he was like a new Gordon, who had not only picked himself off the floor but was oozing with confidence. He said he would consider the proposals that were made in committee and in the Senate. It was obvious from the knowledge he displayed that he had grown with the job. He told us that he would give consideration to the encouraging of Canadian investment in Canadian enterprises; he said he was aware that there were fears but he felt that they may prove to be groundless.

Now to meet Senator O'Leary's argument, this is a budgetary matter and it is the responsibility of the Government and of the Minister of Finance; but there can be no doubt about our power. However it is not on that ground that I argue at all. We can amend or reject a budgetary resolution. We have amended and we have rejected specific bills authorizing public expenditure. I would point out to Senator O'Leary that we have never amended the principle of a tax bill, nor have we rejected it. For my authority I refer to page 94 of the book *The Unreformed Senate of Canada*, which may be helpful.

> The Senate, for its part, cannot be said to have abused its powers over money bills. It has never amended or rejected supply or appropriation bills, though it has amended or rejected specific bills authorizing public expenditure, as for example, in 1924 and 1925 a number of branch line railway bills, and the Old Age Pension Bill of 1926 pending an election, after which it was passed. It has not amended the principle of tax bills or rejected them, though it has amended their procedural aspects. It has sedulously avoided amendments which would alter the incidence of a tax or increase the burden on the taxpayer. It has recognized that, whatever its legal powers, it has not the same political authority as the Commons, and that accordingly on money matters the Commons has a clear priority, and that the Senate's responsibility and rights are secondary.

I do not agree with that, but I did not want to read part and then have someone say, "Read it all".

> While it has generally been prepared to co-operate with the Government of the day in improving money bills, it has rarely been prepared to oppose the Government and then only for strong reasons. Yet it is abundantly clear that whatever the rules of the Commons, the Senate has made good its claim to have legal authority to amend money bills, and, of course to reject them.

That is exactly what I said. I do not suggest for a moment that this is a perfect bill.

The minister admitted that it had rough edges, but he felt that time would cure, and in the meantime the application of a little sandpaper by way of regulations would also help. But to do a hatchet job, as the honourable senator is attempting to do today, is totally unacceptable. All he is leaving in the bill is the title and number, and I am not sure that I am interested in that.

Hon. Mr. McCutcheon: You have not read the bill very closely, then.

Hon. Mr. Croll: I have indeed read it very carefully. I think it is worth while to take a few minutes to understand the why and the wherefore of this bill. What is the philosophy behind it, and what is the principle behind it? Let me turn your minds back a few years.

I remember in my early days the budgetary items and the matter of budgets devolving around the tariff which divided the parties. Presumably the Conservatives favoured the high tariff and the Liberals the low tariff. Central Canada wanted the high tariff; the rest of the country wanted a low tariff and said, "If you impose tariffs, we want some compensating factors." That is what I remember as a youngster. Then we got away from tariffs somehow, and all to the good, although we are not completely away from them yet.

Then we entered a phase of social security, social justice, and the welfare state, by which we set out to give every person a minimum of the necessities of life. Our budgets were pointed in that direction. If you remember—and I would remind our friends across the way that they missed the boat completely then—we caught the mood of the times, and for 22 years stayed in office with those principles and practices as our main platform.

Immediately after the war the mood changed again, and the budget took another direction, that of monetary and fiscal policy. It was then the principle of social capital. "Cyclical budgetting," they called it; and we talked of deficit financing. So we went along in that fashion for a while. In this budget and in this bill at the present time we are breaking new ground.

Hon. Mr. Brooks: We are breaking more than ground.

Hon. Mr. Thorvaldson: We are breaking with our friends.

Hon. Mr. Croll: Not at all. This is not Mexico, or the Argentine, or Brazil. We are not taking anything away from anyone. What we are buying we are paying for at current prices. I think my friends should recognize that there are new forces, social, economic and political, which are saying and repeating that Canada wants to own more of itself. Whether my friends know it or not, this country has changed direction. My friend Senator O'Leary is just blindly marching along with others in the same old way.

I listened to all the evidence that was given in committee. I am no more capable than anyone else, but I thought I could see what Gordon was trying to get at. Here he was trying to lay a foundation for something that would come a little later. Those who were in committee will remember Senator McCutcheon asking him, "What about these incentives?" And he added, "Aren't you going too far?" or words to that effect. I remember the minister's reply, that we have not gone far enough, that in Europe and other countries they are going much further than we are on incentives. It can only mean that he has one thing in mind—somehow to obtain capital in Canada by incentives.

Hon. Mr. McCutcheon: Will the honourable senator speak to the amendment and not to the bill?

Hon. Mr. Croll: I am talking to the bill.

Hon. Mr. McCutcheon: But we are debating the amendment.

Hon. Mr. Croll: We are debating the bill and the amendment. I am talking to the amendment. Certainly when I talk of incentives I am talking to the amendment. That is in section 15.

Hon. Mr. McCutcheon: No. It is not in any of the sections that are to be deleted.

Hon. Mr. Croll: Then I will take a minute to find the section.

Hon. Mr. McCutcheon: Read the bill.

Hon. Mr. Croll: Designated areas are incentives.

Hon. Mr. Thorvaldson: That has nothing to do with the amendment.

Hon. Mr. Croll: I am using the term incentives instead of designated areas.

In any event, there is ample money available, lying on deposit in the banks, in insurance companies, in mutual funds which could surely be lured out, as I have already suggested, if the dividends are tax free. In order to bring these savings forward, in order to get our own people interested in investing in Canadian companies, first we have to create those Canadian companies, and that is what he is attempting to do now in order to interest our own people. It has not been easy.

I was very much intrigued, but I did not raise the point Senator McCutcheon raised, as to what Mr. Tory had said. I heard what

Mr. Tory had said about the possibility of removing the scene of activities out of this country, and he also mentioned five other companies. I know the names of those other companies—they appeared in the New York *Times* report—but he did not give the names and I will not put them on the record either.

I wondered where Mr. Tory got the idea of moving out of the country. In this connection I came across a press clipping of January 29, 1963, headed:

> 'If You Don't Like Us, Leave' McCutcheon Tells Critics.

It reads:

> Senator M. Wallace McCutcheon last night told a blue ribbon audience of black-tied business leaders that the criers of economic calamity should consider leaving the country.
>
> "Those who go around this country predicting crises in its foreign exchange position, predicting economic calamity internally, should give serious consideration to their position as Canadians.
>
> "This is still a free country, and if I felt as they appear to feel, I would pack up and leave. We have no export control on money. And we don't have one on people."

Hon. Mr. McCutcheon: I didn't think it sounded that good—I still agree with it.

Hon. Mr. Croll: Honourable senators, I read it because I did not want to misquote. That is where I think Tory come across that idea. But I assure you that the companies that the honourable gentleman mentioned are fundamentally based in this country; they have all grown up with this country, they ought to be thankful, and they are not likely to move.

As far as American investments are concerned, as I said the last time I spoke on this bill, I welcome them. On the question of American investments I accept the statement made by Senator Crerar, I accept the statement made by Senator Hayden, and also that made by Senator Thorvaldson. But what is happening in this country? We have too much of a good thing and need to do some financial dieting in our own way.

I do not think we should do anything here that would upset the applecart. We have been operating under this budget for five months; we have been collecting revenue and we have been doing all the things that need to be done. Under our system of government you cannot turn back the clock.

Employment is up in this country; unemployment is down; industrial production is at an all-time high; trade is excellent; the balance of payments are improving and there is an air of confidence in this country. We are moving, not sideways, but forward. I cannot specify the ingredients that make all that possible. It is possible to document them, but I am not going to do it at the moment.

I agree that there are risks involved, and certainly it is a matter of controversy. It is well worth admitting that there are risks involved. I agree that we must master more of our resources and our industry, and in doing this we have to take some risks. I would not think life would be worth while without some risks. I remind you that risks and politics are almost synonymous.

I remember the dire things that were going to happen when we imposed the sales tax on building materials. Building was going to stop over night; yet more houses are now being built in more places and more profit is being made than ever. That was the time when the construction industry shouted: Don't do this, don't do that, or you will upset the whole economy of this country.

We have had, as long as I can remember, talk in this country on "Buy Canada back". Some people have barked about it. For years we have been preaching about it like sermons against sin. But here is a minister who for the first time introduces a bite to his bark, and what do we hear? "No, no, you can't do that." Then I ask you, "How can you do it?" No one has come up with any other solution.

Then they talk about straining our relations with the Americans. Well, that is a risk we have to take. But is it really a risk? We like Americans and they like us; we respect them and they respect us. They are our best customers and we are their best customers, and if you add to that the ingredients of good will which both of us have in abundance, then we can solve whatever problems we have to solve.

I think we should keep in mind—and I reluctantly mention this—that since the Castro days American sensitivity has increased to the faintest stirring of hemispheric discontent. It is more important to the Americans, and more particularly in the immediate days ahead, that their image, whether in Africa, China, India, South America or elsewhere, must be such that they must not be placed in the position where people in those countries will say, "Look at the Americans, they cannot even get along with their closest neighbour, their friend and best customer". The Americans will do everything they possibly can to avoid being put in that position.

I think this bill is courageously imaginative. I think it is a creative concept.

How will it work? I don't know. Let us try it. I am as good a judge of that as most of you are. I think it is a step with the advance guard of tomorrow. Those people

who do not want to join the advance guard will, I presume, vote against the bill.

Hon. Mr. Thorvaldson: The advance guard of discrimination?

Hon. Mr. Croll: I make it abundantly clear that I have high hopes for this bill, that I believe it will do something that needs to be done, that we will face whatever difficulties arise and they will work themselves out. In due course the man who is responsible for this bill will put the country in such a position that the benefits which will flow from it will enable us to say that much more of Canada now belongs to Canadians.

Hon. G. Percival Burchill: Honourable senators, I had not intended to make any remarks on this bill at the present time, but since my good friend, Senator O'Leary (Carleton), has referred to some remarks I made yesterday in the Standing Committee on Banking and Commerce, I feel I should correct any misapprehensions he might have regarding me, and also put on record in this chamber how I feel about this bill.

I do not like the bill. I said so yesterday, and I repeat it today. This is not the kind of approach I would take in similar circumstances; nevertheless, I am going to vote for it. However, I do not want Senator O'Leary or anyone else to get the idea that I am voting for the bill because it is Government policy. If I did make that remark—and I do not recall that I did—I want to correct it. I do not believe in rubber-stamping Government policy just because I happen to have the same political stripe as the Government in power. Not at all. I am voting for this bill because there are other considerations. While I do not like it and, as I say, it is not the manner of approach I would adopt, there are considerations on the other side of the ledger which, in my judgment, I believe I should consider.

Those considerations can be put very briefly. The first is that this bill is a money bill, and whether or not we have the right to amend or reject it, it has not been the tradition or practice of the Senate throughout its history, as has been pointed out by the last speaker, to amend or reject such money bills—whether we have that power or not. The second reason is that certain provisions in the bill will not come into effect before 1965, and my hope is, as the minister indicated yesterday before the committee, another budget will be brought down in the meantime and these objectionable clauses will be eliminated or corrected. The third reason is that the Minister of Finance has been and is at the present time negotiating with the authorities in Washington, and he expressed to us yesterday the hope that we would pass the bill because it would strengthen his hand in those negotiations. The fourth reason is that in Canada we have already been operating under some of these provisions, collecting revenues and so on, for the last four months, and I do not think that as Canadians it would be good policy as my honourable friend expressed it, to "upset the applecart" at this juncture.

I feel the situation between Canada and the United States at the present time is a most difficult, delicate and serious one. I want to reiterate what I said in committee. I believe there should be the closest possible trading relations between Canada and the United States. I believe that must be the trend of the future, and I would deprecate anything that would destroy or hinder in any way the progress of those negotiations.

I have the greatest possible sympathy for any man serving as Minister of Finance, whether he be of my political stripe, a Conservative or a member of any other party, trying to handle the present financial affairs of Canada. Far be it from me to make that task more difficult.

Those are the reasons, Senator O'Leary, why I am prepared to vote for this bill.

Hon. Hartland de M. Molson: Honourable senators, I would agree wholeheartedly with all who have spoken on this bill; it does indeed present us with a difficult decision. But having said that, I think it fair to say to my friend, Senator McCutcheon, that I think his proposed amendment presents us with an equally difficult decision.

The reasons for the difficult decision we face have been very well stated in this house and in committee. There is quite a long history to the problems presented by the bill and the points in its favour; however, I do not intend to repeat those because I am not one of those who believe there is any great force in repetition.

What we have to consider here is really, in large measure, a question between principle and method. Thinking first in terms of principle, I do not believe it would be unfair to say that for quite a considerable number of years now the people of this country—the ordinary people, including members of Parliament and senators—have been quite unhappy that the control not only of our economy but also of our habits, of our thinking and of our social life, seem to be slipping away.

If we think back a short time to the previous Government we will remember that it took some steps along certain lines, and as time passed by it became labelled "anti-American". The first step that comes to my mind was taken to prevent our Canadian magazines and publications from extinction.

My honourable friend (Hon. Mr. O'Leary, Carleton) did a distinguished job on that royal commission which made certain proposals, including tax proposals, to try to prevent our Canadian magazines from disappearing.

In recent years we have also made a serious effort, through the Board of Broadcast Governors' regulations imposing a minimum Canadian content on our television broadcasting, to prevent the people of Canada from being brainwashed by outside programs. Of course, in that instance there is no tax requirement to wield influence on those stations because where you license you control, and unless those stations comply they can be eliminated.

I believe it would also be fair to say that certain fiscal changes were proposed or made by the late Conservative Government—one through Customs Tariff changes, another by raising the withholding tax on foreign dividends and interest from 5 to 15 per cent.

At the present moment in history we have a Liberal Government which, in turn, seems to recognize difficulties of the same nature, and is proposing certain other means of improving the situation. So now this Government is being called "anti-American" or "anti-foreign". I think it would be perfectly fair to state quite categorically that the former Conservative Government was not and the present Liberal Government is not in any way anti-American, anti-British, anti-French, or anti-anything.

Some Hon. Senators: Hear, hear.

Hon. Mr. Molson: In so far as these matters we are discussing are concerned, I believe both governments have been motivated purely by being Canadian.

As I see it, at the moment we are faced with three problems, which I shall mention briefly. They have been repeatedly mentioned. Of course, the most serious is the effort to eliminate unemployment and find for our people jobs which will enable them to live at least in dignity if not in luxury. The second problem that exists is the need to reduce the imperceptible but constant erosion of our own power to choose the form which our institutions, both social and economic, will take. And make no mistake about this, honourable senators, because—and here I must disagree with my honourable friend Senator Crerar—with 80 per cent of the publications which our people read, 60 per cent of our television programs, 80 per cent of our organized labour, and 60 per cent of our industry influenced in varying degrees by policies created outside Canada, we have every right to be concerned.

Thirdly, we have to make the effort to solidify our position so that we will not constantly be in danger of teetering off the cliff which awaits us if control of balance of payments gets completely out of our hands.

Obviously, whatever has been attempted to date has not been very effective. All efforts in the past to improve these particular situations have had one thing in common, they have all met, not with waves but, with storms of criticism; and from what I have read and heard, it appears to me that the greater portion of that criticism has been negative, and very little of it has been constructive. For example, I have heard repeatedly that the way to improve our economy is to cut taxes. But if you ask people of this view how we should deal with the budget next year, they give a pretty indefinite answer—"I am not sure" or "Yes, that will be tough"—but they do not give any clear-cut positive program. At least I have not heard any clear-cut positive program put forward to deal with our economic ills and to give a greater incentive to all of us to have more Canadian ownership of our businesses, to provide employment and improve our balance of payments position.

Consequently, as I see it, we have two alternatives. We can go on for another generation or so, being relatively ineffective, as we have been in this last generation, or we can accept some measure of chance and, as was suggested by my honourable friend a moment ago, give the present Government a chance to try its methods of attack. I agree with Senator Thorvaldson that this is a departure which makes some of us perhaps a little nervous at times, but nevertheless it is a fresh method of attack.

I must say that I am not completely happy with this bill; I do agree that there are certain dangers involved, and some of the provisions may not do what they are intended to do. I am particularly concerned that several of our finest companies, as has been mentioned, may find themselves seriously affected if some of the darker predictions materialize and no special steps are taken to offset such results.

I should say at this particular point that I have a financial interest, a very modest one, in certain of these companies which may be affected by this proposed legislation. It follows that my personal feeling should be that the bill as is should not pass, and that the amendment should be accepted. But I must also bear in mind the matter of one's responsibility as a member of the Senate, and regardless of what has been written or said as to our powers, I would certainly vote against any bill which I felt endangered in any way the future of this country. In my opinion this bill does not fall into that category. I think the question here is whether

we feel there is a principle which endangers the country, or whether we disagree with the method suggested to deal with the problem.

Now, honourable senators, there is a further point I should like to make at this stage. I would suggest to you that there has been some distortion in connection with this bill, particularly with regard to its motives. I do not say this to defend the Government or its legislation. I am repeating what I have said on many occasions in the last few weeks and months, because I have noticed that it is commonly being said, here and in other places, that we are against foreign capital in Canada. Even my very good friend Senator Thorvaldson said a moment ago that this bill said that we do not want foreign capital in Canada. Now I agree with him on most things, but I must say that I regard that statement as being a distortion.

I myself have felt for a long time that there is a vast difference between capital and outright ownership. I think that what has been suggested, not only recently but for some time, that we want a greater share of the industry in our country, is not a reflection on foreign capital and is not tantamount to saying that we do not want foreign capital. To me it is simply a statement to the effect that we want to be partners with foreign capital. I think it can be said that we want a greater voice in the management of our affairs, but I do not think it can be said that we are suggesting to the world at large that we do not welcome foreign capital.

Honourable senators, what do you think the Americans, the British, the French or the Germans would do today if they found themselves in our position? Do you think that any of those countries—and I can think of many others—would be perfectly satisfied to go on in a minority position in those facets of our life which I mentioned earlier? I do not think they would. Do you think that those people would resent our making an effort to have a reasonable, and I stress the word "reasonable", voice in our own affairs? I suggest to you that they would respect our intentions. I do not think people respect jellyfish. I think it is not unreasonable to say that we want some share of the investment in our own country. I would agree that in this case, as in so many other cases in life, the meaning which one can read into it depends on how one says it. The very fact that we say we would like to have a greater voice in the management of our economy, through ownership of our industry, is not unreasonable, and will not necessarily be regarded as such in other parts of the world.

We need our friends; we admit our obligations and express our gratitude for the part played in the past by the people who have contributed to our development, without whose help the development would not have taken place. We still want those people here, but we also wish to remain Canadian.

For these reasons, honourable senators, although I think the bill is not perfect, I cannot agree with the idea expressed, that it does not provide a suitable solution. Under these circumstances I am going to vote against the amendment, and in due course I shall vote for the bill.

Hon. W. Ross Macdonald: Honourable senators, after the most thoughtful speech just delivered by Senator Molson, I feel it is not necessary for me to speak at length. He has expressed many of my thoughts better than I could. As a result I will not reply in any great detail to the interesting speech of about half an hour ago by our good friend, Senator O'Leary (Carleton).

I must say this, though, that Senator O'Leary referred to those who had voted in committee against the amendments, and suggested they had done that for party purposes. I suppose it is just as reasonable to say that those who voted the other way voted for party reasons also. This works both ways, as was intimated by Senator Molson.

I remember back in 1911—not many on the opposite side were old enough to take part in that election, which was the first in which I took part—the battle cry of the Conservative party was: No truck nor trade with the Yankees. Then in 1930, when Mr. Bennett came into power, he said he was going to have nothing to do with the Americans and, of course, he brought about the new Commonwealth Trade Agreement.

It will also be remembered that in 1957, when the former administration came into power, its main aim was going to be the diversion of 15 per cent of Canadian imports away from the United States to the United Kingdom.

Honourable senators, having said all that, I am not going to say that the Conservative party is anti-American; nor am I going to say that the Liberal party is pro-American. In fact, we are all pro-American; no one is anti-American. We are all for remaining friendly with our great friends to the south of us.

A number of questions have come up about the powers of the Senate in connection with money bills. I will not take up much of your time with respect to this matter, but I felt I should make some reference to it. We have had a very good debate so far. In fact, it improved as we went along. It is true that most of the debate came from the other side

of the house, but that was only natural because as members of the Opposition they were attacking the bill.

We had an excellent meeting of the committee, and I must admit I was amazed at the knowledge that some honourable senators displayed on taxation and financial matters. I will go further and say that most of the discussion in committee was far above my head, and I want to compliment those who are so well informed on financial matters. I hope that the next time we have a bill like this before us they will talk more in a language that we who do not specialize in taxation and financial measures can understand.

However, it was a very good meeting. The minister came and explained his proposals, and members of the Senate suggested amendments. He did not disagree entirely with all the amendments proposed. He said he would take them all under consideration, and I am sure he was serious about that. In many respects they are good proposals, and I personally agree with some of them. But, having done that I think the Senate has gone about as far as it should go. We have done a good job. The debate has been worth while, and we have been helpful to Canada and to the Government.

A question has arisen as to the rights of the Senate in connection with money matters. This matter was pretty well resolved by the Ross report. I have not a copy of it before me, honourable senators, but it will be recalled that in that report it was established that the Senate, with certain reservations, had the same powers as the House of Commons in connection with money bills. The committee of that day retained three eminent counsel to consider this matter, Mr. Lafleur and Mr. Geoffrion of Montreal, and Mr. John F. Ewart of Ottawa. They were three lawyers, and one would not expect them to agree, as in fact they did not. Two of them, Mr. Lafleur and Mr. Geoffrion, said that the Senate did have equal powers with the House of Commons. Mr. Ewart, who was also an eminent constitutional lawyer, disagreed.

I think that the Senate generally has gone along with the opinion that was given by Messrs. Lafleur and Geoffrion but, honourable senators, if you will read the last clause of the opinion given by Messrs. Lafleur and Geoffrion you will see that those two eminent lawyers emphasized the fact that money bills must have the recommendation of the Governor General before they can be introduced. This precludes their being introduced in the Senate, and also makes it impossible for a private member to introduce a money bill. For all practical purposes, we cannot introduce money bills in this house because a bill must be based upon the recommendations contained in resolutions that have been approved by the Governor General.

You have heard the proposed amendments, honourable senators. If you read those amendments you will understand that if they are adopted there will then be very little similarity between the bill and the resolutions that were proposed.

Hon. Mr. McCutcheon: It would be similar to the first set of resolutions.

Hon. Mr. Macdonald (Brantford): The first resolution was set aside in favour of a new resolution, upon which the bill now before us is based. This amendment would take most of the clauses that are referred to in the resolution out of the bill.

Hon. Mr. Brooks: Resolutions have never been needed for amending a bill.

Hon. Mr. Macdonald (Brantford): Oh, yes; my friend is wrong. Resolutions are needed in order to amend a money bill.

Hon. Mr. Bouffard: To increase the amount, yes, but not to decrease it.

Hon. Mr. Macdonald (Brantford): I will put it this way: if the amendment is to decrease the amount of money, and the Government accepts it, it is assumed that the Government has the recommendation of the Governor General.

Hon. Mr. Brooks: That is if it goes back to the House of Commons.

Hon. Mr. Macdonald (Brantford): No. It could not go back to the House of Commns because we cannot deal with it until it does have the recommendation of the Governor General.

Hon. Mr. Flynn: What is left is included in the original resolution. Another resolution recommended by the Governor in Council would not be needed.

Hon. Mr. Macdonald (Brantford): It is assumed in the other house that when a bill is changed the resolution is changed, and that that change has the sanction of the Governor General. In my opinion it is very questionable whether we can take these clauses out of this bill and still leave the bill within the provisions of the resolution. This house should give some thought to that.

But, there is another problem. Apart from what is said in the Ross Report there is section 53 of the British North America Act which I am sure is familiar to all honourable senators. It reads:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

Honourable senators, if you take these clauses out of this bill it is not the same bill. It is quite a different bill. It would be at least one-third different.

Hon. Mr. McCutcheon: It would be a better bill.

Hon. Mr. Macdonald (Brantford): It might be a better bill, but it would certainly be a different bill, and we have no right, in effect, to introduce a different money bill in this house.

Hon. Mr. Brooks: May I ask the honourable Leader of the Government a question? Would not that apply to any bill that is amended? It is just a question of how much or how great the amendment is.

Hon. Mr. Macdonald (Brantford): Even if there is a slight amendment to the bill I do not think the other house would accept it, but this is not a slight amendment. If this motion is adopted we will have almost a new bill.

Hon. Mr. Brooks: May I ask a question? Honourable senators will recall the Estate Tax Act. I think we suggested eight amendments, seven of which were accepted, and the following year the House of Commons accepted the eighth.

Hon. Mr. Macdonald (Brantford): In that connection may I say this. Eight amendments were proposed and seven of them had nothing to do with taxation; those seven were in order. I further recall to my honourable friend that I objected to the eighth one—which was proposed by members now on the other side of the house—because I thought it went to the principle of the financial measure. You may say what you like about me, but you must admit that I have been consistent in this matter.

I wonder how some honourable senators who were here at that time can now stand up and support these proposed changes in a financial measure, when at that time they opposed changes of this kind on principle, a position which I, in opposition, supported.

If honourable Senator Aseltine or honourable Senator Horner were in the chamber—both experienced members of this Senate—I wonder if they would support these changes and claim they were within the Constitution. I doubt it very much.

Hon. Mr. Vien: Will the honourable Leader tell us if the House of Commons would have the power to amend such a bill once it has been introduced by a minister of the Crown into the House of Commons? I would like the honourable leader also to quote section 18 of the B.N.A. Act, which says that the Senate has equal power, except that a money bill must be introduced in the Commons. But once it has been introduced in the Commons, the Senate, under section 18 of the B.N.A. Act, has the same powers as the Commons.

Hon. Mr. Macdonald (Brantford): I agree with that, because it is in the British North America Act. What I say is that the proposed changes are so extensive as to make this a different bill.

Hon. Mr. Vien: Then, even the House of Commons would not have the power to so amend, because a bill that has been substantially changed is no longer the measure that the Governor General approved.

Hon. Mr. Macdonald (Brantford): That is what I say of this bill. That is the result of these great sweeping changes which have been proposed for this bill.

Honourable senators, the purposes of this legislation, as was pointed out to us by the minister, are four in number—to produce revenue, to increase exports, to make it possible for Canadians to obtain a larger share of the ownership of American-owned corporations operating in Canada, and to increase employment. If we delete the clauses that this amendment would have us delete, we take out at least three of the incentives, three of the reasons for the bill.

Hon. Mr. McCutcheon: Which ones?

Hon. Mr. Macdonald (Brantford): My friend knows very well which those are, and I need not go into them. If we take away three of the purposes he will realize that the principle of the bill is gone. I have given the four purposes of the bill and at least three of them would be deleted if the amendment is adopted. What remains of the bill then? It is like asking what remains of a four-engine airplane if you decide to discard three of them, leaving just a single-engine airplane.

Hon. Mr. Bouffard: Better not fly.

Hon. Mr. Brooks: You would never get off the ground.

Hon. Mr. Macdonald (Brantford): You would have a new airplane, with one engine. You would have part of the frame and one engine left, but it is not the same airplane.

Hon. Mr. Flynn: You might as well buy four new ones. That is what we suggest.

Hon. Mr. Macdonald (Brantford): It is a different airplane. Therefore, if you change this bill to the extent to which it is proposed to change it, you would get a new bill and different bill.

Hon. Mr. Flynn: That is all right.

Hon. Mr. Macdonald (Brantford): My friend says that is all right. It is not all right, because according to the B.N.A. Act, a new bill would have to originate in the House of Commons.

I am very much concerned about these proposed changes to the bill.

My honourable friend Senator O'Leary said that if we did not support this amendment, we would not be true to ourselves or true to the historic rights of the Senate. In my opinion, if we make these changes we are not being true to ourselves, nor are we being true to the historic rights of the Senate. In fact, by making the changes that are suggested here we would be acting contrary to anything that has ever been done in the Senate.

Honourable senators, I am satisfied that the changes proposed here today would not meet with the approval of any political leader who has expressed his views on the role of the Senate. For example, Sir John A. Macdonald emphasized at all times that the Commons held the purse strings. It was he who said that the Senate should take a sober second look. I wonder if in adopting these drastic changes that are proposed, we are in fact taking a sober second look.

I think the proposed changes are pretty far reaching, and if we were really taking a sober second look we would not go nearly so far.

Similarly, Sir Wilfrid Laurier's views lead us to believe that he would be against this. In fact, he doubted if we should make any changes of this kind. We also know that Sir Robert Borden adopted eventually the same position as Sir John A. Macdonald and Sir Wilfrid Laurier in this matter.

An Hon. Senator: What about Mackenzie King?

Hon. Mr. Macdonald (Brantford): I am satisfied that such a great constitutional parliamentarian as Mackenzie King would not support a charge of the kind proposed. I might also mention another distinguished parliamentary leader, one who was a member of this house, the Right Honourable Arthur Meighen. He would be strongly against this.

Hon. Mr. Beaubien (Bedford): How do you know?

Hon. Mr. Macdonald (Brantford): As evidence may I quote a short reference from a speech which he made in this house. He was speaking about the powers of this Senate to deal with legislation which came from the other house shortly after an election.

During the last election one of the policies of the Liberal party was that they would endeavour to get greater control of American-owned business now in Canada. They came in, and they had a mandate for it. According to an argument advanced in this house less than a year ago, Parliament has a mandate for this legislation.

This is what the Right Honourable Arthur Meighen said:

> Where there is a mandate for legislation which comes before the Senate; where such legislation was clearly discussed and placed on the platform of the successful party in an election, then only in most exceptional circumstances should there be any attempt or desire on the part of the Upper House to refuse to implement a mandate by its concurring imprimatur.

I think that is about as clear a statement as could be made.

Hon. Mr. Thorvaldson: Would the honourable leader permit a question?

Hon. Mr. Macdonald (Brantford): Yes.

Hon. Mr. Thorvaldson: Does the honourable leader suggest that there is an electoral mandate for the principle of this legislation, namely, that the people have approved of these sections, say, before the recent election?

Hon. Mr. Macdonald (Brantford): What I would say is that it was the stated platform of the Liberal party that an effort would be made to obtain a measure of control in Canada of corporations doing business in Canada and owned by people from other countries. That was clear and the Government had a mandate for it, and the House of Commons has now supported it by an overwhelming majority. Surely there is a mandate for it.

Hon. Mr. Thorvaldson: I would suggest they are not all in favour of it.

Hon. Mr. Macdonald (Brantford): You may not agree with it. I am quoting now the Right Honourable Arthur Meighen, and according to him we should hesitate—in fact, he says we should not do it.

Hon. Mr. Hollett: May I ask a question? Did he not say "only in exceptional circumstances", and would the honourable leader suggest that this is not an exceptional circumstance?

Hon. Mr. Macdonald (Brantford): No. It is carrying out, shall I say, an election promise.

That may be exceptional, in the mind of my honourable friend, but nevertheless it is carrying out an election promise. To that extent, my friend can decide whether or not it is exceptional.

Honourable senators, I do not think I need go further. I think I have established that if we are to be true to ourselves and to the historic rights of the Senate, we should not change this legislation to the extent which is proposed in these amendments. As I say, it is equal almost to bringing in a new bill. We would be taking unto ourselves powers in connection with financial matters which no Senate has ever taken. I do trust that this Senate will not do so in this instance.

Hon. Jacques Flynn: Honourable senators, I do not intend to discuss the bill itself, but I merely want to put on record my disagreement with some of the arguments which the honourable the Leader of the Government (Hon. Mr. Macdonald) has just expressed.

My first disagreement is with the interpretation he placed on the quotation from the Right Honourable Arthur Meighen, who said that when an issue has been clearly discussed during an election the Senate should not intervene when the Government formed after such an election presents a bill based on such an issue clearly discussed. Even though the question of control of foreign investments may have been in the platform of the Liberal party, it certainly was not an issue which was specifically discussed, because all parties were completely in agreement on the principle of it. The method was never discussed, and I do not think the quotation applies at all.

The second point the honourable Leader of the Government made was that the Senate cannot substantially change a bill. Of course, if an amendment had the result of making a bill entirely inefficient, there a question of order could be raised to have the amendment set aside, because such an amendment would simply request the house to say "no" to the bill.

As already explained, there are four features in the bill. The proposed amendment of the honourable Senator McCutcheon merely takes away one. It may be in the mind of the Minister of Finance that these four changes in the Income Tax Act are related. To me they are not related. For instance, I do not think the tax on dividends paid on a foreign investment has anything to do with the incentives which would be granted to people investing in designated areas.

I merely add this, that if we can kill a bill in the Senate, we certainly can amputate it; and if that is the case, that we can reject a bill, the sections of the British North America Act which have been quoted by the honourable Leader of the Government and the honourable Senator Vien cannot mean that we are prevented from substantially amending a money bill. I am completely satisfied that we can amend the bill only as proposed by Senator McCutcheon, and that there is no rule that prevents the Senate from voicing its opinion on the merit of the amendment.

Finally, the honourable Senator Croll said that the principle of the bill is, "Buy Canada back". I agree that everyone wants that. The Government of Quebec for several years has said, "Buy Quebec back". Having said it in an extremely more nationalistic sense in Quebec than it has been said here, it is strange that the Government of Quebec, through Mr. Kierans, is now saying that this measure is extreme nationalism. If the most extreme of the two governments is against it, I am not worried about opposing it.

The Hon. the Speaker: It has been moved by the honourable Senator McCutcheon, seconded by the honourable Senator Thorvaldson:

> That Bill C-95, "An act to amend the Income Tax Act," be not now read a third time but that it be amended by striking out clause 15, clause 22, subclauses 1 and 3 of clause 23, clause 24, and clause 28, and that the remaining clauses be renumbered accordingly.

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

Some Hon. Senators: No.

The Hon. the Speaker: Those in favour of the motion will say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those opposed to the motion will say "Non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion, the non-contents have it.

An Hon. Senator: Let us have a vote.

The Hon. the Speaker: Call in the senators.

Amendment of Hon. Mr. McCutcheon negatived on the following division:

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Honourable Senators

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Buchanan	Hollett
Choquette	Horner
Flynn	Irvine
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Paterson
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Roebuck
Smith (Kamloops)
Smith (Queens-Shelburne)
Stambaugh
Taylor (Norfolk)
Taylor (Westmorland)
Tremblay
Vien
Woodrow—38.

The Hon. the Speaker: I declare the amendment lost.

Hon. Mr. Bouffard: Honourable senators, I think we have the right to say why we did not vote. I did not vote because I was paired.

Hon. Mr. Thorvaldson: Honourable senators, I was paired with Senator Hayden. Had I voted I would have voted for the amendment.

Hon. Mr. MacDonald (Queens): I was paired with honourable Senator Bourque.

The Hon. the Speaker: The question now is on the motion for third reading of this bill. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: On division.

Motion agreed to and bill read third time and passed, on division.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-112, to amend the Canadian Overseas Telecommunication Corporation Act.

Bill read first time.

Hon. W. Ross Macdonald moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

28906-6—53½

THE SENATE

Thursday, December 5, 1963

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

Prayers.

HARBOUR COMMISSIONS BILL

REPORT OF COMMITTEE ADOPTED

Hon. John J. Connolly, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-38, to provide for the establishment of harbour commissions, and had directed that the bill be reported with the following amendments—

Some Hon. Senators: Dispense.

For text of report see appendix, p. 847.

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave, I move concurrence in the report now.

Perhaps I should say a few words about the work that has been done by the Standing Committee on Transport and Communications in connection with this bill.

The committee first discussed this bill on October 30. At that time some questions were raised by members of the committee about certain provisions of the bill. In addition, we received communications from a number of municipalities in various parts of Canada, and heard oral representations made on behalf of the cities of Toronto, Hamilton and Oshawa. At the conclusion of the sitting on October 30 the committee adjourned *sine die* to enable the officials of the department to consider some of the views then expressed.

This morning the committee reassembled, and I think it can be said without exaggeration that most, if not all, of the suggestions made at the earlier meeting were incorporated in the amendments in the report of the committee. Perhaps honourable senators would like me to indicate in capsule form the nature of those amendments.

It was suggested at the original hearing that as this bill does not apply to harbours under the jurisdiction of the National Harbours Board, this fact should be expressly stated in the bill. This is now covered by the first amendment which clarifies this point.

The next point of major importance raised at the hearing on October 30 was the method to be applied where one or more municipalities would have the right to appoint members to the harbour commissions to be set up under this measure. This was not particularly clear in the bill presented to this house. It is now being made perfectly clear and is generally acceptable to the municipalities concerned. They agree that the format for the appointment of their representatives on these harbours boards is now in better shape.

If I may make a slight diversion for a moment I should like to say that this is the kind of work which is very well done by a committee of the Senate, which takes time to examine the details of legislation and put it into good, practical, workable shape. This is an example of a Senate committee at its best. The meeting of the committee this morning re-established that point, if it needed to be done.

Another objection raised during the earlier sitting of the committee was that the adjoining municipalities were entitled to notice if at any time an existing harbour commission desired to put itself under the provisions of this act. An amendment is made to clause 13 of the bill, which would provide that the municipalities in question shall have at least ten days' notice of such a by-law passed by a local harbour commission to enable it to take advantage of the provisions of this act.

There are two other significant amendments which I might mention at this time. The first is the amendment to clause 30, which clause was debated at length on October 30. Under this amendment it is provided that no proclamation shall be issued enabling an existing harbour commission to come under the provisions of this act unless the Governor General in Council has received ten days' notice of a by-law from the affected municipalities requiring the commission to be established pursuant to the act.

Another amendment—and this is the last item of importance—concerns the matter raised by the late mayor of Toronto, Mr. Summerville, before his untimely death. He appeared before the committee on October 30, and at that time he said he thought that it was rather inappropriate for the Toronto Harbour Commission to be subject to the provisions of this act. As a result of the representations he made and of some of the discussion that went on in committee on October 30, the Toronto Harbour Commissioners' Act is deleted from the schedule.

Honourable senators, I think that this explanation in capsule form indicates the extent of these amendments. I think I have given their effect, without taking the time to read them.

Hon. Mr. Roebuck: What about Hamilton?

Hon. Mr. Connolly (Ottawa West): We were informed this morning in committee that the mayor and the people from Hamilton who were interested in the bill, and who were at the meeting of the committee on October 30, are quite satisfied with the changes that have been made.

Hon. Mr. Roebuck: That is, they cannot be brought under the bill except by a by-law of the council of Hamilton? Is that right?

Hon. Mr. Connolly (Ottawa West): No, it does not go quite that far. I think the mechanics are these. If the harbour commission in Hamilton should pass a by-law to take advantage of the provisions of this bill, 10 days' notice of that by-law must be given to the city council. The Governor in Council cannot make the proclamation until that notice has been served. Therefore, I think that is a safety valve which was not provided in the original draft.

Hon. Mr. Flynn: There is another safety valve.

Hon. Mr. Roebuck: The council have no authority to override the decision of the harbour commissioners?

Hon. Mr. Connolly (Ottawa West): Only in one respect. I would say that once notice has been given that the harbour commission has passed a by-law to enable it to come under this legislation, then the municipal council has 10 days' notice of that by-law and the Governor in Council is on notice too. The opportunity is then available to the municipality of Hamilton—or whatever municipality is concerned—to come to the Governor in Council and express its views on the desirability or otherwise of approving the by-law.

Hon. Mr. McCutcheon: I think I might make an observation, honourable senators, in relation to the Hamilton position. The City of Hamilton was concerned at the first draft of the bill that it might not be in a position to appoint the minority representative to the commission, as it does under its present act. At present, the Governor in Council appoints two members of the Hamilton commission, the city council appoints one. In the amendments that were made this morning, it was made clear that the municipality had the right to appoint minority members of the commission, so the situation is not changed.

Hon. Mr. Grosart: I might say I believe the misunderstanding that arose on the part of Senator Roebuck was caused by what may have been a slip of the tongue on the part of Senator Connolly. He referred to the proposed amendment to section 30, and I understood him to say that to bring any harbour commission referred to in the schedule to the bill under the new act would require a by-law passed by the municipal council. I am sure he meant to say a by-law passed by the harbour commission.

Hon. Mr. Connolly (Ottawa West): Oh, yes. I am sorry. I should not have said "city council"—it is the harbour commission.

Report adopted.

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

Hon. Mr. Roebuck: Next sitting.

Hon. Mr. Connolly (Ottawa West): One of the points mentioned this morning in committee was the fact that, with the end of the session in sight, this bill, which originated in the Senate, must now go through three readings in the House of Commons. It may be, too, that the municipalities or harbour commissions may want to make recommendations in committee over there. It was suggested that, as we are not sitting tomorrow, the Senate might consider third reading today.

Some Hon. Senators: Agreed.

Hon. Mr. Roebuck: I was not able to attend this particular meeting. I was at another very important committee, that on aging. I would like to read this report before we pass the bill. It is much too complicated to pass peremptorily in this way, and I do not consent.

Hon. Mr. Macdonald (Brantford): It cannot be done without unanimous consent.

Hon. Mr. Lambert moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

INCOME TAX ACT

BILL TO AMEND—OFFICIAL REPORT

Hon. M. Grattan O'Leary: Mr. Speaker and honourable senators, may I, with your permission and indulgence, before the Orders of the Day are called, make a brief statement on a question of privilege?

Yesterday, during the debate on Bill C-95, I stated that on the previous day Senator Burchill in the Banking and Commerce Committee had said that he abhorred this bill, but would support it because it represented Government policy. Senator Burchill in his later remarks said that he had no memory of having made such a statement. Having checked the records, I find that Senator Burchill's memory was right and mine was wrong. I had attributed to him a statement made by some other senator. Now that the battle concerning Bill C-95 is over, I shall not pursue this further. I rise, therefore, to extend my sincere apologies to Senator Burchill and to the house.

Hon. Lionel Choquette: Honourable senators, I rise on a question of privilege. I would like to draw the attention of the house to page 832 of yesterday's Senate *Debates*. In the first column of that page there appears the following:

> **Hon. Mr. Brooks:** May I ask a question? Honourable senators will recall the Estate Tax Act. I think we suggested eight amendments, seven of which were accepted, and the following year the House of Commons accepted the eighth.

I realize there was quite a bit of confusion in the house yesterday afternoon, but I would not like my leader to be blamed for asking that question. It was I who asked it.

Hon. Mr. Macdonald (Brantford): May I say that I would not want to take any credit away from the Deputy Leader of the Opposition. I acknowledge that he asked the question.

Hon. Jean-François Pouliot: Honourable senators, I rise to make a personal explanation.

Yesterday I voted against an amendment concerning clause 28 of Bill C-95, an act to amend the Income Tax Act. In the committee I voted four times against amendments from the opposition concerning four other clauses of the bill. The reason I voted in committee for the amendment to delete clause 28 is that that clause is a breathtaking sentence of 90 lines. I said in committee that the drafting of the Income Tax Act is absurd, and it is for that very reason I voted against the clause in committee.

I would suggest to the Government that it transfer the one who was responsible for the drafting of that clause to the Department of Indian Affairs, to draft treaties with the Six Nations and all the Indian bands, because many Indians are not liable to pay income tax.

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

BILL TO AMEND—THIRD READING

Hon. Donald Smith (Queens-Shelburne), for Hon. Mr. Connolly (Halifax North), moved the third reading of Bill C-105, to amend the Technical and Vocational Training Assistance Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

FAMILY LIFE ASSURANCE COMPANY—THIRD READING

Hon. William A. Boucher moved the third reading of Bill S-51, to incorporate Family Life Assurance Company.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 4, 1963

SECOND READING

Hon. W. Ross Macdonald moved second reading of Bill C-116, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

He said: Honourable senators, this is the usual interim supply bill which comes to us from time to time during the fiscal year, before the estimates have been finally passed in the other house, and an appropriation bill based on them is presented to us.

Three bills of this nature have been passed so far during the present fiscal year and we have, by passing those bills, granted supply for eight months. We are now in the ninth month of the fiscal year and the present supply bill proposes to grant one month's supply, which will be the supply necessary to carry on the financial affairs of the country during the month of December.

Honourable senators may ask why only one month's supply is being asked for. In answer, may I say that it is the hope of the Government that before the present month has passed all supply for the fiscal year will have been voted.

I do not think I am giving away any secret by saying that this Parliament will be prorogued if and when all supply is passed, which is expected to be around Christmas, and that when we assemble during the next year it will be for another session.

Honourable senators, I do not propose to give a detailed explanation of this bill because I have given such an explanation on three previous occasions on similar bills.

This bill requests the granting of one-twelfth of all items to be voted, with the exception of 13 items, in respect of the main estimates 1963-64. These 13 items are not included in this bill because eleven-twelfths of the votes in those 13 items has been passed by this house, and, as you know, no vote is completely passed so that all departments are open until the final appropriation bill comes to us.

The bill before you requests a total of $377,400,841.02. An additional one-twelfth or two-twelfths is required in cases where there will be more than the usual expenditures during this month.

With a few exceptions, approximately one-twelfth of all items provided for in each of the supplementary estimates is added to the main estimates.

Honourable senators, that is a brief explanation of this bill which, as I say, is intended

to provide enough supply to enable the financial business of the country to be carried on during the month of December.

Hon. A. J. Brooks: Honourable senators, we must thank the honourable Leader of the Government for his concise explanation of this bill. After all, it is a most important bill; it is a money bill which deals with many matters which concern Parliament. He stated it is the usual bill that is presented at this time, and that it is nine months since the estimates for this year were brought down. On March 31 last the estimates for 1963-64 were brought before Parliament. As we know, an election intervened.

Hon. Mr. Macdonald (Brantford): Why bring that up?

Hon. Mr. Brooks: Well, there is no harm in mentioning it. We all know it as a fact, and I am simply stating it as such. Here we are, nine months later, still considering estimates that were brought down in March. After the election we were told that passage of the estimates would be expedited. Unfortunately, that has not been done. The estimates are now being considered in the House of Commons.

That this bill is necessary, no one will question. It is an interim supply bill and we, as senators, all know that supply must be granted in order that the business of the country may be carried on. However, I might point out, as the honourable leader opposite mentioned, the estimates brought down in March of this year amounted to approximately $6,433 million. That was not the final amount of the estimates for this year. Since that time there has been a considerable increase in the supplementary estimates. We have had supplementary estimates (A), (B), (C), and (D), bringing the total up to $7,620 million, the largest amount to date. I understand this includes the $755 million needed for the increase in old age security payments.

The honourable Leader of the Government has told us we are asking for one-twelfth of the main estimates and one-twelfth of the supplementary estimates (A), (B), (C) and (D); and there certainly are seasonal estimates which are necessary and which I am sure we all understand and do not question. However, I would like to point out to honourable senators that with this increase in the supplementary estimates for the year 1963-64, the deficit amounts to approximately $750 million—three-quarters of a billion dollars. We are told by the Minister of Finance that the estimates for the coming year will probably exceed this amount.

When we consider the concessions, necessary no doubt, which have been made to the provinces—that is, the amount of $87 million which is to be distributed in equalization grants to the provinces—when we consider the reduction from 75 to 50 per cent in revenues from the Estate Tax; and when we consider the amount we must pay out for the $10 increase in the old age pension, there is no question in my mind but that the deficit for the year 1964-65 will probably reach the billion dollar mark. I am sure we are all greatly concerned. In making these observations, I am sorry my good friend the honourable senator from Churchill (Hon. Mr. Crerar) is not here.

We must ask ourselves this question: How long can this country afford deficits of a billion dollars a year? I am not blaming any particular Government for this, because we have all gone down the road bearing these staggering expenses; but I would say we have now reached the saturation point when the people of this country cannot afford to pay taxes to meet the demands being made.

Honourable senators, that thought immediately brings to mind the question: Have we exhausted the possibilities as far as effecting economies are concerned? By that I mean, are we cutting down on expenses in those areas where economies can be effected? Are we thinking in terms of saving money rather than spending it with a very free hand, as we have done in the past?

I recall the Glassco report, but we have heard nothing about it lately. That report recommended ways of saving which might be instituted by the Government. I recall the Gill report. Nothing has been done about it. We all know we have been spending vast sums of money on unemployment insurance and assistance, and we are told there are loopholes in the Unemployment Insurance Act. In the last few days we have been hearing there are loopholes in the Income Tax Act. Are individual departments exercising as much care as they should in so far as effecting economies is concerned?

The other day I was interested to read in the press a report concerning the Special Committee on Defence of the House of Commons which had taken what some people might call, a "junket trip" to the Old Country and Europe, visiting the NATO defences. The report stated the members of the committee thought the Canadian brigade serving overseas could very well be brought back to this country, achieving a great saving. They also said the cost of maintaining a Canadian brigade in Germany was as great as that of maintaining two German divisions.

As you all know, there are three brigades to a division, and two German divisions would consist of six brigades. Therefore, it would seem that six German brigades could be maintained at the same cost as the one

Canadian brigade serving with NATO in that country. In saying that I do not suggest we should withdraw our assistance to NATO. However, with the means we have of swiftly transporting troops from Canada, the United States or any place else, to Europe, we might very well retain in this country our NATO brigade and let the Germans, who have now got on their feet militarily and in many other ways, take over the Canadian brigade's duties in West Germany.

I simply mention these points, honourable senators, to illustrate the fact there are many ways in which we might save some of the taxpayers' money and, at the same time, achieve the same results as we are at the present time.

That brings to mind another question. I am not going to speak at any length this afternoon, but when, for a short time, I had the honour of being the Leader of the Government in the Senate, I remember being asked on various occasions, for instance, when I was going to set up the Standing Committee on Finance. At that time I was greatly impressed by the arguments put forward in support of that suggestion, and had I had sufficient time as Leader of the Government I would have put the finance committee to work.

I think we could well have in the Senate a finance committee which would look into not the thousands of small items of expenditure, because I do not think it was ever intended that the Senate should review the thousands of items which come before the committees in the House of Commons, but would look into these important broader questions of financial expenditures. Such a committee, would, I am sure, do an excellent job.

Honourable senators, that completes my remarks for this afternoon. I believe that the time has certainly come when we, the Senate, as part of the Parliament of Canada, ought to exercise as much influence as we can on the expenditures of this country, and try to see that in the years to come we do not continue having deficits of three-quarters of a billion to a billion dollars.

Hon. W. Ross Macdonald: Honourable senators, at this stage—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Macdonald speaks now it will have the effect of closing the debate.

Hon. Jean-François Pouliot: Honourable senators, as you remember in past sessions I have suggested that interim supply bills should come earlier to be studied by the Senate in order to give us full opportunity to scrutinize them. I approve of what the honourable Leader of the Opposition (Hon. Mr. Brooks) has said, because he has spoken in the same vein as I did on many occasions in the past.

There is much expenditure that could be effectively curtailed, and he, a gentleman with a fine war record and a former Minister of Veterans Affairs, has suggested that the Canadian army stationed in Europe should be brought back to Canada. I agree entirely with him in that respect. Furthermore, from what we read in the newspapers it is clear that West Germany is now a rich country, and France is also prosperous. For that reason I cannot see why our soldiers should be stationed on the European continent. It would be a great saving of money if the Canadian army were brought back to Canada. We must remember that the pay of our army is much higher than that of the armies of European countries. The honourable gentleman who sat in the Privy Council, and my honourable leader, knows more about this than I do, and may very well confirm the fact that it costs Canada much more to keep a number of men there than it would cost European countries to maintain the same number.

One could, perhaps, describe this as a NATO obligation. In my view this should be revised. The influence of United States decisions has weighed so much in the past to shape Canadian policy that it is time to reconsider all our dealings with NATO.

In many respects I have no objection whatever to the help that may be given to underprivileged countries, but if we look at Senate *Hansard* of June 5 last we find certain answers given to questions concerning the moneys paid by Canada to NATO countries. I find this fantastic.

On page 82 of *Hansard* of June 5 we see the following three-part question:

> First: What are the member countries of the North Atlantic Treaty Organization?
>
> Secondly: What has Canada done for each of those countries since the creation of that organization?
>
> Thirdly: What has each of those countries done for Canada since the creation of that organization?

In my view the person who described the affiliation of each of those countries with the North Atlantic Treaty Organization had no sense of humour whatever, because we find that Turkey is a member, and Turkey is in fact in the Middle East. It is the antipodes of Canada.

In looking at the answers to these questions we find that Belgium, which is a rich country, has received $115 million. Denmark, also a rich country, has received $43 million. France, which is far from being an underprivileged and undernourished country—those who have

been to France know that the French food is the very best—had $128.5 million. Germany, and I take it to mean West Germany, had $46 million. Greece, which is in the eastern part of the Mediterranean, has received $87.5 million. Italy, in the Mediterranean, received $185 million. Luxembourg, a small but rich country, received $1.6 million. Then we come to the Netherlands, which is a very rich country—it does not produce only tulips; it is in fact one of the most prosperous countries in Europe—received $106 million. Norway received $34.5 million; Portugal, $82 million, and Turkey, $156 million. We see that the United Kingdom received $170.5 million.

Then we read about money being given to undernourished countries. How much do they get from it? I remember when Canada gave $1 billion to the United Kingdom, the first thing the United Kingdom did was to lend $500 million to the Chiang Kai-shek Government. But it was the mandarins who put their hands on that money, and the poor people of China could not have received very much of it.

The explanation, given before these figures were quoted, is as follows:

> As part of her contribution to the North Atlantic Alliance, Canada has made direct donations of military equipment and supplies to various members of the Alliance under her Mutual Aid Program which began in 1950-51. The approximate value of this direct assistance up to the end of the fiscal year 1961-62 was as follows:

That information I have already read.

It is difficult to understand, especially when we read in the New York *Times* of the kind of dinners that were given by the French consul general in New York City. He invited thousands of guests, including all the stars of Hollywood, and those dinners were known as the finest given in New York City. There should be a revision of all that.

I do not put the blame on this Government. All governments since the establishment of NATO are to blame for the extravagance in giving Canadian money to all the nations of that organization. What do we get in return? It is the same with the African countries, where the money is given under another heading. It is given under the heading of United Nations. I am very glad to have been given that information, and I draw your attention to it. I wonder if you will take the trouble to look at it; it is in *Hansard* of this session. This is something which should be revised, and which can be revised very profitably for Canada. That is my first point.

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My second point is that it seems to me the time has come when money collected from the taxpayer by the federal Government should be distributed for federal purposes. I do not believe in equalization. I do not believe in grants to the poor provinces. I do not believe there are poor provinces in Canada. There are some poor because Our Lord said: I have compassion over the poor, over the multitudes; and the poor shall always exist. But, to say that any province of Canada from the east to the extreme west is poor is a falsehood.

Not long ago a friend of mine, a former Member of Parliament from Manitoba, came to visit me. He told me that he was born to a rocky land in the Province of Ontario, and that his family moved to the west for the very reason that the soil there was so fertile. He had a certain area of land. He was a good farmer, and he prospered. Manitoba is not a poor province, but many times have I heard politicians from that province say that it was a poor province. They can say that themselves, but they will not allow anyone else to say it to them.

The same is true of Alberta, which is one of the richest provinces. Saskatchewan is doing very well with its great harvests of wheat. British Columbia is also a rich province. Naturally, I must agree that there are some poor people in our country, and they should be looked after before the poor of other countries. We should look after our own people in the first place, and in that respect I may be called a nationalist. I might be called narrow-minded. I might be told that I am not internationally minded. Perhaps so, but that will not offend me.

If I am permitted to make a very personal remark, let me say that last Sunday, the first day of December, was the thirty-ninth anniversary of my first election. On December 1, I had been a member of Parliament, a member of the House of Commons and in turn of the Senate, for more than 39 years.

Hon. Senators: Hear, hear.

Hon. Mr. Pouliot: I thank my honourable colleagues for their kindness to me. It is highly appreciated.

I have now reached the time, at my age and with my service in politics, when I consider I am free to say what I have to say without any party consideration. Until now I have been living under the necessity of closing my mind with respect to certain things, and of giving the benefit of the doubt to the party in some cases. I am right to do so as much as I can, but the first voice that I will listen to from now on will be the voice of my conscience.

Hon. Allister Grosart: Honourable senators, I am sorry that I cannot let the remarks of my honourable friend, Senator Pouliot, go by without raising at least one voice of protest.

Honourable senators will recall that I gave a report to this chamber on a visit I made as a representative of the Senate to the NATO front line. After I returned I hoped the impression I gave was that I felt Canada's membership in NATO was a good investment for Canada.

Honourable Senator Pouliot has asked a very important question in respect to certain payments that, to use his words, we have made to the NATO countries. The question he asked was: What do we get for our money? My impression is that for our money we are getting survival and freedom as a nation amongst the free nations of the world. I am not competent to say whether that is the whole answer, but I believe that it is the thinking behind the expenditure which the honourable senator has criticized.

It is true that we have made a contribution to NATO which has been costly in terms of money, but not as costly as the honourable senator suggested, because if the figures he mentioned are what I think they are, then he was referring largely to certain contributions of war materials made during the sudden emergency which confronted the free world at about the time NATO was created.

I would remind honourable senators that NATO was a response to a crisis. The crisis was that country after country in Europe was being taken over and being put behind the Iron Curtain. Let me tell you one of the things we got for our money. Since the creation of NATO in 1949 not one square foot of Europe has been taken over by the U.S.S.R. and its satellites, in spite of the fact that in each year previous to that they were taking over whole countries. I would suggest that the contribution in money that we have made for that return was anything but excessive.

It should also be said that many of the NATO countries such as Turkey, Greece and West Germany—indeed, all of them—are making contributions in men which are far greater than those we are making. I do not suggest that it should be otherwise. But Turkey—I think of Turkey particularly—has 14 divisions in the front line, and we are talking about removing one brigade. I will have a brief word or two to say about that in a minute.

In my view these are contributions necessary to our survival because the NATO front line in Europe, as I said on a previous occasion, is surely the front line of freedom; it is a defensive front line around the boundaries of the heart-land of western democracy and the motherlands of this very Parliament. It is my view that if this defence line crumbles it will cost Canada a great deal more in money and men than we have invested so far to restore the status quo in the world.

The honourable senator suggested that his remarks might lead to his having the epithet of "nationalist" applied to him. Honourable senators, I am a nationalist because I believe in Canada. I believe in the importance of survival and I believe in the freedom of every individual in Canada. I believe that the true nationalism in the world today is internationalism. I believe that the concept of what is sometimes called "fortress America" or "fortress Canada" has no place amongst the realities of the world today.

If I may use the expression, we cannot simply "clam up" here and say, "let what may happen to Europe; when the Reds have the whole of Europe, then we will start to worry about the defence of our own country."

I believe that the measures being taken now by the NATO alliance are, within reason, the best possible measures which can be taken to ensure our freedom and the continuation of our nationalism here in Canada.

My Leader has made the suggestion that the Canadian brigade might be repatriated to Canada.

Hon. Mr. Brooks: Quoting from the defence committee that has been overseas.

Hon. Mr. Grosart: Quoting the defence committee, or I believe some members of the committee.

Hon. Mr. Macdonald (Brantford): I understood it was the opinion of the Leader of the Opposition.

Hon. Mr. Brooks: No, no. I said it was the opinion of the defence committee which had gone overseas, and that I saw a lot of virtue in it, because if they could have six German brigades at the same cost as one Canadian brigade, which would be prepared to go over at any time, it might be of advantage. I still think so.

Hon. Mr. Grosart: I thank the Leader for his correction.

There is not much doubt about the general statement made, that the cost of maintaining this Canadian brigade in Europe is very high. I will not quarrel with the figures given, that it probably costs as much to maintain that brigade in Europe as it would cost to maintain two German divisions in the same area.

I have heard that figure quoted before. As a matter of fact, I have heard it quoted by NATO sources themselves. I will not go into the reasons why this is so. It is perhaps not important. What is important, however, is that the presence of Canadian troops in

Europe has a very powerful significance to those countries who are on our front line.

I am not disagreeing with my leader. This is obviously a strategic consideration as to whether Canadian participation by military manpower can perform most efficiently by having troops in Europe or by having a mobile force in Canada ready to move in to stop a break in the line.

Hon. Mr. Brooks: In a few hours.

Hon. Mr. Grosart: It is, however, an aspect of this question that I think should always be kept in mind, that the suggestion is made by some of those NATO countries that not only Canadian but American and United Kingdom troops should remain in Europe as an important element of NATO defence. This was the original trip-wire concept, the idea being that if there was a break through in that vital area, particularly in West Germany, American, United Kingdom and Canadian troops would be involved in meeting the aggression at once, so that we would be standing in the front line side by side with our allies.

I think there is some reason to believe that that concept may not be as important today as it was in the early fifties.

However, it should be remembered that this is much more than just a question of how much money it costs us to fit into the over-all strategic concept of the defence of our freedom in NATO.

Hon. Malcolm Hollett: I should like to say a few words with reference to a statement which I believe honourable Senator Pouliot made with regard to equalization payments as to provinces.

As I have in my pocket some figures which I received today from the National Research Council relative to personal income per person per province in 1962, I thought I might put them on record to show that there is a necessity for equalization payments. I am quite sure the party to which the honourable senator belongs agrees with me on that point.

I want to put these figures on the record, to show that if the personal income per person in any particular area of this country of ours is so low that it is not possible to obtain from the people the moneys necessary to properly look after the services of that particular province, then there is a necessity for equalization payments of some kind.

The figures I am about to give relate to personal income per person. The first on the list, as we would expect, is Ontario. I would remind you also that these are official figures. They are:

	Personal Income $
Ontario	1,938
British Columbia	1,896
Manitoba	1,696
Saskatchewan	1,690
Alberta	1,687
Quebec	1,417
Nova Scotia	1,245
Yukon and Northwest Territory	1,205
New Brunswick	1,107
Prince Edward Island	1,009
Newfoundland	972

Honourable senators, you will note that my own province is at the end of the line. I should point to the difference: $972 for Newfoundland against $1,938 for Ontario.

The honourable senator who spoke last on the other side, will understand why it is absolutely essential that we have some form of equalization payments, whether it is going to cost a lot of money or not.

One could compare $1,938 for Ontario with $1,896 for British Columbia, and with the $972 for Newfoundland.

I should add that these figures I have given are to offset the effect which the statement of honourable Senator Pouliot might have on the thinking of our people.

The Hon. the Speaker: Honourable senators, if honourable Senator Macdonald speaks now, it will have the effect of closing the debate.

Hon. Mr. Roebuck: May I ask the honourable leader whether he overlooked the usual assurance which is given in the passing of these estimates, that it does not affect the discussion of the complete estimates? That is a custom which has been carried on here ever since I have been a member. I do not remember my friend giving it on this occasion.

Hon. Mr. Brooks: He gave the assurance.

Hon. Mr. Roebuck: Did he?

Hon. Mr. Brooks: Yes.

Hon. Mr. Roebuck: I was not here.

Hon. Mr. Macdonald (Brantford): Honourable senators, if I recall correctly, when I first gave that assurance shortly after coming into this chamber, honourable Senator Roebuck took exception to my assuming the authority for giving such an assurance.

Hon. Mr. Roebuck: I asked what authority you had to give it, and you did not answer.

Hon. Mr. Macdonald (Brantford): No; because the Senate is the master of its own proceedings, and it is the Senate that would decide whether an honourable senator could

speak on some appropriation that has already been made. It was out of respect for his suggestion that I did not have the power to do so, that I did not make the reference; but I am quite sure that no one in the Senate will object to an honourable senator referring at any time to an interim supply bill that has already been passed.

Honourable senators, I understood from his remarks that the Leader of the Opposition (Hon. Mr. Brooks) was giving approval to a suggestion which he stated had been made by the committee on defence, when abroad this fall, that the Canadian brigade should be removed from Europe. I do not know if that recommendation has in fact been made.

Hon. Mr. Brooks: I mentioned some matters which I thought might be given serious consideration by Parliament, and that was one of them; I still feel that way, as a matter of safety.

Hon. Mr. Macdonald (Brantford): I thought the Leader of the Opposition had endorsed the suggestion. Apparently I was mistaken.

Hon. Mr. Brooks: No. I suggested serious consideration be given by Parliament.

Hon. Mr. Macdonald (Brantford): I do say, though, that before the Canadian brigade is withdrawn from Europe very serious consideration must be given to whether or not that should be done.

Hon. Mr. Brooks: Exactly.

Hon. Mr. Macdonald (Brantford): I would remind the honourable Leader of the Opposition that Canada is a partner in the association of countries forming NATO.

Hon. Mr. Brooks: I have never agreed to its being anything else.

Hon. Mr. Macdonald (Brantford): I am not suggesting that you have. Canada entered into an agreement with these fourteen countries, and we are bound by the terms of that agreement. I am sure the Leader of the Opposition would be the last one to want to break or change the agreement without the approval of our partners in NATO. They are part of the arrangement whereby the Canadian brigade is stationed in Europe.

Hon. Mr. Brooks: Situations are changing.

Hon. Mr. Macdonald (Brantford): As situations change, no doubt there will be negotiation amongst the partners in NATO as to whether or not it is advantageous for the peace of the world that our Canadian brigade should be withdrawn from Europe. It would be only in circumstances advancing universal peace, I would say, that we would withdraw our brigade from Europe. As Senator Grosart pointed out in his speech, this is an organization which over the years has maintained peace, not only in Europe but pretty well throughout the world. I am sure that all honourable senators are just as convinced now as they were shortly after the NATO organization was set up, that it is essential that NATO should be maintained. That is the stand the representatives from the Senate, who were sent abroad just a few months ago, took at the Parliamentary NATO Association.

Honourable senators, it is easy to suggest that the Canadian brigade should be brought back home. I say that it is more important that we should stand with our NATO partners, and that if a change is made it should be in accordance with the conditions laid down by our Parliament.

Hon. Mr. Brooks: Will my honourable friend allow me to interject for a moment?

I did not say that I thought we should not support NATO with a brigade. The question in my mind was whether it was necessary, after hearing what our defence committee had said, to maintain the brigade in France rather than here in Canada. I also had in mind the fact that the Americans transferred in eight hours, I think it was, some thousands of troops across the seas. As I have said, conditions are changing. That is all that I had in mind.

Hon. Mr. Macdonald (Brantford): Honourable senators, I think we are pretty well in accord—

Hon. Mr. Brooks: I think so.

Hon. Mr. Macdonald (Brantford): —that we would not want anything done with respect to weakening the forces in Europe. In fact, if I may put it this way, I would not make any change until after an agreement was made with our partners.

Hon. Mr. Brooks: Of course, it is worth investigating.

Hon. Mr. Macdonald (Brantford): Honourable senators, I will not refer to much more that has been said. However, I should point out that a former Prime Minister of Canada, a man we all admire highly, the Right Honourable Louis St. Laurent, was one of the originators of the conception of NATO. He took a leading part in the establishment of that organization, and it does great credit to Canada that he was one of the originators of that idea. I know we all respect him highly for it.

Other suggestions were made as to what was or was not done. The Leader of the Opposition referred to the Glassco Report and to the Gill Report. Many recommendations in the Glassco Report have already been put into effect, and others are receiving the consideration of the Government. The Gill Report has also been receiving the consideration of the Government. It is interesting to note

that the Unemployment Insurance Fund has not been depleted during the past five or six months to the extent that it had been prior to that time. In fact, the fund is being built up again. How long that will continue, we do not know, but it must be gratifying to all members of the house to know that the fund is once again being built up.

The honourable Leader of the Opposition referred to the deficit of a billion dollars, which he says we shall have to face at the end of this fiscal year. I do not know where he gets his information, but I hope it will prove to be merely a figment of his imagination.

Hon. Mr. Brooks: Since my friend has brought this matter up, may I say that the honourable Minister of Finance mentioned, not so long ago, the fact that the deficit for 1963-64 would be $720 million, and that was without the addition of certain expenditures which we know are about to come. He went on to say that in his opinion the deficit for the following year could be more, and that it could be between $720 million and $1 billion. That is where I got the idea that it might be $1 billion.

Hon. Mr. Macdonald (Brantford): My friend jumps at the largest amount. I learn now that the deficit will not be $1 billion, but that it is going to be between $720 million and $1 billion.

Hon. Mr. Brooks: I would be surprised if it were not $1 billion.

Hon. Mr. Macdonald (Brantford): I would say that is a pretty good guess. But when my friend talks about an additional expense of $87 million, he does not take into consideration the fact that the revenue this year is probably to be greater than that of last year. Things are not going to be quite as black as he expects.

Hon. Mr. Brooks: The Minister of Finance must have known that.

Hon. Mr. Macdonald (Brantford): My honourable friend implied that when the next budget comes down the deficit is going to be high. I do not think he really wants it to be high.

Hon. Mr. Brooks: I certainly don't.

Hon. Mr. Macdonald (Brantford): I will take the opposite view, and speak in terms of $800 million, hoping it will be lower.

I believe it was Senator Pouliot who referred to the fact that the interim supply bill should come down sooner each month. I agree with him. However, that is easier said than done. The supply bill, as we all know, has to go through the House of Commons first. At times they are not inclined to put through bills without careful consideration of a very wide range of subjects.

This interim supply bill was introduced in the House of Commons last Thursday or Friday, debated all day Friday, all day Monday and again on Tuesday, and it reached this house yesterday, Wednesday. I do not know how we can speed up the passage of bills through the House of Commons. It is true that these bills come to us at the beginning of the month for which the payments must be made, and if my friend can conceive of any other method of dealing with supply, I shall be very glad to bring his suggestion to the attention of those responsible for bringing down interim supply bills.

Honourable senators, the Leader of the Opposition also suggested that the Committee on Finance should consider the estimates, that is, not the individual items but the estimates as a whole. I am quite in accord with him in that respect. I hope he understands my position. It was difficult to set up the Committee on Finance this year because the chairman was ill and we did not want to make a change. Then, when regrettably it became necessary to do so, the honourable senator whom I had in mind, and I know many other senators had in mind—I refer to honourable Senator D'Arcy Leonard—was one of our representatives at the United Nations, where he played an important role, more particularly in connection with financing of that organization. He has now returned and will be available next year to become chairman of the Finance Committee.

I agree with the honourable Leader of the Opposition that the committee should be set up. He stated that when he was sitting in my place he had intended to bring this suggestion forward the following year, but as he was no longer sitting where I sit today, it was impossible for him to do so.

Honourable senators, it is my intention that should I be sitting here when we reassemble in January or February, I will carry out the intention which he had a year ago; and I put it to him that, if he is occupying this place, he will carry out the intention that I have at the present time.

Hon. Mr. Brooks: That is fair enough.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Macdonald (Brantford): I move, with leave of the Senate, that the bill be read the third time now.

Hon. Mr. Brooks: Agreed.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

5th December, 1963

Sir,

I have the honour to inform you that the Hon. J. R. Cartwright, M.C., Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 5th December, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be, Sir,

Your obedient servant,
A. G. Cherrier,
Assistant Secretary to the
Governor General.

The Honourable
The Speaker of the Senate.

ADJOURNMENT

Leave having been given to revert to the Order for Motions:

Hon. Mr. Macdonald (Brantford): Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Tuesday, December 10, at 3 o'clock in the afternoon.

Motion agreed to.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

CONFERENCE AT KUALA LUMPUR, MALAYSIA—ORDER STANDS

Leave having been given to revert to Inquiries:

On the notice of Hon. Mr. Cameron:

That he will call the attention of the Senate to the 1963 General Conference of the Commonwealth Parliamentary Association held at Kuala Lumpur, Malaysia, 22nd October to 11th November, 1963, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

Hon. Mr. Cameron: Honourable senators, I would ask that the foregoing inquiry which stands in my name be allowed to stand until Tuesday next.

Order stands.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable J. R. Cartwright, M.C., Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act to incorporate Allstate Life Insurance Company of Canada.

An Act respecting The Canadian Union Conference Corporation of Seventh-day Adventists.

An Act respecting The Canadian Equity Insurance Company.

An Act respecting The Manufacturers Life Insurance Company.

An Act respecting Adanac General Insurance Company of Canada.

An Act to amend the Admiralty Act.

An Act to amend the Income Tax Act.

An Act to amend the Technical and Vocational Training Assistance Act.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, December 10, 1963, at 3 p.m.

APPENDIX

(*see p. 836*)

HARBOUR COMMISSIONS BILL—REPORT OF COMMITTEE

The Standing Committee on Transport and Communications to whom was referred the Bill S-38, intituled: "An Act to provide for the establishment of harbour commissions," have in obedience to the order of reference of October 23, 1963, examined the said bill and now report the same with the following amendments:

1. Page 1. Strike out subclause (1) of clause 3 and substitute the following:—

"(1) The Governor in Council may by proclamation establish a harbour commission for any harbour in Canada which is not named in the National Harbours Board Act, or for any harbour for which a harbour commission has not otherwise been established by Parliament."

2. Page 2. Strike out clause 5 and substitute the following:—

"5. (1) A majority of the members of a commission shall be appointed by the Governor in Council and the remainder shall, subject to subsections (2) and (3), be appointed

(a) where one municipality only adjoins the harbour for which the commission is established, by the Council of that municipality; or

(b) where only two municipalities adjoin the harbour for which the commission is established and the remainder consists of two members, one member by the council of each municipality; or

(c) where the number of municipalities adjoining the harbour for which the commission is established exceeds the number of members in the remainder, by agreement among the councils of all the adjoining municipalities.

(2) Where there is no municipality adjoining the harbour for which the commission is established, or where the Governor in Council determines that a municipality adjoining the harbour for which the commission is established does not provide normal municipal services, the remainder of the members of the commission shall be appointed by such of the following bodies as the Governor in Council may designate:

(a) any organization or group of organizations representative of local interests in the vicinity of the harbour for which the commission is established; or

(b) the Lieutenant Governor in Council of the province in which is located the harbour for which the commission is established.

(3) Where a member of a commission to be appointed in the manner prescribed in subsections (1) or (2) is not appointed within sixty days from the day on which the commission is established under this Act or from the day on which the office becomes vacant, he may be appointed by the Governor in Council.

(4) Each member of a commission shall hold office during pleasure for a term not exceeding three years and at the expiration of his term of office may be reappointed.

(5) No member of the council of a municipality adjoining a harbour for which a commission is established and no member of the legislature of the province in which is located any harbour for which a commission is established is eligible to be a member of that commission."

3. Page 5: Immediately after subclause (1) of clause 13, add the following, as subclause (2):—

"(2) Every by-law shall, at least ten days before its submission to the Governor in Council for approval, be served upon the clerk of each municipality adjoining the harbour for which the Commission is established."

4. Page 6: Strike out paragraph (b) of subclause (2) of clause 15 and substitute the following:

"(b) the appropriation to the funded reserves of the commission of such amounts as may be approved by the minister."

5. Page 8: Strike out subclause (1) of clause 30 and substitute the following:

(1) Subject to subsection (2), the Governor in Council may by proclamation declare a commission set out in the schedule hereto to be established pursuant to this act as of the day fixed in the proclamation, define the limits of the harbour for which that commission is so declared to be established, and declare the act set out in the schedule establishing that commission to be repealed as of that day.

6. Page 8: Immediately after subclause (1) of clause 30, add the following as subclause (2):

(2) No proclamation shall be issued pursuant to subsection (1) unless the Governor in Council has received a by-law passed by the commission requesting the Governor in Council to declare the commission to be established pursuant to this act.

7. Page 10: Strike out from the Schedule: The Toronto Harbour Commissioners' Act, 1911, chapter 26 of the Statutes of Canada, 1911.

THE SENATE

Tuesday, December 10, 1963

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

Prayers.

SMALL BUSINESSES LOANS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-122, to amend the Small Businesses Loans Act.

Bill read first time.

Hon. W. Ross Macdonald moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

EMERGENCY GOLD MINING ASSISTANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-124, to amend the Emergency Gold Mining Assistance Act.

Bill read first time.

Hon. W. Ross Macdonald moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENT TABLED

Hon. W. Ross Macdonald tabled:

Report of the President and Statement of Accounts of the Industrial Development Bank for the year ended September 30, 1963, pursuant to section 29(4) of the Industrial Development Bank Act, chapter 151, R.S.C. 1952. (English and French texts).

PUBLIC BILLS

SUSPENSION OF RULES 23, 24 AND 63

Hon. W. Ross Macdonald: Honourable senators, I ask leave of the Senate to make a motion with respect to the business for the balance of the session.

As honourable senators know, it is customary towards the end of each session to proceed with second readings of bills, where deemed advisable, the same day on which they are received from the House of Commons. We sometimes get bills with which we are all familiar and we are prepared to proceed with them without giving two days' notice as required by the rules. No one has tried to take unfair advantage of suspension of the rules.

Therefore, with leave, I make the customary motion, that for the balance of the present session, Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

I would be very glad if the honourable Leader of the Opposition saw fit to second the motion.

Hon. A. J. Brooks: Honourable senators, it was not really my intention to second the motion, but I am in agreement with it.

I realize that there is a lot of legislative business still to come before the Senate. If I might comment on the business in the other house, judging from the long list of bills presented there on Friday last, from a legislative point of view we will have done more business in the last three or four weeks of the session than in the preceding four or five months.

In an effort to put first things first, I am in perfect accord with the idea of the honourable Leader of the Government. In my humble opinion, legislation and the voting of supply to Her Majesty are two of the most important matters which come before Parliament.

I feel, as I am sure do most honourable senators—this sounds like a criticism, and it is a criticism—that in the other house a great amount of time has been devoted to rather trivial matters. For instance, there are long debates on questions of privilege, on points of order, and appeals from rulings, and so on. Then, in the latter part of the session bills are rushed through both houses and there is not always time for proper consideration of them.

I do not object to the honourable leader's motion. I know there is a long list of important bills which have to be dealt with. For instance, one has to do with pensions for the blind. We hope these bills will receive the attention they should get before parliamentarians take their Christmas vacation.

Honourable senators, I agree with the Leader of the Government, and second his motion.

Motion agreed to.

BUSINESS OF THE SENATE

ORDER OF BUSINESS

Hon. W. Ross Macdonald: Honourable senators, in view of the suggestion by the honourable Leader of the Opposition (Hon. Mr. Brooks) that we should put first things first, may I make another motion, which I they relate to public bills.

trust he will second. It is with respect to the order of business from day to day in this house.

Honourable senators will note that under Routine Proceedings our order of business is as follows:

1. Presentation of Petitions.
2. Reading of Petitions.
3. Reports of Committees.
4. Notices of Inquiries and Motions.
5. Inquiries.
6. Motions.

Honourable senators, it sometimes happens that we cannot proceed with all the business we had expected to deal with in one day on account of discussions which take place under items 4, 5 and 6 of Routine Proceedings. I have no objection to those discussions taking place, but it occurred to me that, as we are now getting near the end of the session, it might be advisable to take up items 1, 2 and 3, and then to proceed with Government business on Orders of the Day, and later return to items 4, 5 and 6.

With that explanation I now move, with leave of the Senate, seconded by the honourable Senator Brooks:

> That, notwithstanding Rule 19, from now until the end of the present session, Government business shall take precedence over inquiries and motions under Routine Proceedings and on the Orders of the Day.

Motion agreed to.

DIVORCE

PREPARATION OF RULES AND ORDERS

Hon. W. Ross Macdonald: Honourable senators, I ask leave to make a motion with respect to an act authorizing the Senate of Canada to dissolve or annul marriages. Section 4 of that act provides as follows:

> The Senate may make such rules and orders respecting petitions for dissolution or annulment of marriages, the procedure at the hearings thereon and all other matters as it considers necessary or desirable for carrying out the provisions of this act.

Honourable senators, with leave of the Senate, seconded by the honourable Senator Brooks, I move:

> That the standing Committee on Divorce be instructed to prepare rules and orders respecting petitions for the dissolution or annulment of marriages by resolution of the Senate pursuant to the provisions of the Dissolution and Annulment of Marriages Act, chapter 10 of the statutes of the present session, the procedure to be followed at hearings thereon and such other matters as it considers necessary for carrying out the provisions of the said act and to report thereon to the Senate.

The Divorce Commissioner, if I may so call him, has been appointed and is ready to proceed, but he cannot do so until the rules and orders have been established.

Hon. Mr. Brooks: Is there anyone working on the preparation of these rules now? What is the situation regarding them?

Hon. Mr. Macdonald (Brantford): A lot of thought has been given to the rules, but the Senate has not yet instructed anyone to prepare them.

Hon. Mr. Brooks: May I ask the honourable leader another question? Will the Senate Divorce Committee, under its chairman, Senator Roebuck, have anything to do with the preparation of the rules? It seems to me that we have wasted a lot of time, having heard no divorce petitions at all this session.

Hon. Mr. Macdonald (Brantford): The motion is that the committee be instructed to prepare the rules and regulations and present them to this house. I think that is the only procedure we can follow.

Motion agreed to.

ST. LAWRENCE SEAWAY AUTHORITY ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, December 3, the adjourned debate on the motion of Hon. Mr. Gershaw for the second reading of Bill C-111, to amend the St. Lawrence Seaway Authority Act.

Hon. Léon Méthot: Honourable senators, as has been already clearly explained by honourable Senator Gershaw, the purpose of this bill is to provide additional borrowing power to enable the St. Lawrence Seaway Authority to obtain funds to undertake the twinning of the locks of the Welland Canal as announced by the Government.

Even though I am familiar with that section of the St. Lawrence River which flows by Trois-Rivières, and where it flows through Lake St. Peter at Pointe du Lac, and even though I used to go swimming during the summertime in this part of the St. Lawrence River, I cannot claim to have similar personal knowledge of the situation at the Welland Canal or on the Great Lakes.

However, with the information given to us by the honourable Senator Gershaw I must say that the work the Government proposes

to do in the Welland Canal is very important, that it means progress for Canada as a whole and that, consequently, every citizen of our country should consent to this improvement and approve the bill.

However, such proposed legislation must remind us that if the twinning of the Welland Canal is important, it is no less important to consider the situation generally on the seaway from the Welland Canal down to the Atlantic Ocean, and also the conditions under which transportation is provided on the St. Lawrence River in that part of the country.

We must also consider what must be done to remedy any difficulties which may be encountered, and to correct any defects which may be found to impede navigation from the Atlantic Ocean to the Great Lakes.

The act to establish the St. Lawrence Seaway Authority was passed on December 21, 1951, and its citation is chapter 24 of 15-16 Geo. VI. Section 2 of that act reads, in part as follows:

> In this Act,
>
> (b) "canal" means a canal, lock or navigable channel and all works and property appertaining or incident to such canal, lock or channel;
>
> (c) "deep waterway" means adequate provision for navigation requiring a controlling channel depth of twenty-seven feet with a depth of thirty feet over lock sills in general in accordance with paragraph (j) of the preliminary article of the Agreement between Canada and the United States providing for the Development of Navigation and Power in the Great Lakes-St. Lawrence Basin, dated the nineteenth day of March, nineteen hundred and forty-one.

Section 10 of the same act provides as follows:

> The Authority is incorporated for the purposes of:
>
> (a) acquiring lands for and constructing, maintaining and operating all such works as may be necessary to provide and maintain, either wholly in Canada or in conjunction with works undertaken by an appropriate authority in the United States, a deep waterway between the Port of Montreal and Lake Erie—

Speaking personally, may I be permitted to add the words, "a deep waterway between Lake Erie, Montreal, Trois Rivières and Quebec, down to the Atlantic."

This deep waterway must be maintained at the depth the Governor in Council may deem necessary. As a matter of fact, Section 10(b) says:

> constructing, maintaining and operating all such works in connection with such a deep waterway as the Governor in Council may deem necessary to fulfil any obligation undertaken or to be undertaken by Canada pursuant to any present or future agreement.

We must admit that since 1941 the situation has changed considerably. In those days the vessels going up the St. Lawrence were not, at least in great number, of the capacity of those using that waterway today.

According to section 2(c) of the St. Lawrence Seaway Authority Act and the treaty of the United States, it was found that a depth of 27 feet should be maintained. At Trois Rivières we have a depth of 30 feet along the wharves and 35 feet in the channel. These depths of 35, 30 and 27 feet were and are from the average water level. Perhaps this is enough, but only on the condition that the required depth is maintained.

Last summer, and in particular when I was at my summer residence at Pointe du Lac, I noted that the level of the water in the St. Lawrence River was very low—that was true of the months of June, July, August and September. I could not even swim in the river without walking nearly three-quarters of a mile to find deep water. This may not be important to you, but of course it impaired my good humour all summer.

However, I noticed that oil tankers going up to Montreal had to stop at Trois-Rivières, hire a smaller tanker, unload part of their cargo, and two tankers instead of one, would go up from Trois-Rivières to Montreal. This meant additional cost for the shipowners.

I was also informed that certain vessels could not leave Montreal, and in some cases could not even leave Trois-Rivières with a full cargo, thus adding further expense to the shipowners. We must remember that when a ship leaves the wharf without a full cargo the owner pays the same running expenses as if it had a full cargo.

If we consider that in 1951 the Seaway Authority was authorized to borrow up to $300 million to maintain a deep waterway from the Great Lakes to the Atlantic, that this $300 million was in 1959 increased to $325 million, and that this amount of $325 million is by the present bill now to be increased to $535 million, we must realize that the money spent on the Seaway must not only be spent in the upper part of the St. Lawrence River but wherever it is necessary to maintain good navigation.

A week ago a collision occurred at Lanoraie, between Trois-Rivières and Montreal. Most of my colleagues who have motored

along the St. Lawrence will know where that is. I do not know the reason for the collision, and I would not like to say anything which would impose responsibility on one shipowner more than on another, but it seems to me to be logical to think that the St. Lawrence is not large enough at that point.

Before we build a house we must test the ground; and it is useless to improve the roof of a structure if the foundation is not adequate. Someone may say that the lack of water is due to the diversion done by the United States of America near Cleveland or Chicago. Some may say that dredging in the St. Lawrence River is not being done as it used to be done in older days. I do not know the answer, but I would mention that the Minister of Transport must protect and maintain good navigation from the Great Lakes down to the ocean for all kinds of vessels using this river which we are so fortunate to have within our borders.

Canada is rich. Everybody says so. But its greatest richness is rarely mentioned. It is the St. Lawrence, that great river which provides passage for shipping. It is almost the bloodstream of the North American Continent.

Hon. Gordon B. Isnor: Honourable senators, a few moments ago I was asked whether I was going to take part in the debate on this bill and, if so, how long I would speak on the subject. I said I would speak for perhaps three or four minutes. I was then asked "Can you cover a subject involving $190 million in three or four minutes?" I do not know whether I can, but nevertheless I do want to make a few remarks. My honourable Leader (Hon. Mr. Macdonald, Brantford) suggested that I should do so tomorrow, but since my remarks are going to be very short I would rather make them now.

Notice has been given that the seaway closes tomorrow. That, of course, will be good news for our two eastern ports, Saint John, New Brunswick, and that great eastern port of Halifax. Those ports will now begin to carry on a business which they believe rightly belongs to them. However, I am not going to deal with that matter.

The sponsor of this bill, the honourable Senator Gershaw, presented it and gave us the background to it in an extremely fascinating manner. I suggest that if he had put what he said in book form it would have become a best seller. The facts he gave were very interesting, but they do not tell the story of the development of business in the places where business should naturally be carried on. It is true that the seaway does serve central Canada in a very definite manner, but we in the east sometimes wonder if too much attention and money is being spent on keeping the St. Lawrence open.

This bill calls for a further expenditure, as I stated a moment ago, of $190 million. That is quite a sum of money. The sum is even more striking when we take into consideration the fact that a very careful survey was made some years ago in connection with the costs and the revenue involved. It was hoped that one would offset the other in a period of roughly 50 years. Instead of producing the necessary revenue to make it a worth-while project, it has steadily gone into a deficit position by not meeting the expenditures necessary. I was interested in the figures quoted by the last speaker, Senator Méthot. He clearly showed that additional improvements will be required, which will mean the expenditure of still more money.

I recall that when the present Leader of the Opposition (Hon. Mr. Brooks) was Leader of the Government in this house, I asked a question as to why the tolls on the Welland Canal were being removed. Those tolls represented something in the region of 10 per cent of the total revenue of the St. Lawrence Seaway, and amounted to more than $1 million per year. The tolls were removed in June 1962, if I remember correctly, and that meant a loss of more than $1 million a year in connection with that one item alone.

As mentioned a moment ago, this bill would increase the borrowing authority from $345 million to $535 million, a difference of $190 million. The revenue was estimated to take care of the total expenditure over a period of years amounting to, in 1959, $9.2 million, in 1960, $9.5 million, and in 1961 it had increased to $10.4 million.

This is all very well, but it is nothing near the revenue estimated to be derived from this exceptionally large expenditure.

We in the east have no fault to find with the development of industry in central Canada and the carrying of the freight resulting therefrom, but when large amounts of money are being spent, we contend that due consideration should be given to the situation at the ports of Saint John and Halifax.

It is estimated that against that figure of $10.4—that is the largest year's revenue—there is an operating expense of from $5 million to $7 million in addition to the interest payments of $5 million and $3.5 million.

So, looking at the entire picture, as we see it in the east, it is not what one could call a very successful operation.

I thought I should put these facts before you, because they are facts. I certainly do not wish to hold up the bill in any way. As I have said, the seaway is going to be closed tomorrow and we in the east should

be happy about that. So, I shall conclude with the thought that there are ahead of us a few months in which we shall derive some benefit from the shipment of Canadian goods overseas.

Motion agreed to and bill read second time.

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

Hon. Mr. Gershaw: If it is the wish of honourable senators, I would move that the bill be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Macdonald (Brantford): I do not know whether it is the wish of the Senate that this bill be sent to committee.

Hon. Senators: No.

Hon. A. J. Brooks: We neither object nor approve.

Hon. Mr. Macdonald (Brantford): It is a matter for the Senate to decide whether it is necessary to send this bill to the committee. If it is not going to a committee, I would suggest that it be read the third time tomorrow.

Hon. Mr. Brooks: Honourable senators, I think we thoroughly understand this bill. I can see no particular reason for sending it to committee, and we on this side of the house are not asking that it go to committee.

Moved by Hon. Mr. Gershaw that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

RAILWAY ACT

BILL TO AMEND—SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill C-110, to amend the Railway Act.

He said: Honourable senators, had I realized a few moments ago that I would soon be on my feet again, I would have taken the good advice of the honourable Leader of the Government and postponed my remarks on the St. Lawrence Seaway Authority bill.

I believe the purpose of this bill is well known to you. May I remind you, however, that in 1951 there was throughout Canada considerable clamour for the elimination of a large number of railway crossings, and as a result a fund of $1 million was set aside for that purpose. By an amending act in 1954 that sum was increased to $5 million, and in 1958 again increased to $10 million. I think that that small amount of background information is sufficient to explain the substance of this bill.

Last week was Canadian Highway Safety Week, and it is appropriate that this bill should come before us at this time. There has been a definite decrease in the number of highway accidents this year as compared to the number in previous years. The same thing can be said with respect to railway crossing accidents since this act first came into effect. Highway-railway crossing accidents during the last four years have shown a steady decrease in number. This is all the more astounding when it is realized that there has been a great increase in the number of motor vehicles using our highways. The line on the graph illustrating the number of automobiles licensed to travel the highways that cross railways continues upwards in an almost straight line, while the line demonstrating the number of accidents continues downwards. In 1960 there were 473 accidents at railway crossings, compared to 546 such accidents in 1959. In 1961 there were 444 railway crossing accidents, and by 1962 the number had decreased to 428. A comparison of the number of accidents in the period 1959 to 1962 shows a decrease of 118. This is largely because the work carried out under the provisions of this act has resulted in the elimination of a large number of crossings.

Clause 3 of this bill seeks authority to extend for a further period of three years from January 1, 1964 the program of assistance carried out under the Railway Grade Crossing Fund for the provision of reflective markings on the sides of railway cars, the cost of protective work at level crossings and for the building and reconstruction of grade separations.

Honourable senators, I think those are the main reasons for this bill. I have already mentioned that since the time this act was originally passed there has been a gradual increase in the amounts voted for the Railway Grade Crossing Fund. It is interesting to note that with respect to each of those increases there has been a provision that the assistance would be a certain percentage of the cost, depending upon the purpose and size of the project to be undertaken. In 1958, for instance, the maximum limit of assistance which could be applied to a single project became 80 per cent of the cost of that project up to a maximum of $500,000, and 50 per cent, or a maximum of $250,000, of the cost of projects involving existing grade separations. Furthermore, beginning in 1958 a supplementary annual grant of $10 million for the fund was voted in the estimates. The 1958 legislation embodying these changes was

to expire on January 31, 1961. That date was further extended, as I stated a moment ago, for three years, and this bill asks for a further extension of three years to January 31, 1967.

Clause 2 is one that perhaps I am not as well qualified to deal with as is the majority of the members of this chamber. It arises from a legal problem in regard to the interpretation of certain words used in the original act. The original act contained the words "passes over" and this bill seeks to change those words to "enters". It is felt necessary to change these words because of a lawsuit that was brought in the Province of Alberta. Honourable senators will note that this change is underlined in clause 2 of the bill containing the proposed new paragraphs (d) and (e) of section 428(1) of the Act. The main purpose is as stated in the last explanatory note. By the 1958 amending act these limits were increased for a three-year period commencing on January 31, 1958. By an act to amend the amending act, 1960, chapter 35, the period was extended to six years from January 31, 1958.

Hon. Mr. Choquette: May I be permitted a question? The honourable senator told us that due to a court action the wording was changed from "passes over" to "enter". Would he say what difference it makes, and what the case was about?

Hon. Mr. Isnor: I will be very pleased to do so, in as simple a manner as possible. In approaching a crossing, the term used was "passes over" and now the term is "enter". They could regulate the speed of the train on entering the crossing, according to the circumstances, such as whether there is a long line of cars. On the other hand, if it is a crossing that does not need to be restricted, an increased speed may be allowed. I think that is the whole purpose of this particular section.

Hon. Mr. Taylor (Westmorland): Honourable senators, I would like to draw the attention of the sponsor of the bill (Hon. Mr. Isnor) to subsection 4 of section 312. I realize this is an old section and that this amending bill does not change it, but it seems a peculiar provision. I should like to read it. It says:

> No train shall enter any highway crossing at rail level at a speed greater than twenty-five miles an hour if at such crossing a person or vehicle using the crossing or an animal being ridden or driven over the same has been struck by a moving train, and bodily injury or death thereby caused to such person or any person using the crossing—

It seems to me that this provision applies only in a case where somebody has to be killed before there is a requirement to reduce the speed. To me it seems a peculiar provision.

Hon. Mr. Isnor: An incident such as Senator Taylor refers to might occur no matter at what speed a train is travelling. The purpose of this amendment is to give a certain amount of discretion to the driver of a locomotive and to the Board of Transport Commissioners, or the railway, to govern the speed according to the circumstances. If they saw a line of cars or a cow, as the section implies—

Hon. Mr. Taylor (Westmorland): I am not worried about a cow. I am worried about a person being killed.

Hon. Mr. Isnor: Whether it were a cow or a person, I think they would use judgment and decide that the circumstances required a slower speed. That is the best explanation I can give the honourable senator.

Hon. Mr. Pearson: Referring back to subsection 2 of section 312, as to the word "enter", does that mean it might be construed that an automobile has the right of way over a train, or does the train have the right of way?

Hon. Mr. Isnor: I think that if the car were on the crossing, the speed of the train would be slowed sufficiently to allow the car to pass.

Hon. Mr. Pearson: That means the car has the right of way?

Hon. Mr. Croll: It would make little differerence to the engine who had the right of way.

Hon. John M. Macdonald: Honourable senators, I wish to make a few remarks in regard to this bill. After the very complete explanation given to us by honourable Senator Isnor, there is really very little left for me to say. I think he covered the legal point, if I may call it that, as well as any one trained in the law.

As far as I can read from the bill, his explanation is one with which we can all agree. Apparently some court did find that under an old provision of the act a train had to maintain a limited speed while passing over the crossing. With the long trains we have now, of perhaps 70 or 80 cars, that is a ridiculous situation. This amendment means that the train now has to slow down as it enters the crossing but can then speed up, so that the whole train can go by at a greater rate of speed. It seems to be a very reasonable thing to do.

As the honourable senator pointed out, the main provision is simply to extend for a

further period of three years the provisions of the 1958 legislation. This means that increased financial assistance is provided for protecting the public at these level crossings. It provides also for the improvement and, where possible, the elimination of such crossings.

It has long been recognized that these level crossings provide a special hazard for the public; over the years many accidents have occurred and many lives have been lost. Many years ago it was decided that the federal Government should provide funds to protect the public against the danger inherent in these crossings. The railway grade crossing fund was established. In setting up this fund the federal Government did more actually than just provide financial assistance. They showed by their action that this was a problem of great magnitude, and they gave encouragement and support to other levels of government in trying to provide protection at these crossings, and to the railroads themselves.

Much was done, but in spite of what was accomplished the problem became greater over the years because the number of motor vehicles increased rapidly. Moreover, as the population increased, as industry grew and expanded, the need for more railway lines became evident.

In order, as it were, to keep pace with the changing conditions, successive federal governments have been increasing their assistance to the railway grade crossing fund. Not only has more money become available but, as the sponsor of the bill mentioned, provision has been made for payment from the fund of a higher percentage of the cost of protection.

Provision has also been made for the spending of larger sums on any one crossing. The 1958 legislation provides that the amount which might be applied towards the cost of work in respect to any one crossing would be as high as 80 per cent of the total and as much as 500,000.

That legislation contemplated a term of three years. When the period of three years expired it was extended for a further three years, and now it is to be extended again.

Personally, I would be somewhat suprised if at the end of another three years this legislation will not have to be extended again, and indeed become a permanent part of the Railway Act.

I think there are good reasons why it is essential for public safety that this program providing for protection at level crossings be continued in its present form. I might mention two reasons.

There are many more motor vehicles on the highway now than there were formerly, and it is expected that the number will continue to grow. It must be remembered that since railways have begun using diesel engines the trains are much longer and can travel much faster over crossings where their speed is not limited by law.

Many methods and devices are used to provide protection: warning signs, signals of various kinds, gates, improvements of the crossing itself, and the marking of all box cars with reflectors so as to make them visible to motorists at night. All these, of course, have been of benefit and value. However, I think it must be recognized that to provide complete protection one would have to eliminate the level crossing, either by changing the course of the highway or by putting it over or under the railway. Many dangerous crossings have been eliminated and we hope and expect that many more will cease to be within the next three years. I think it should be our objective to do away with as many of these level crossings as we possibly can. I would like to see them all done away with, although I realize it is not possible to do so in the foreseeable future.

The whole problem, honourable senators, in relation to preventing accidents on the highway is a much larger one than preventing accidents at level crossings. Indeed, I expect level crossing accidents are a very small proportion of the total number of highway accidents. Recently I read the annual progress report of the Canadian Highways Safety Council. The figures given there reveal a frightening picture. For example, the report says:

> In 1936 some 1,300 people died in road traffic in Canada.
>
> The figure in 1963 is expected to exceed 4,000.
>
> Those are human lives, wiped out because someone did something he knew he should not do, or failed to do something he knew he should do. Until 1963, deaths in traffic compared to Canada's motor vehicle population, have been decreasing. There has been a significant decrease in the number of road fatalities, compared to miles travelled, since 1936. The current year, however, shows an increase in deaths per 100,000 vehicle miles.

So it is obvious that the problem is a very serious one. The Canadian Highway Council is to be commended for the work it is doing in promoting road safety.

Hon. Mr. Isnor: I take it that the honourable senator has been quoting figures regarding passenger cars on the highway.

Hon. Mr. Macdonald (Cape Breton): Yes. I am speaking of highway traffic, both passenger cars and trucks.

As to the council's fields of activity, the report says:

> Through the year, the Canadian Highway Safety Council is involved in a dozen or more specific measures for the promotion of road safety. These include the enforcement and enactment of laws and regulations, the broad field of education from kindergarten to university, participation in safety promotion by the general public, safety equipment available to the motorist, more specifically the use of seat belts, licensing and control of the motorist and his vehicle, engineering and designing of vehicles for greater safety, engineering and designing of streets and highways for greater safety, public relations with specific attention to publicity and the co-operation of the news media, proper maintenance of vehicles, the work of women, youth and the medical profession in all aspects of accident prevention in road traffic.

When the honourable senator mentioned the fact that we had a highway safety week just a short time ago, it struck me that only yesterday, during this highway safety week, I read that there had been 53 deaths in Canada from traffic accidents on our highways.

The provinces are doing their best to promote highway safety. They are spending tremendous amounts of money in the building of new and better highways, and on education; operators of motor vehicles seeking licences are being required to submit to careful examination, and so on. The Canadian Highway Safety Council is doing a tremendously important job in promoting highway safety. I believe the federal Government is doing its part. A great deal has been done in the direction of protecting the public against accidents at level crossings.

Honourable senators, by passing this measure I believe we shall be supporting the activities of the council, which certainly deserves support and encouragement, as well as providing financial assistance for the support and encouragement of all those interested in highway safety. Once again, I say this is a good bill. If I had any doubt before listening to the explanation by the sponsor of the bill, I now have to agree with him that it is a good bill and merits our full support.

Hon. W. Ross Macdonald: Honourable senators, may I open my few remarks by saying that if I were not convinced by the mover of the bill (Hon. Mr. Isnor) that it was a good bill, I would certainly have been convinced by the honourable senator who has just taken his seat (Hon. Mr. Macdonald, Cape Breton). He spoke with respect to highway safety, and he said that great effort is being put forth to make the highways safer both for motor vehicles and for pedestrians.

Unfortunately, when driving your motorcar you cannot be assured of safety, because you are at the mercy of others who are using the highway; and no matter how careful one may be he may be the victim of an accident. That was the fate of one of our own colleagues a short time ago, when as the result of an accident for which he was not responsible in any respect, he required hospital care for some considerable time. He was home for awhile, and then had to return to hospital. Honourable senators, I am sure we are very happy today to have Senator Vaillancourt back with us again.

Hon. Edgar E. Fournier: Honourable senators, I wish to make a few short comments on this bill, although there is little left to be said because its sponsor, honourable Senator Isnor, gave a full explanation and honourable Senator Macdonald (Cape Breton) explained his points clearly and brought out a great deal of good information.

Honourable senators, to me this bill has a different significance from the many bills considered in this chamber. As a rule, bills deal with money or are associated with business and the development of our economy. While this bill provides money, it also provides increased protection for human lives on our highways, which has become one of the nation's major problems.

It is true that we are spending millions of dollars to build better highways. However, it would appear that people have little respect for safety rules and regulations. I do not intend to elaborate on this subject, for I would be out of order. Nevertheless, as the bill deals with the matter of safety, I would like to say, as Senator Macdonald (Cape Breton) has mentioned, knowing that in Canada alone this year over 4,000 of our good, healthy Canadian men, women and children will have lost their lives on our highways through needless accidents, caused mostly by a very small group of irresponsible drivers, there is just cause for alarm. Unless the whole situation is approached from a different angle, I believe the problem will get worse.

A month ago I had the privilege of attending the 51st Annual Meeting of the National Safety Council Conference, in Chicago. It was a large convention. I came back more convinced than ever that unless the whole situation is approached from a different angle matters will become worse.

It is evident that there is a lack of co-operation among car manufacturers, highway designers, lawmakers, law enforcement officers, the courts, and the punishments imposed by them. There is much evidence that in many cases one group operates without any consideration for the other. Let us remember that 60 per cent of highway accidents are caused by less than 15 per cent of the drivers. By removing from the highways 3 per cent of the drivers who are rated as road maniacs, road hogs, speed demons, and crackpots, or whatever we may call them, our highways would be 70 per cent safer. These figures are alarming and, though not official, are based on findings of fact.

A railway crossing has always been a problem both to the motoring public and to railway companies. In past years nearly every accident that occurred at a railway crossing involved trains hitting cars. Today we have a great number of accidents in which it is the car that hits the train. You all know what the results are.

Figures published by the National Safety Council reveal that out of the 420 railway crossing accidents which occurred in Canada, 141 were cases in which the automobile hit the train. In my opinion this is an alarming situation. Moreover, out of these 141 accidents at railway crossings, 109 of the crossings were fully protected by gates and by all the newest protective devices that can be given. The drivers involved just ran through the protective devices, through the gates, or ignored the signals; at two locations there were two fatal accidents where the guardian or watchman on the crossing was involved, and one watchman was nearly run over by a car trying to beat the train.

One of the solutions to this alarming state of affairs is to eliminate level crossings and build overpasses or underpasses. That is the purpose of this bill. It certainly is good legislation, it has our support, and I hope many provinces will take advantage of it.

Motion agreed to and bill read second time.

The Hon. the Acting Speaker (Hon. Mr. Vien): Honourable senators, when shall this bill be read the third time?

Hon. Mr. Isnor moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, the business remaining on the Order Paper is Item No. 4, second reading of Bill C-112, which Senator Burchill will proceed with when we reassemble at eight o'clock.

I hope that Senator Cameron and Senator Haig, or one of them, will be ready then to proceed with Inquiry No. 3, dealing with the General Conference of the Commonwealth Parliamentary Association.

There are several bills now before us for second reading. If time permits this evening, Senator Hayden will move second reading of Bill C-124, to amend the Emergency Gold Mining Assistance Act. Tomorrow I hope we will be able to take up second reading of Bill C-122, an Act to amend the Small Businesses Loans Act.

By tomorrow I hope we will have before us Bill C-125, an Act to amend the Old Age Assistance Act. This is a bill whereby monthly assistance is to be increased by $10 to those who do not qualify for old age security benefits. I also hope we will have Bill C-121, an Act respecting the appointment of auditors for National Railways. We may have Bill C-120, an Act to amend the Canadian World Exhibition Corporation Act. We may also have Bill C-106, to amend the Currency, Mint and Exchange Fund Act.

We should have all these bills this week. I could ask honourable senators to endeavour to familiarize themselves with them, so that we may proceed with them as they come along.

Hon. Mr. Grosart: When is it intended to proceed with Bill S-38, an Act to provide for the Establishment of Harbour Commissions? It was asked that it stand on the Order Paper today.

Hon. Mr. Macdonald (Brantford): It will be on the Order Paper tomorrow, and it is likely we will proceed with it tomorrow. Senator Hugessen, chairman of the Standing Committee on Transport and Communications, to which that bill was referred, is not here at the present time but I expect he will be here tomorrow.

Honourable senators, may I suggest that the house now rise to reassemble at the call of the bell at approximately eight o'clock.

At 8.00 p.m. the sitting was resumed, Hon. David A. Croll, Acting Speaker, in the Chair.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

BILL TO AMEND—SECOND READING

Hon. G. Percival Burchill moved the second reading of Bill C-112, to amend the Canadian Overseas Telecommunication Corporation Act.

He said: Honourable senators, Bill C-112 is an act to amend the Canadian Overseas Telecommunication Corporation Act, passed in

1949. I thought it might be helpful to honourable senators if I were to give very briefly the background and history of the original act.

At a Commonwealth telegraphs conference held in Australia in 1942 it was recommended that the Commonwealth Communications Council undertake a complete review and study of the communications system of the Commonwealth. The main purpose of this was the production of a plan which would ensure future provision for the development of wireless communication and proper co-ordination between wireless and cable communication. In reporting its findings, the council suggested that it had become imperative to consolidate and strengthen the wireless and cable systems of the Commonwealth, and unanimously recommended public ownership by all Commonwealth governments of their respective overseas telecommunication services.

As a result of this report the Commonwealth Telegraph Agreement was signed by the representatives of the Commonwealth governments on May 11, 1948, and under this agreement each partner was committed to acquire the external telecommunications assets operating within its territory. To carry out this undertaking a crown company, known as the Canadian Overseas Telecommunication Corporation, was incorporated under the act of 1949 and the assets of Cable and Wireless, Limited, and of Canadian Marconi Company were expropriated and the employees and staff of the two companies taken over by the new crown company.

In addition, the agreement gave Canada representation on a Commonwealth telecommunication board and, consequently, our country has a voice in determining policy concerning matters affecting world-wide as well as Commonwealth telecommunication.

With that background, the company was incorporated in 1949, and the first report, which was submitted in 1950, showed advances by the Government of Canada of $551,761, and assets in lands, buildings and equipment, less depreciation, of $2,669,967. The accounts payable, on the other side of the ledger, were $2,714,481, which goes to show the Government had not at that time advanced moneys for the purchase of the assets of these two private corporations it had taken over.

The thirteenth report, which is the last one, came out in June of this year, showing returns up to March 31, 1963. It showed advances by the Government up to that time of $49,320,747, and a surplus of $7,625,801, while the assets in land cable systems and equipment, less depreciation, amount to $57,992,423. Profits to the company last year were $2,007,563, after paying income tax of $1,970,669. So, honourable senators, you can see that it is quite a profitable crown corporation.

During those 12 years the overseas services have been expanded, horizons have been extended, and the growth has been spectacular. The increase in the number of calls over the last four years has been of the order of 18, 12 and 20 per cent, respectively, while last year's calls increased 40 per cent. Telegraphic messages last year increased by 8 per cent and the total revenue increased by 13 per cent.

This system today connects Canada to Iceland, Finland, Norway, Sweden, Denmark, Belgium, Germany, the Netherlands, France, Britain, Switzerland, Italy, Bermuda, Jamaica, Barbados, Argentina, and Peru.

Last week the Commonwealth Pacific cable, known now as Compac, was brought into service by an interesting ceremony which we saw and heard on television, between the premiers of Great Britain, Canada, Australia and New Zealand. This was a joint project between Great Britain, Australia and New Zealand. The extension of that system into Southeast Asia and New Guinea, Borneo, Singapore, Malaya and Hong Kong is being planned now and should be ready for service in 1966. This latter is a joint project between Britain, Australia, New Zealand, the Federation of Malaya, and Singapore.

This brings me to the bill before us today which seeks to do four things in amending the original act. First, it seeks to increase the number of directors from five to seven to allow for a broader national representation. Secondly, instead of one vice-president appointed by the Governor in Council, as is provided for in the present act, there shall be as many vice-presidents as the board thinks necessary, and they shall be appointed by the board. Thirdly, it seeks to allow the board to fix the salaries of the president and general manager and the vice-presidents, with the approval of the Governor in Council. As the act stands at present, those salaries are fixed by the Governor in Council. Fourthly, it seeks to bring the employees of the corporation under the Civil Service Superannuation Act. In 1961 by virtue of the estimates and Appropriation Act No. 5 of that year, and because of the change in the Civil Service Superannuation Act, the employees were brought under the act. This amendment will bring about the appropriate change in the Canadian Overseas Telecommunication Act.

That, honourable senators, is what we seek to do in presenting this amending bill.

I was told today by an official of the telephone company that when the first radiotelephone message was sent across the Atlantic to Great Britain the charge was $75 for

three minutes. At the present time I believe the charge is $9 for three minutes to Great Britain, and $12 to France and Germany. I think the change in the rate reflects rather significantly the growth of service.

It is not necessary for me to add anything as to the place the telephone occupies in our everyday lives. It is built in to our economy and has been described, I think quite appropriately so, as the nervous system of the state. We depend upon it in our social, business, political and practically every other activity. Considering the important place it occupies in the home, and its priority in our daily lives, it is not hard to see how important it is in our relations with those outside our borders, as well as to our trade relations, our good-neighbour policy, and our defence. To all these it is vitally important. With the record of growth which the annual reports of the company indicate, Canadians should feel assured that their commitments to the Commonwealth Telecommunication Board are being faithfully discharged, and that Canadian requirements, both government and private, are being adequately taken care of.

(Translation):

Hon. Jacques Flynn: Honourable senators, I think I express the feelings of all the members of this house when I say to Senator Burchill, the sponsor of the bill, that we greatly appreciated the very interesting information he gave us on the financial situation of the Canadian Overseas Telecommunication Corporation.

It remarkable in so little time, that is since 1949 only, that corporation succeeded in setting up almost a complete cable and wireless communication system with all the countries of the Comonwealth.

It is also interesting to note that the corporation shows a profit and that, from all angles, the undertaking started in 1949 has proved a success.

As mentioned by Senator Burchill, considerable progress has been made in our field of submarine communications during the past years, as well as in all other fields of communications for that matter. Telephone followed the progress of radio and television. Today, more than ever, all means of communications prove the interdependence which exists between nations, peoples and individuals.

As Senator Burchill pointed out, this bill has four objects, three of which are more or less important. First of all, if the board of directors were increased from five to seven, it would be more representative of the various parts of the country. Secondly, the corporation will be able to appoint a greater number of vice-presidents who, unless I am mistaken, are to be chosen from among the staff as it concerns administrative duties. Thirdly, it is proposed to have the employees of the corporation come under the Civil Service Superannuation Act.

However, the most important amendment, in my opinion, is the one which would enable the corporation to connect Canada's overseas telecommunication services, not only with those of Comonwealth countries but with the services of all other countries.

As Senator Burchill pointed so well, by connecting the Canadian service with the installations of New Guinea and the eastern countries, there would no longer be any gap in the Commonwealth's telecommunication system and the corporation could thus connect its system with the installations of any country in the world.

Under the circumstances, I am sure that this bill and the proposed amendments will receive unanimous approval. As far as we on this side of the house are concerned, we are fully in favour of it.

(Text):

Hon. Mr. Fournier (Madawaska-Restigouche): The honourable sponsor of the bill (Hon. Mr. Burchill) mentioned that overseas calls increased last year by 40 per cent. Can he tell us how much of that increase was accounted for by private calls and how much by business calls? Has he any figures?

Hon. Mr. Burchill: No, I have not.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

EMERGENCY GOLD MINING ASSISTANCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Salter A. Hayden: Honourable senators, earlier today this house adopted a motion placing Bill C-124 on the Orders of the Day for second reading tomorrow. I now ask the unanimous consent of the Senate to my moving second reading and giving an explanation of the bill this evening.

Hon. Senators: Agreed.

Hon. Mr. Hayden: Honourable senators, with leave, I move the second reading of Bill C-124, to amend the Emergency Gold Mining Assistance Act.

Honourable senators, I suppose this bill may be called a hardy perennial. We have

been dealing with it on some kind of instalment basis since the first bill was introduced in 1948. The last time a bill of this kind was before us was in 1960, when the subsidies provided for under this emergency gold mining assistance scheme were extended for a further period of three years. That extension expires at the end of this year, and this bill provides for a further extension of four years, which would take it up to and including 1967.

The second feature of this bill, however, is a restriction, which is provided for in clause 2. It operates in this way.

This bill, when it becomes law, will not apply to the mining or sale of any gold produced by a lode gold mine which comes into commercial production after June 30, 1965, unless at least 50 per cent of the total number of employees of that mine, when it is operating in commercial quantities, and during the entire year, reside in an existing gold mining community.

The schedule attached to this bill lists quite a number of the recognized gold mining communities. There is also provision in the bill under which this list may be added to before July 1, 1965.

Honourable senators, may I point out briefly to you that the rate of assistance provided under this bill is the same as has been provided since 1958. In that year a bill was introduced extending the life of the Emergency Gold Mining Assistance Act for a period of two years at the rate of assistance then provided, plus 25 per cent. I take it the additional allowance was some recognition of increased costs of operation.

I should point out, too, that in 1956 the formula for providing assistance to gold mines was changed from that of having a base year from which you worked out the rate of assistance, by establishing a rate of assistance which has continued in force ever since. That formula for rate of assistance is two-thirds of the amount by which the average cost of producing one ounce of gold in a year exceeds $26.50. There is a limit on the amount of assistance you can obtain on that formula, the limit being $12.33. As mining costs mount, the combination of these two figures in the formula would put a ceiling on costs of $45 an ounce.

I should tell you also that for the fiscal year ending March 31, 1963, the Government will have paid out in that year $15 million. For the whole period in which this act has been in operation and in which assistance or subsidies have been provided, the various governments in office in Ottawa have paid out roughly $169 million.

The limitation which appears for the first time in this bill is for the purpose of avoiding a build-up of a new mining community which would require substantial assistance from the Government. The restriction is intended to emphasize the character of this assistance, which is to maintain established gold mining communities by maintaining their working population, who really provide the municipal support for the communities.

Hon. A. Neil McLean: Honourable senators, I would like to make a few comments with reference to Bill C-124, which is now before this honourable body.

Last year I stated in the Senate that the granting of subsidies to gold mines was, in my mind, not the right way to stimulate increased gold production, which is sorely needed in Canada. The production of gold in this country has dropped in the last three years from 4,628,911 ounces to 4,155,210 ounces, or nearly half a million ounces. These figures plainly show that the subsidy policy is not giving as good results as it should. There has not been a new gold mine of any importance opened up in the last decade or more, and the old gold mines are steadily decreasing their ore reserves. The mining companies now in existence are never sure how much subsidy they will receive until the year is over; and it seems to me to be a haphazard and unstable system under which to operate. Also, the present policy gives no incentive to prospectors for exploring and opening up new mines.

I have talked with members of the Prospectors' Association, which is a large and important body, about the gold situation and I know their feelings. My suggestion was that a floor or economic price be set for domestic gold only to be used for our national gold reserves. There is great need for such reserves and they should be very substantially increased. We have often put floors under other needed commodities to stimulate production and give employment. Domestic gold would be paid for by Bank of Canada notes which are non-interest bearing. There would be no inflation, as the notes would be backed by gold to a greater extent than any currency I know of.

In February 1962 I stated in the Senate that we had a weak monetary situation in Canada, that our gold reserves were absolutely inadequate and may lead Canada into serious monetary difficulties. We all know what happened in the summer of 1962. Canada was obliged to borrow over $1 billion in gold, or moneys convertible into gold, from Washington, New York, London and elsewhere, to strengthen our gold reserves in order to meet our foreign obligations.

On December 31, 1961 gold in our federal reserves amounted to $924,200,000, plus United States dollars $1,109,600,000 against a domestic paper money supply of $15,700,000,000.

On September 30, 1963, the last figures available, our national gold reserves were $774,700,000, a decrease of about $150 million. On the same date our reserves in United States money were $1,793,600,000. Reserves of United States money has increased about $654 million. Our domestic money supply has increased $16,700,000,000—an increase of $1 billion, according to the last figures given. This is rather a lopsided situation; whereas, we can, if we so desire, produce a far greater quantity of domestic gold and give employment to many thousands.

On the other hand, we do not produce United States money in Canada and such reserves are often borrowed. Even the printing work is done in the United States. Of course, at the present time United States money is convertible into gold; but times change, and we are not positive that a change upward in the world price of gold may take place in the not-too-distant future, for the price of gold has been increased suddenly many times throughout history. On account of the great scarcity of gold, hundreds of millions of dollars worth of the metal is being hoarded, which always occurs when a valuable commodity is scarce and on the bargain counter. Half of the free world's annual production never reaches the central banks.

European nations do not look on paper money, convertible into gold, exactly the same as they look on gold itself. They have lost too much by paper depreciation. That is the reason they are steadily increasing their present national gold reserves.

The position of the United States is that they have to keep a 25 per cent reserve of gold behind their own domestic money supply, which means $12½ billion or more, and they have demand foreign deposits, chiefly from Europe, payable in gold, far beyond their total gold reserve; so, they are not in a happy position regarding their own gold situation, as their gold reserves are now the lowest in many years, and they are doing everything they can to put the brakes on the export of their gold to other countries. In spite of this, their national gold reserves are steadily declining. Gold is a scarce commodity in the world today, and it seems to me that Canada should do everything possible to increase her own gold reserves. At the present time Europe is in a position to call the tune regarding the gold situation. They hold the trump cards, as they are free to withdraw their gold deposits from America at any time.

Last year I spoke of the success of the Soviet Union in opening up Siberia as a great mining country, and said they were steadily increasing their gold reserves with the objective of making a strong ruble for use in the European communist countries, as the pound and dollar is used in free world trade. Last month the Soviet Union announced that the ruble would be convertible into gold in settlement of trade balances between those countries. The *Financial Post* stated recently that the Russian ruble had become respectable and that on New Year's day 1964 a central bank will open its doors in Russia and will deal with the world in rubles with a gold content value equal to $1.11 American money.

Our north country contains the same Cambrian Shield as north Siberia, and it seems to me we should put forth vigorous efforts to open up more of this part of our country and give greater incentive to those who are prepared to explore, prospect and invest their funds in this great development undertaking. I feel the results will be extremely fruitful and, as stated, it will give employment to many thousands of people. We are now a poor third in gold production, far behind South Africa and the Soviet Union.

I am neither a director of any gold mine nor an investor in gold mining stock, but I fully agree with what the Under Secretary of the United States Treasury said in March 1962: "Gold is the universal metal of timeless acceptability." I might say that the following three years after President Roosevelt raised the price of gold in 1934, Canadian production increased 1,124,139 ounces. This shows what incentive can do. All other metals I know of have more than doubled in price during the last thirty years. Silver is up 300 per cent. I am of the opinion, as are many others who have studied the gold situation throughout the world, that the price of gold cannot be held down artificially indefinitely and a change may come before many months.

While I am supporting the bill I think that before another year goes by a far better way should be found which would greatly increase our own gold production.

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

COMMONWEALTH PARLIAMENTARY ASSOCIATION

CONFERENCE AT KUALA LUMPUR, MALAYSIA—DEBATE ADJOURNED

Leave having been given to revert to Inquiries:

Hon. Donald Cameron rose pursuant to notice:

That he will call the attention of the Senate to the 1963 General Conference of the Commonwealth Parliamentary Association held at Kuala Lumpur, Malaysia, 22nd October to 11th November, 1963, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

He said: Honourable senators, I think it is only fitting that those of us who had the privilege of representing the Parliament of Canada at the Ninth Conference of the Commonwealth Parliamentary Association in Kuala Lumpur should make some accounting of what we did, and it is a privilege to do so.

First, I should extend my thanks to the Prime Minister for giving me this privilege and, secondly, to thank the honourable Leader of the Government Senator Ross Macdonald, for his part in it; I might also thank the honourable Leader of the Opposition, Senator Brooks, for the nominee he made from the Senate to accompany me on this tour, because he made a very good choice. The Canadian delegation was the largest delegation at the conference, having a total of sixteen, seven of whom were from the federal Parliament and nine from the provinces. Nova Scotia was the only province not represented.

I would like to say also that it was a privilege and an honour to have the opportunity of extending an invitation on behalf of the Prime Minister to the conference to meet in Canada in 1967, an invitation which was unanimously accepted with enthusiasm.

While Malaysia is a young federation, its people certainly set a very high standard of organization, courtesy and service in looking after the delegations; and though their problem in terms of logistics, in moving the delegations across their country, was relatively small compared to the one we shall have in 1967 when we move people from one end of Canada to the other, nevertheless we can learn a lot from them.

The conference, which was the ninth, was attended by 121 members and 17 secretaries from 66 branches of the Commonwealth Parliamentary Associations and 28 Commonwealth countries.

An interesting sidelight on what constitutes the Commonwealth is that on the night we arrived in Kuala Lumpur, the Minister of Trade and Commerce, the Honourable Dr. Lim, gave a dinner for the heads of delegations. They were not all in attendance that night, but there were 17 present, and I was one of the four white men at that dinner. This was typical. I think Senator Haig may bear me out when I say that approximately one man in four of the delegates was white. The rest were brown, black, or gradations in between, which gives you a picture of the Commonwealth as it is today.

One of the valuable features of a conference of this kind—and I am sure Senator Smith (Kamloops) and others who have been on previous conferences will agree—is the pre-conference tour. It is exceedingly valuable, because the delegates are taken on a tour of the country and are given the opportunity of seeing what it is like, to examine its geography and industries, and to get to know something of the people. They did a magnificent job.

The Federation of Malaysia is roughly the size of Vancouver Island. That is not very large in terms of the mileage we are accustomed to in this country, but instead of having a population of less than 200,000 people, it has one of 10,100,000. It is comparable to Jamaica in terms of topography, climate, ecology and so on, and is a rather attractive country. It is divided into 14 states which combined make up the Federation of Malaysia—one of the interesting experiments in democratic government. Some of the states are very small. For example, the State of Singapore is 15 miles wide and 27 miles long, but has a population of 1,800,000—a thriving, bustling place, 87 per cent of whose population is Chinese.

The other states are Johore, which is also a very small state, Kedah, Kelantan, Malacca, Negri Sembilan, Pahang, Penang, Perak, Perlis, Sabah, Sarawak, Selangor and Trengganu.

They would like to have the State of Brunei join too, and rumour has it that the Sultan would like to have the state join, but there is some doubt about it. He is a little afraid he might have to share with the rest of Malaysia some of those very rich oil royalties of which he is the main beneficiary at the present time.

The main products of the federation are: rubber, rice, pineapple, copra, tin, iron and bauxite, timber, pepper and palm oil.

I said earlier that the pre-conference tour was invaluable in giving delegates the feel of the country. And an opportunity to see some of its problems and its people.

What about the people? The people of Malaysia are 50 per cent Malays, 42 per cent Chinese, and the rest are Indians and Pakistanis, with a few indigenous people. The national language is Malay, but in official circles it is English and will be until 1967. Wherever you go in that country you have no trouble being understood; you can get along in English.

An interesting sidelight of the country is that it has one of the youngest populations anywhere. It is simply extraordinary, because 54 per cent are under 19 years of age. The significance of this is terrific in terms of what the population explosion will be in years to come, in the immediate future, and in terms of the demands this young population will make on housing, schools and all the educational resources of the federation. However, it is one of the youngest and most vital populations one could find anywhere. In spite of the fact they are badly housed in the main, the young people are healthy, friendly, vigorous and lively, and there is an enthusiasm about them that is good to behold. The population explosion has been terrific but, as I said a moment ago, it will accelerate in the next few years because it is a young population. The net annual growth rate of population has been in excess of 3 per cent. In Singapore it has been 3.4 per cent. The economic growth rate has been 4 per cent, and in Singapore it has been 4.4 per cent. In other words, the federation has a rather viable economy in spite of the handicaps under which it is operating.

The governments, both state and federal, are making heroic attempts to cope with the population explosion, are building new houses, new roads, new water systems, and are expanding electrical power and rural development projects. While this is a small country in terms of our geography, they still have considerable room to expand by comparison with other countries; but everywhere you go there is a sense of liveliness and vitality. There are new schools and new apartments, new roads, and such projects.

In the State of Singapore a new three-room flat is being completed every 45 minutes, and this has been going on for the last two years. A three-room flat will rent for $20 a month, which gives some idea of what they have been trying to do to cope with slum conditions. They have bulldozed acres and acres of slums and have built 14- and 20-storey apartments on a gigantic scale. We pride ourselves on how we do things on a big scale in this country and in the United States, and we do; but it may interest you to know that one housing development in Singapore, the Queenstown housing development, encompasses 200,000 people and consists of 14- and 20-storey apartments and flats, fully modern in every respect. There is one to accommodate 300,000, which I did not even see. In other words, the rate at which they are coping with their housing deficiency is really fantastic, but they have a long way to go yet.

One of the priorities with which they are concerned is what they call rural development. These are group rural development projects, something along the lines of our ARDA projects in this country, but on a more specific scale, starting from scratch. They are proud of them and have every reason to be. The housing and rural development schemes that are being built up and the way they are tackling more productive farming is encouraging.

The income per capita in the federation is the second highest in Asia, after Japan. It is twice as high as in the Philippines and Thailand, and four times as high as in Indonesia, across the Strait of Malacca.

Economic development places heavy reliance on rubber, tin, iron ore, copra, pineapples and timber. It is rather interesting that they are greatly concerned about Canada's competition arising from our synthetic rubber plant at Sarnia. They ask, "Why does Canada need to compete with us with this synthetic rubber plant? Rubber is our very lifeblood, accounting for 40 per cent of our income, and Canada does not need it." We told them we had no alternative but to go into the rubber business because our sources of supply were cut off entirely during the war. As a matter of fact, 15 per cent of the production of our Polymer plant goes to Malaysia as they have to use it to make their tires.

Rice production is not sufficient for the needs of the country, and this fact may have interesting possibilities. I spent one and a half hours with the Minister of Economic Development in Singapore, a very bright and able young Chinese, trying to find out how Canada could be useful and if there could be an exchange with them in some respects. I asked what we could do. He replied, "Could Canada supply us with technicians for the building of terminal elevators and flour mills?" I said, "This is probably the easiest thing Canada could do. Supposing we supply the technicians and you build these terminal elevator facilities and flour mills, would you be likely to buy some of our wheat?" He said he thought there was a very good prospect of the federation doing that because the country has insufficient rice production, and this is likely to be increasingly so as time goes on. That is the background of the country and a little about the people and their economic situation. On the economic side, one gets the impression that it is a healthy, vital and viable economy. There is an enthusiasm that is good to see.

Now for the conference itself. It was opened on the 4th November by His Majesty The Yung Di Pertuan Agong—which is another way of saying the King, with all the formality that goes with a state opening of that kind. It is significant in another way because it also marked the first occasion on which the magnificent new Parliament building was

used. This building was erected at a cost of $17 million. To me, being somewhat interested in construction, it was of considerable interest, particularly to see how they made use of concrete forms. May I say that Canada lags far behind the Italians, the Germans and others in the use of concrete. This is the case, despite the fact that we have so much of it in this country. As it was used in this building it was light, graceful and airy, and indeed very attractive. I wish you could see it.

Hon. Mr. Haig: Tell them about the windows.

Hon. Mr. Cameron: I should like to do that, but I should make sure they have the right glasses on.

In the centre of this building there are a number of pools, which are very aesthetic, and which also help to keep it cool. The partitions are made of glass, and a few of the delegates who were shortsighted sometimes mistook these plate glass walls for doors, with disastrous results to the glass and sometimes to the delegates.

The conference itself was concerned with three major topics: technical and educational co-operation, the promotion and expansion of trade between Commonwealth countries, and international affairs and defence. Every single member of the association was concerned with how to improve their education, how to educate the people who are not educated, how to get more teachers and more technical aid to help.

I might say a word about the procedures in handling a conference of this size. I have been to a number of conferences in the last 15 years, and I have always wondered how it was possible to handle 160 people, especially political people.

At this point I should like to tell you a story of an Australian I met. I love the Australians. I love their exuberant, boyish, extroverted character. Of course Canadians and Australians have always got along well together. This particular Australian told me about being stopped one day when in the middle of a political campaign, and being asked as to what he would do if he were elected to the house. He said, "I turned the lapel of my coat which had a button on it which read, 'I am an ear basher too' ". Apparently ear bashing is an Australian expression for making speeches.

It is hard to handle a conference where there are quite a few prima donnas who wish to hog the spotlight all the time. That is one of the difficulties at every conference. But this one was handled better than most. It was originally suggested that they should give each leader opening a new subject all the time he wanted. I hope I represented your views when I voted against that with both hands. Finally, it was decided to give the leaders 20 minutes, and all other participants were limited to 10 minutes each. There was provision for interjection, and the chairman had the option of using his judgment in extending the time. In this way there was relatively little repetition, certainly not among the delegates because the delegates spoke on their own particular specialty, and at the same time there was a sense of participation on the part of everyone. Everybody had a chance to participate, and nobody abused the privilege. There was one exception to this, and it was by one of the most lovable people I have ever met, the Honourable Walter Nash, former Prime Minister of New Zealand. Mr. Nash, as I have said, is a most lovable man, but he had a lot to say and he could never say all he wanted in the time allotted.

As I said a moment ago, Canada's was the largest delegation. We had 16 members present, seven from the federal Government and nine from the provinces. We were fortunate in having with us Duff Roblin, Premier of Manitoba; Mr. Dewar, Minister of Education from Prince Edward Island; and Mr. Colborne, Minister of Public Works from Alberta. It was a good delegation and I think its members lived up to Canadian traditions.

Most of us know that Canada has a rather unusual place in the hearts of members of the Commonwealth, and in all other countries as well, because it is known that Canada is not looking for anything for herself. When Canada speaks she is listened to, and usually her role is that of mediator, often a necessary role, and conciliator, which is a very constructive role. I wish to say that I was proud of the contribution made by the Canadian delegation because I think every one of them handled themselves well, and they maintained that high note which we like to see Canadians maintain when at international conferences of that kind.

Now, to give a few impressions. One outstanding impression I have is the weight of the African delegation, and I do not just mean avoirdupois. From the standpoint of numbers, Nigeria had a delegation nearly as large as our own. Yet, they are a country of 50 million people. Senator Smith (Kamloops) was there last year and he knows what it is like. The leader of that delegation was the Honourable Mr. Njoka, Minister of Transport in the Federation of Nigeria, who was chairman at Lagos last year. He is an extremely able man. I should mention that he is also quite a success at panhandling, because he just got $20 million from the Japanese Government for industrial development in

Nigeria. They are doing something that Canada might also do.

Many of these countries are looking for investment capital from outside, and they have developed a device which, if we had used it 30, 40 or 50 years ago, we would not now be screaming our heads off about somebody else owning our equities and our industries. The device I refer to is that of joint venture development.

I mentioned earlier the Minister of Economic Development in Singapore. He has a budget of $80 million per year for this development and they are now building a huge industrial estate at Jurrong which is just outside Singapore. Here they are building huge steel mills and dock facilities of the most modern kind. When built, the government hands them over to private operating companies. This joint development system obtains money and also assures them of a measure of ownership and control.

As I said earlier, the Nigerians were the most sophisticated of the African delegations. In other words, they have been working with democracy for a longer time than any other African country; and this you can see from the way the delegates handled themselves, and the confidence they displayed in their discussions.

I should say that the people who came next to the Nigerians were those from Ghana, who were very able, quiet and modest men. We do not often think of Ghanaians as being quiet or modest, but these men were. The number of Africans was equalled only by the magnitude of their problems. Their problems are frightening, and I feel there is a tremendous responsibility on this country to work with them in years to come and to help them to get established.

Then we come to Uganda, another federal state. The representative of that country said that 98 per cent of their economy is rural. Their economic standard is of the lowest level, and the task of making such a state viable is tremendous. The cry everywhere from underdeveloped countries was for technical aid, rather than money, although they need both. There are not nearly enough trained teachers, trained economists, or not nearly enough scientists—they must have more.

The main interest everywhere is in education. It is the key to their economic development and, their survival. One of the encouraging things to see in Malaysia is the new University of Malaysia in Kuala Lumpur. It is a magnificent university. Five years ago the site on which it stands was a rubber plantation and swamp, and on that land they have built a new university under the guidance of Sir Alexander Oppenheim.

Being Scotch and thus economy-minded, when I noticed these fine buildings I asked, "What is your percentage of occupancy of these buildings? I ask that because you are asking for money from Canada and other countries." If I say the answer is that they are using the buildings to about 50 per cent of their capacity, then I am giving them the benefit of some doubt. In other words, they have the same disease that some of us in this country have. We are not using the capital plant of our universities to the fullest extent possible; in this respect they are worse than we are. This is something they will have to learn, and they may learn it the hard way.

I turn now to the subject of trade, and its expansion. I am not sure how much will come out in the way of concrete results, but the exchange of views and the potentialities was valuable and important. I mentioned the exciting Jurrong development and the development of Petaling Jaya outside Kuala Lumpur, and enterprises like that. These are healthy developments, but they have a long way to go. In many cases their interests are not compatible with some of ours, and some of our Commonwealth neighbours have advantages over us because the people of Malaysia are much more familiar with New Zealand and Australia than they are with Canada.

As a matter of fact, one of the things I was not happy about was that there was no mention of Canada in the two daily newspapers of this country during the time I was there. Not once did I see the name Canada mentioned, not to mention a story about Canada. The university people, the government people, the Colombo Plan people knew about Canada. They have a high regard for us. But the masses of people do not know we exist. We are pretty small potatoes, so far as they are concerned.

Canada's role in the discussion on defence was a minor one, but it should be remembered that as a member of the Commonwealth we would be involved to some extent if hostilities broke out between Indonesia and Malaysia. Australia and New Zealand have definite military commitments to Malaysia in the event of hostilities, and so has the United Kingdom. However, my personal feeling is that the Indonesian confrontation, as they call it, is not likely to develop into anything more than a continuance of harassment. However, one can never tell what dictators will do.

I have said that the standard of living in Malaysia is four times that of Indonesia just

four miles across the Malacca Straits. One of the mad things of these days is pointed up when one looks at the magnificent harbour of Singapore and sees a hundred ships lying there idle because the Indonesians have said they will have no trade with Malaysia.

Indonesian pirates—piracy is an old profession in that part of the world—are raiding and killing them every day. Paratroopers are being dropped into North Borneo every day, and I am sure that my honourable friend Senator Haig will have more to say about that. It is nothing more than harassment, and I doubt that it will ever go beyond that. However, the harassment will continue for some time.

I asked some of the members of the Government what the situation will be, and they replied, "Look out over the harbour. There are a hundred ships out there sitting idle because of this cutting off of trade." Then I asked, "What if it goes on for a couple of years or more?" The answer I received from one cabinet minister was, "We will just live off our fat." Well, there is a lot of fat in Singapore. It is a very rich state, but the rest of the country is not so rich.

As one participated in the discussions one could not help but get a feeling, and form impressions of the role of the Commonwealth, which I might sum up as follows: In spite of differences on some major political issues and, in many cases, conflict of economic interests, the Commonwealth remains one of the most significant cohesive forces in the world today. I have this feeling every time it is my privilege to attend a meeting of this kind. I feel that the Commonwealth does mean something.

In recognizing the history of the newly-independent members of the Commonwealth, it is one of the great hopes of the world that countries representing two billion of the world's three and a quarter billion people have linked themselves together voluntarily on the basis of a common set of ideals of freedom, justice and loyalty to the central idea of democratic government. Their concept of democracy may vary, and here, may I say, I would hate to be under the thumb of a certain speaker of a state legislature in Nigeria, because I think he could be a first-class dictator. Nevertheless, democracy means something to them. Here black men, brown men and white men are linked together with a very real feeling of cohesiveness and unanimity because they believe in a common ideal. This is a great thing in the world of today. The Commonwealth and the Commonwealth Parliamentary Association are playing an increasingly vital and important role in the world of today.

What are the negative factors? Some of them are surprising. One that surprised me was the extent of the critical attitude towards the United Kingdom. It was critical on the part of the Africans, and sometimes on the part of the Indians, Pakistanis and even more surprising, at least to me, was the critical attitude of the people from the Caribbean area, mainly British Guiana, Trinidad and even the Bahamas and, to a less extent, Jamaica. This was surprising to me, although it may not be to the rest of you.

British Guiana and Trinidad have their troubles, but all these Caribbean countries seemed to go along with the Africans. When somebody made a critical telling point against the British it was amazing to witness the amount of support it got from the people of the Caribbean area, and sometimes from the Indians and Pakistanis too. It was just a little uncomfortable, I must say. However, the suave and experienced United Kingdom delegation usually handled itself very well.

I can think of one illustration. There were two delegates representing the State of Singapore. They were young Chinese between 30 and 40 years of age. They were cabinet ministers, and were as smart as any men I have seen. I am sure Senator Haig will confirm this. We were watching the swearing in of 55 new members of Parliament representing the states of Singapore, Pahang, Sabah and one other the name of which I have forgotten. There were 55 members representing four new states, and it did one's heart good to see how smart and bright and vital these men were. Two of them were Chinese, and one afternoon these two gave a blistering attack on the United Kingdom. It was the most scathing denunciation I have ever heard. Harvey of the British delegation in reply said, "Do you not admit that the British have done a lot for you in Singapore? From the time of Stanford Raffles it is the British who have made this place possible." Back came the answer, "We do not owe you anything. You were paid over and over again". This was not a nice attitude to see taken, and yet they were smooth enough, because after it was over they joined the United Kingdom delegation and had a friendly drink with them. Much of it was just talking for the sake of effect.

In this respect they have a new kind of opposition there. Senator Brooks will be interested to know that there is the loyal opposition and the disloyal opposition. We, in this house, have only the loyal opposition. The loyal opposition there is mainly the People's Action Party, which is socialistic

and composed mainly of Chinese. The disloyal opposition is made up of what are called the Barisan Socialists, most of whom were either in jail or had the jailers looking for them. They are linked more with the Communists than with the Socialists.

One other disturbing matter was the Kashmir problem. The Indians had a delegation of about twelve and they sat on one side of the house. The Pakistanis sat on the other side. The discussion could be going on peacefully and quietly and then suddenly, like a thunderbolt out of a summer sky, it would explode and a dozen Indians and Pakistanis would be standing up and shouting and calling each other liars, and for a time it would get pretty hot. They meant what they said. It looked as if we would have a chance to act as peacemakers there as well.

This is a highly charged emotional issue, and it is not likely to be solved for a long time. It may take a generation or more before the memories of partition and all its horrors and slaughter will fade away.

I have mentioned the attitude of the Singapore Chinese, and in conclusion I want to say something about our own people. Our High Commissioner's staff members were generous and helpful. As all honourable senators know, when we go abroad the staffs of our High Commissioners make things easy for us, but I do think we should treat them a little better than we do.

For example, I was in India in 1956 when the Suez crisis occurred. We were hungry for news. Escott Reid, the High Commissioner, said he would make the C.B.C. news clips available to us every day. That was a great help, because that was the only news we were able to get from this side.

When we got to Kuala Lumpur there was no Canadian news; they did not know we existed. We again went into the High Commissioner's office and asked how we would get news. To my surprise they said, "We cannot be very helpful to you because the news comes on teletype to Rome and is then sent by mail and we get it five days late."

Our friend Harold Banks was stampeding out on the front steps of the Parliament Buildings after we left, and we did not know whether ships were operating or not; we were hungry for news and we could not get it even from the High Commissioner. They would like to have news, and something should be done in this respect.

Something should be done also in Japan. I talked to Mr. R. P. Bower, the Ambassador there, and he made what I think is a good suggestion. He said, "We get our news in the same way—late—we cannot be up to date." I think it is unfair to people who are representing us in foreign countries not to be up to the minute on the news. Possibly this could be corrected in some way through giving them proper aerial and radio connections, as Ambassador Bower suggests.

My second point is this. When visiting high commissioners' offices and embassies, probably because I have some interest in the arts I look around to see how they are decorated. Every one, without exception, has the old silk screens which we had decorating barracks during the war and which were pretty fine then. But this is not good enough for offices of our foreign representatives when the basement of the National Gallery in Ottawa is full of Canadian art. These pieces should be sent out, so that the feeling of Canada is present in every office where we are supposed to be represented. I think we ought to do something about it.

There is another sore point with the boys, and I think they are right. It is the right to vote. I think they would not feel it so much if it applied to everyone without exception, but we found that is not so. They point out that if there is a member of the military in the place, even only one man, say, a sergeant, he can vote and yet the Ambassador cannot. Surely it is not too difficult to make some arrangement whereby these representatives could vote also. Somebody may say this costs money, but it does not cost that much. It helps to give these people a feeling that they are part of Canada. I think we should do something about it.

Regarding all our representatives, I want to say they are a dedicated group of men and women who are upholding the good name of Canada through unselfish and dedicated public service. In spite of this, Canada is mostly an unknown country in Southeast Asia. More vigorous steps should be taken to make Canada known—its resources, its people and its opportunities for mutual and beneficial trade. Southeast Asia, with its teeming millions of energetic enthusiastic young people, offers a great opportunity and a great challenge to imaginative and forceful Canadian enterprise.

We must help those people in every way we can. If we can help them to increase their purchasing power by a fraction of one per cent, we can develop a market for many of our surplus products such as wheat, aluminum, plywood, fabricated materials and many others. But before they can buy a lot from us we must be prepared to take something from them. It is a difficult problem.

We should invite more of them to see our country, to see what we have to offer in relation to their needs and their ability to exchange goods with us. We should have more Canadians visit those countries and get to understand them. There is a tremendous

reservoir of good will for Canada on the part of those who know what Canada has done and is doing, but as far as the masses are concerned, they do not know that Canada exists. We have little significance on the global map. We could do much more than we are doing. We must do more if Canada is to develop the relationships and the markets of the vast underdeveloped areas of the world.

In closing, I should like to mention the feeling which I, as a Canadian had. It was this: "Can I do anything?" As you know, I happen to run an institution of which I am rather proud, a school of management development. One of the great needs in these underdeveloped areas is for trained executive manpower. As I went over the country, talking to these people, to businessmen, to cabinet ministers and others, this was the cry everywhere. Therefore, I thought I would stick my neck out—my board of governors cannot do more than fire me. I made the proposal: "We can undertake to offer you 10 per cent of our enrolment in scholarships, under which we will waive the tuition fees, if you will get the men to Canada."

I knew it would be a good thing if people from Malaya, Singapore, Hong Kong and places like that could come and take a management training course here and then go to our Canadian business and plants to get the feeling of our commerce, to see what we have to offer. This would be good public relations, if nothing else. I am convinced we would be the gainers, rather than they. If our executives had an opportunity to sit around the same table for six weeks, and then go on tour with these men across Canada, they would establish a rapport with these men, a contact that would pay off dividends in years to come.

I am happy to say our board of governors were unanimous in approving this proposal, so my head is not on the auction block yet.

It seems to me that business concerns in Canada can do more than they have done in encouraging this interchange, because the kind of men that will be selected are the people who are going to occupy key positions in management in any country from which they come. So we would automatically have an entrée to those countries that money could not buy. This is one small thing which I hope will bear fruit in the years to come.

My closing remarks are more adequately given than I can give them in the November issue of the *National Geographic* magazine, in which there is an article written by Maurice Shadbolt, entitled "In Storied Lands of Malaysia". It is a comment which I should like to read to you, because it is well written and illustrated. It is really a first-class article, as most of the articles in the *National Geographic* are. This is what he said:

> Malaysia puts humanity on trial. Now, in all their diversity, I had seen the faces of Malaysia, the races which planned union last summer in a new, vital nation.
>
> In a world haunted by threat of nuclear destruction, their endeavor has special significance. Future historians might mark it down as the beginning of one of the most decisive experiments in man's history.
>
> Can people of so many races, so many beliefs, find a true harmony?
>
> The answer affects us all. Because Malaysia is not simply a test for Asians. It is a test for the human race itself.

It might be an object lesson for Canada.

Hon. Harry A. Willis: Honourable senators, I know honourable Senator Haig wishes to move the adjournment of the debate, but I should like to speak very briefly.

Senator Cameron is a modest man. I was riding in an airplane the other day, coming up to Ottawa, and the passenger next to me was full of eulogies of the speech which Senator Cameron made off the cuff during his trip. He apparently spoke extemporaneously at a dinner meeting, in the true Gladstonian and Disraelian manner. I understand a member of the House of Lords, in the English delegation, sent him a note on a serviette after he had finished, saying it was the best speech he had ever heard. I think we as fellow senators should know that.

Hon. J. Campbell Haig: Honourable senators, having listened to the introduction of this subject by honourable Senator Cameron, I would like to move the adjournment of the debate to the next sitting.

I might indicate that my notes had already been prepared before I heard Senator Cameron's speech, so if there is a certain repetition or emphasis that appears in my remarks and which occurred in his today, it is a joint effort by both of us.

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

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, I trust that we can proceed tomorrow to conclude the second reading of the gold mining legislation, and also proceed with the second reading of the small businesses loans legislation.

I am hopeful that the disabled pensions legislation will have received third reading

in the other house and have been passed there before we adjourn tomorrow afternoon. As most honourable senators are familiar with that legislation, probably we could proceed with that also on second reading tomorrow.

We may have the legislation setting up the auditors for the Canadian National Railway, so I do not think that will be controversial. If that legislation comes to us tomorrow, I trust we can proceed with it.

Now, honourable senators, seconded by the Leader of the loyal Opposition, I move the adjournment of the Senate.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, December 11, 1963

The Senate met at 3 p.m., Hon. David A. Croll, Acting Speaker, in the Chair.

Prayers.

CURRENCY, MINT AND EXCHANGE FUND ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-106, to amend the Currency, Mint and Exchange Fund Act.

Bill read first time.

Hon. W. Ross Macdonald moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CONSUMER CREDIT

JOINT COMMITTEE—REPORT ADOPTED

Hon. Arthur W. Roebuck, for Hon. David A. Croll, Joint Chairman of the Special Joint Committee of the Senate and House of Commons on Consumer Credit, presented the first report of the committee:

1. Your committee recommend that 10 members of the committee constitute a quorum, provided that both houses are represented.

2. Your committee further recommend that they be empowered to engage the services of counsel, an accountant and such technical and clerical personnel as may be necessary for the purpose of the inquiry.

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

Hon. Mr. Roebuck: Honourable senators, it has been suggested I move that the report be taken into consideration now. I do that with some hesitation, of course, but we are approaching the close of the session and this is almost entirely a routine report. Therefore, if there is no objection whatsoever—if there are objectors, please speak up—I suggest that we deal with it now.

Hon. Mr. Brooks: Agreed.

Report adopted.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. John J. Connolly, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill C-112, to amend the Canadian Overseas Telecommunication Corporation Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. G. Percival Burchill moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ST. LAWRENCE SEAWAY AUTHORITY ACT

BILL TO AMEND—THIRD READING

Hon. F. W. Gershaw moved the third reading of Bill C-111, to amend the St. Lawrence Seaway Authority Act.

Motion agreed to and bill read third time and passed.

RAILWAY ACT

BILL TO AMEND—THIRD READING

Hon. Gordon B. Isnor moved the third reading of Bill C-110, to amend the Railway Act.

Hon. Walter M. Aseltine: Honourable senators, I do not intend to hold up third reading of this bill but I would like to make a few remarks and ask the sponsor a few questions. Having been unavoidably absent from the chamber for some little time, I was not aware of the fact that this bill dealt with a subject which was of considerable interest to me inasmuch as I had something to do with similar measures in 1958 and in 1960.

I did not speak yesterday because I wanted to look up what I had said on previous occasions about the same subject. I refer honourable senators particularly to section 3 of the bill. In 1958 the Senate passed an amendment to the Railway Act, and in 1960 that act was again amended. Those amendments had to do with the placing of reflective markings on railway box cars. As Government leader in 1958 I had the pleasure of sponsoring the bill of that year to amend the act, as I did again in 1960 when the subsequent amendment came before us for consideration. Honourable senators will find the debates on the

1958 bill at page 748 and following pages of *Hansard* of that year. We had a very interesting debate on the subject at that time.

In opening the debate I stated that section 265 of the act, which is referred to in clause 3 of the bill before us, had been amended many times in the past. Originally enacted in 1909, it was amended in 1914, 1919, 1920, 1928, 1929, 1938, 1947, 1950, in 1951 and perhaps on other occasions of which I have no record.

Hon. Mr. Farris: It ought to be in good shape by now.

Hon. Mr. Aseltine: And it was amended in 1958 and again in 1960.

All amendments made to the act were for the purpose of increasing the fund's proportion of the cost of eliminating grade crossings, and also to increase annual grants made by Parliament to the Railway Grade Crossing Fund.

In 1958 we dealt principally with the reflective markings on box cars on the Canadian National Railways and on the Canadian Pacific Railway. I do not intend to go into the matter of reflective markings on box cars at any length today, but if honourable senators would care at some time to read what I said at page 760 of the *Debates* of 1958, you will see I gave a complete history with respect to these markings. I believe you will find what I said to be of interest. I made a similar presentation in 1960, when I introduced the amending bill of that year.

My purpose in rising to speak today is to ask the honourable sponsor of the bill, Senator Isnor, a few questions. In 1958 and in 1960 I gave some statistics, which I think should be brought up to date. For example, I stated that in 1957 there were 51 collisions during daylight hours, and 109 collisions during night hours, between motor vehicles and the sides of railway trains. Those statistics have not been brought up to date, and I hope the honourable sponsor of the bill will be able to do so.

Therefore, I ask Senator Isnor to tell us, if possible, how many collisions there were between motor vehicles and the sides of trains, first, during daylight hours and, secondly, during night hours, in, say, the years 1960, 1961 and 1962.

I should also like to know how well the railway companies have co-operated in marking box cars with these reflecting devices so they can be easily seen at night by motorists travelling on highways. In western Saskatchewan trains often have as many as 100 box cars, and it takes them a long time to pass over a crossing. There have been quite a number of cases where motorists driving down the highway have not been able to see passing trains because they did not have reflectors on them, and as a consequence there have been collisions, often with tragic results. With that in mind, I ask how well the railway companies have been co-operating in this regard.

My latest figures, as of December 31, 1959, show that 3,770 box cars carried reflective markings. On May 1, 1960 the Board of Transport Commissioners ordered the Canadian National Railways and the Canadian Pacific Railway to mark 3,000 box cars each in that year. I would like the sponsor of the bill to let us know if the companies did so, and how many railway box cars have now been so marked. I would also like to ask him if all new box cars are being marked with reflective markings when they are being built.

Honourable senators, that is all I have to say with respect to the bill, but before I sit down I would like to join with the Leader of the Government (Hon. Mr. Macdonald, Brantford) in congratulating our friend and colleague, Senator Vaillancourt, on having apparently fully recovered from the effects of a serious highway traffic accident in the Province of Quebec.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: We are all pleased to have him with us again. I wish to congratulate him further, in that he appears to have regained to a considerable degree his youthful figure.

Hon. Gordon B. Isnor: Honourable senators, I well recall the two fine speeches made in 1958 and in 1960 by the then Leader of the Government (Hon. Mr. Aseltine). In fact, I read them again with considerable interest before making my remarks yesterday in the hope of being able to do half as well as he did. Unfortunately, I realize now that it is impossible for me to follow in the footsteps of a man of his stature. I say that as a sincere compliment. While I enjoyed listening to him time and time again explain bills when he was Leader of the Government, I am nevertheless happy to see him sitting on the other side, and our leader, Senator Ross Macdonald, occupying the position which he formerly held.

In answering the questions asked, perhaps I may be permitted to deal with the last one first. All new box cars will bear the reflective markings. I think that is included in the contract signed when the box cars are ordered.

To deal with the first question, as I recall the price given in 1958 by the leader at that time, it was $15 per car, and he estimated there were 198,100 cars in operation. If complete markings were carried out as planned

on that basis, it would cost $2,971,500. I do not know if those figures have been put on record before.

Hon. Mr. Roebuck: For both railways?

Hon. Mr. Isnor: Both railways.

It was also shown that 80 per cent of the cost of these markings would be borne by the Government through the grant included in the bill of that time and that the Canadian National Railways and the Canadian Pacific Railway would bear the remaining 20 per cent. This would mean that of the figure I have just mentioned, $2,971,500, the Government's share would be $2,377,200, and the railways' share $594,300.

Honourable Senator Aseltine also asked as to the number of box cars which have since been marked, and the number of accidents both by day and by night. Up to the end of 1962 there were 24,034 cars equipped with reflective markings. I might add that in 1963 there would be a further 6,000 cars so marked. It will be seen that they are well above the average required by the original recommendation.

The highway crossing accidents which were reported, and which involved personal injury, are as follows:

Year	Accidents during day	Accidents during night	Total
1960	297	176	473
1961	257	187	444
1962	261	167	428
Total	815	530	1,345

I think this is the information requested by Senator Aseltine. He himself mentioned that 3,770 cars were marked up to December 1959. I may say that from information given to me by the Board of Transport Commissioners it would appear that the railways are not only well above the average required which is 3,000, but they are now nearer to having 6,000 cars marked during each of the past three or four years.

Hon. Mr. Aseltine: Thank you very much.

Motion agreed to and bill read third time, and passed.

HARBOUR COMMISSIONS BILL

REFERRED BACK TO COMMITTEE

Hon. John J. Connolly moved the third reading of Bill S-38, to provide for the establishment of harbour commissions.

Hon. Arthur W. Roebuck: Honourable senators, I move in amendment that this bill be not now read the third time, but that it be referred back to the Standing Committee on Transport and Communications for further consideration.

The Hon. the Acting Speaker: Honourable senators, in amendment, it is moved by the honourable Senator Roebuck, seconded by the honourable Senator Lambert, that this bill be not now read a third time but that it be referred back to the Standing Committee on Transport and Communications for further consideration. Is it your pleasure, honourable senators, to adopt this motion?

Some Hon. Senators: No.

Hon. Mr. Brooks: May we have the reasons?

Hon. Mr. Connolly (Ottawa West): Honourable senators, I was acting chairman of the Transport and Communications Committee which reported this bill last week. Since that report I have received two telegrams which were addressed to Senator Hugessen, the chairman of that committee. I think I should read these telegrams to the house, and thus put them on the record. The first one was received on December 9 from Victor K. Copps, mayor of the City of Hamilton, and reads as follows:

> I understand that Senate will again consider Bill S-38, an act to provide for the establishment of harbour commissions at a meeting to be held Tuesday, December 10th. Wish to confirm that the position of the City of Hamilton on this bill is the same as outlined in my submission to the Standing Committee on Transport and Communications on Wednesday, October 30th last, namely, that the Hamilton Harbour Commissioners Act be excluded from the schedule to the bill. Should the Department of Transport recommend otherwise, I would appreciate another opportunity to make a further submission.

The other telegram that I have, also addressed to Senator Hugessen, was received on December 9. It reads:

> Re Bill S-38 City of Oshawa's position remains as stated in letter to Senator Hugessen, committee chairman, dated October 31/63. The amendments proposed by Department of Transport are substantial improvements on original bill S-38. The city still takes position that section 30 should be amended to require consent of municipality before its harbour commission is placed under the general act. City regrets it did not receive more notice of committee meetings. E. G. McNeely, City Solicitor, Oshawa.

In view of the evidence given before the committee and the directions which were made at that time, and harking back to the

undertakings given at the committee meeting on October 30, I would think that the amendment to the main motion might well be entertained by the Senate.

Hon. Allister Grosart: Honourable senators, I welcome the remarks of Senator Connolly (Ottawa West) as acting chairman of this committee, because I was one of those who, at the committee meeting, endeavoured to have more consideration given to the points of view expressed by the municipalities than was given in the suggested amendments brought forward by the assistant deputy minister of the Department of Transport.

It seems to me that the motion for third reading of the bill should not be carried until there is some further reference to the circumstances which prompt this rather unusual action, namely, a motion to refer the bill back to committee for further consideration after the report has already been adopted by the Senate.

Senator Connolly (Ottawa West) has read two telegrams which indicate that at least two municipalities mentioned in the schedule to the act still maintain their position of objection, in spite of the amendments suggested by the department, approved by the committee and brought before the Senate. I think the circumstances are important, if only to serve as an object lesson of the dangers inherent in an attempt to put haste and expediency before established procedure, because this I suggest, is, what happened in this particular case.

There was great haste indicated on the part of the spokesmen of the department. There was an urgency attached to the passage of this bill through committee. I raised certain objections. The committee was informed that the bill had to be reported on that day in spite of the protest of the acting chairman—and I think it is fair to call it a protest—that the clear commitment given by the committee was not being honoured thereby. There was a clear commitment given at the previous meeting of the committee that those representatives of the municipalities who had appeared would be given notice before the matter was discussed again.

When honourable Senator Connolly (Ottawa West) raised this matter of notice, the assistant deputy minister gave us the rather astonishing information that he had no knowledge of any such undertaking; that he had been informed by his minister that he was to call three municipalities concerned—Toronto, Hamilton and Oshawa; that he had done so on the morning the committee met, and that he felt he could report to the committee the views taken by those municipalities in respect to the amendments that he was suggesting to the committee.

I am not going to read from the record, but I think I paraphrase fairly. He said that Mr. McNeely, the city solicitor of Oshawa, agreed that these amendments in substance met the objections of the City of Oshawa. Now we have the telegram read by honourable Senator Connolly (Ottawa West) which makes it quite clear that that was not the case.

In raising this point, I am not criticizing the assistant deputy minister. It is enough to say that there was a misunderstanding.

I think it is also fair to say that a misunderstanding was inevitable, or almost so, under circumstances such as this, when the established procedures were brushed aside and the committee was put in a position where the assistant deputy minister sponsoring the amendments was expected to interpret the reaction of those who had raised the objections originally. This is quite a serious matter and should have the attention of the Senate.

Honourable senators, my second reason for rising is to make a plea again for more generous consideration of the objections taken by the municipalities. In this respect I am referring to Oshawa, but I know this takes in the attitude of some other municipalities. I ask for a more generous consideration of their objections. I think it fair to say that they are not harassing objections. They are suggestions as to how this bill can be improved.

For example, the City of Oshawa asks that before the Harbour Commission of that city or of any municipality be taken over—and I am aware that the assistant deputy minister objected to that phrase "be taken over"—or come under this act, the consent of the municipality be obtained.

The amendment suggested—indeed, brought forward to the Senate—provided only that there would be a by-law of the harbour commission, not a by-law of the municipal council.

I would suggest that that is an entirely reasonable request. We hear a good deal of talk these days about co-operative federalism. I think this is a time when co-operative federalism can reach down to the municipalities.

The assistant deputy minister spoke of the relationship of the federal Government, or if you like of the department, to these municipalities as "a partnership". He said the federal Government was the senior partner and that its interest predominated. We do not deny that, but we do say that the essence of partnership is agreement and that before any harbour commission is brought under this new act it is reasonable to ask that there be consent of the municipality.

I want to stress the point that as far as I know there are no hidden conflicts in this. I do not know that the City of Oshawa has the least objection to coming under this act. Its stand is on the principle that it should be consulted.

I think it is not going too far to relate the position of a harbour commission to that of any of the other utilities operated by a municipality or in which a municipality is interested. There is a close relationship of the interest of a city to its harbour, to its roads, to its water supply. I would make a plea for more generous consideration by the department and the federal Government, unless there are some reasons for the present attitude—and if there are I think they should be explained in committee.

Secondly, I may say that one of the requests of the city has been granted by the amendment.

There is another request, and again I think this is a reasonable one. It is that the city be given access to the records of the commission and the right of notification of its by-laws. We are told that the federal Government had had some difficulty in that in one case, or perhaps more, the Government had been refused this right. Again, I say it is a partnership. What makes sense for one partner should make sense for the other.

This is important to the municipalities because they have a vested interest in these harbours. In the case of Oshawa they have leased land to the harbour commission; they have given the revenue from that land to the harbour commission. Surely it is not too much to ask that they be allowed to look at the books of their partner in this enterprise.

Honourable senators, I would like to congratulate honourable Senator Connolly (Ottawa West) and the committee on what appears to me to be another example of that flexibility and full consideration of the public interest which characterizes the operations of Senate committees as I have seen them.

I think we do honour to the Senate in not taking a static position and saying, "What is done is done". I think that the stand taken today by the acting chairman of the committee is something of which the department might well take note.

Hon. Arthur W. Roebuck: Honourable senators, I have thought to avoid, for physical reasons, making a speech in this connection. I am not going to speak to any extent now, but I would like to clear the committee of any responsibility for the situation as it now stands. It acted on the representations made, and I shall read them.

28906-6—56

The assistant deputy minister said:

> I telephoned Mayor Copps this morning—

That is the morning of the meeting. The amendments had been approved by the department the day before only, and they came before the committee on December 5. They had been before the department since October 30, that is, more than one month. They had been approved by the department on December 4, and came before the committee on December 5. This is what the assistant deputy minister said to the committee:

> I telephoned Mayor Copps this morning, and had a discussion with him. He was not able to act officially, but he expressed himself as being satisfied with the contents of this amendment as meeting his problems.

I think there must be a mistake there. The assistant deputy minister must be in error, because the mayor of Hamilton brought his whole board of control with him to Ottawa to protest against the measure that was before the committee. The whole board of control came to our first committee meeting, and the mayor was acting under the authority of his council at that time in objecting to the measure.

It does not seem to me likely that he would consent to the passing of the bill, contrary to the instructions which he had received and contrary to the representations which he had made very forcibly indeed to the committee.

The assistant deputy minister continued:

> I have also been in contact with the city solicitor of Oshawa, Mr. McNeely, who was present at our previous meeting, and told him the same things. If you wish, I will explain that we have met his objections substantially, as he agrees. We have not met them entirely, but he agrees—and this is an immediate reaction—that substantially we have met his points.
>
> Naturally, in the time available we have not been able to get written confirmation of what I am telling you....

It was on the representation that these parties had agreed to the bill as amended, that the committee made its report. The present information before us is that they have not agreed. Even if they had agreed, the mayor has no power to reverse the position of council or to act without the authority of council, and certainly the solicitor has no such power.

Honourable senators, this is an important matter. I was present at the first but not at

the second meeting of the committee. Unfortunately, Senator Croll and I were both attending the Committee on Aging. Indeed, the notice of the meeting did not impart the knowledge that this subject was to be considered. The mayor told us that the City of Hamilton had a stake of $100 million in its harbour, and he told us it had guaranteed $30 million of the commission's indebtedness and that it had actually paid off $16,400,000 of that amount.

Hon. Mr. McCutcheon: Is that the City of Hamilton, or the City of Toronto?

Hon. Mr. Roebuck: The City of Hamilton.

Hon. Mr. McCutcheon: I am sorry, I do not think so.

Hon. Mr. Roebuck: That is my memory of it, and I think I am right.

So far as Oshawa is concerned, its private act was passed in 1960, and at that time the city transferred to the commission some 55 acres of harbour lands, which the solicitor valued at $250,000.

I believe the amount of $16 million-odd is correct, but it matters little to my contention. My point is that these municipalities have a very large financial stake in the harbours in their localities. The mayor of the City of Hamilton told us that the private act under which they had advanced money and transferred to the commission large and valuable sections of land, including the bottom of the harbour—I think there was a couple of millions or so worth of shore lands—provided that the revenue of the commission over and above its expenses should be paid to the city treasury.

The bill before us provides that the proceeds of the harbour shall be paid to the Receiver General of Canada. So the bill not only takes over control and provides that the commission in future shall have two members appointed by order in council, as against one member appointed by the municipality, it also transfers the beneficial ownership of the harbour from the municipality to the crown. Quite aside from all that—and I suppose there is a great deal to be said on the merits of the bill—the actual fact is that when we were adjourning at the first meeting I asked that the interested parties be notified, and a specific undertaking was given by the chairman, Senator Hugessen, that notice would be given. It was not given. That is sufficient reason, so far as we are concerned, to refer the matter back to committee and ask it to give due, honest, decent notice to the parties whose interests are so greatly involved.

Hon. W. Ross Macdonald: Honourable senators, I think the present position is the result entirely of a misunderstanding. I have not before me a copy of the evidence which was taken at the first committee meeting, but I have a distinct recollection that the City of Hamilton was not too sure that it wanted to be opted out of this bill entirely. The record will prove whether or not my memory is correct. There was some discussion about that. I do believe the City of Hamilton suggested that the terms of its own bill might be improved because, again if my memory serves me correctly, under the present bill setting up the Hamilton Harbour Commissioners, one commissioner only is appointed by the City of Hamilton and two are appointed by the Government. That is the same as provided in the new bill. So when the assistant deputy minister telephoned the mayor and informed him of the changes made in the bill, and the mayor said to him, "Well, it seems to me that is all right," the committee adopted the changes. Now, apparently, there was a misunderstanding, because the mayor wants, according to this telegram, to have Hamilton excluded from the bill in every respect. I say I do not think that representation was definitely made, although proposed, at the first sitting.

Hon. Mr. Roebuck: Oh, yes, it was.

Hon. Mr. Macdonald (Brantford): In any event, I can trust my memory when I say that under the present act the City of Hamilton appoints only one member and the Government appoints two members. So there is no change in that respect.

In connection with the City of Oshawa, the assistant deputy minister telephoned Mr. McNeely, city solicitor at Oshawa, and explained to him the changes which were proposed in the act, and Mr. McNeely replied that they substantially met his objections. Now that he sees the bill, he finds that they do not meet his objections. So we get back to the position where the assistant deputy minister was definitely of the opinion that this bill was generally satisfactory to both Hamilton and Oshawa; and the committee approved the bill.

Now it turns out that there is a misunderstanding. Probably it has all arisen from the fact that the committee did not carry out the undertaking which it gave at the end of the first meeting to the representatives of Hamilton, Toronto, Oshawa and other affected municipalities, that they would be notified of the date of the next committee meeting. We should have insisted that notice be given to any affected municipalities before adopting any amendments. In view of the fact that notice was not given, and in view of the misunderstanding which has arisen, the proper thing to do is to refer the bill back to committee.

The Hon. the Acting Speaker: It has been moved in amendment by the honourable Senator Roebuck, seconded by the honourable Senator Lambert, that this bill be not now read a third time, but that it be referred back to the Standing Committee on Transport and Communications for further consideration. Is it your pleasure, honourable senators, to adopt this motion in amendment?

Hon. Senators: Carried.

Motion in amendment agreed to.

SMALL BUSINESSES LOANS ACT

BILL TO AMEND—SECOND READING

Hon. Sydney J. Smith moved the second reading of Bill C-122, to amend the Small Businesses Loans Act.

He said: Honourable senators, the Small Businesses Loans Act came into force on January 19, 1961, and had as its purpose to increase the availability of term credit to proprietors of small businesses in order to assist them in financing a wide range of capital improvements. To this end the act authorized the Government to guarantee each bank against loss up to 10 per cent of the loans by it to small businesses, provided the aggregate principal amount of all guaranteed loans by all banks did not exceed $300 million for the period ending December 31, 1963. In effect, this limited the Government's maximum contingent liability in respect of losses on business improvement loans made in this period to $30 million.

These improvement loans may be made to enterprises engaged in marketing, retail, wholesale and service businesses, and they are restricted to a limit of $25,000, and also restricted to businesses with an annual gross revenue not in excess of $250,000. The proceeds from such loans can be used for a wide variety of purposes including the purchase and improvement of equipment, as well as the extension, renovation, construction and, in certain circumstances, purchase of business premises. Since its inception to September 30, 1963, there have been made under the act 7,679 loans, having a total value of $68 million.

The bill before the Senate amends the Small Businesses Loans Act as follows.

First, clause 1 changes the date to which guaranteed loans can be made from December 31, 1963 to December 31, 1966, extending the period for three years and making it possible for these services to be available after the end of the present month.

Secondly, clause 2 proposes the creation of a new lending period extending from January 1, 1964 to December 31, 1966. In this proposed new period, business improvement loans may be made by chartered banks on the same terms and conditions as those applying to loans made during the first lending period. Clause 2 also specifies that the aggregate sum of the loans which may be made during this new period under Government guarantee by all banks is $300 million, the same limit which applied to the first lending period.

Thirdly, clause 3 of the bill deals with section 8, the security provision of the act. Section 8 in general empowers the bank to take mortgage security including chattel mortgage on loans made under this act, notwithstanding section 88 of the Bank Act. Some questions on the legal interpretation of this section have arisen and it is considered desirable to clarify section 8 in two respects. First, the proposed new section 8 would make it explicit that the Quebec commercial pledge comes within the scope of this section. The commercial pledge is a civil code concept comparable to chattel mortgage, which was made applicable to business by Quebec legislation earlier this year. The second change in section 8 would make it clear that mortgage securities can be taken not only as direct security for the repayment of a loan, but also in support of an endorsement or a guarantee given by a third party.

That, honourable senators, is a brief but, I think, factual explanation of the amendments as set out in the bill.

Hon. Allister Grosart: Honourable senators, I apologize for being on my feet for the second time today, but this time it is not my fault.

This measure is another of the many instances with which we are now becoming familiar when we on this side are able to commend the Government for its wisdom, fairness and action in carrying forward a measure initiated by the previous administration.

I am sure it is fair to say that a very substantial part of the legislation which has come before us since the change of Government is in that category. Perhaps this is because in that period, roughly from the middle of 1957 through early 1963, there was evidence of a new approach in federal legislation to the problems of our changing society. In that period new concepts of federal Government responsibility in respect to the economy as a whole were brought forward. It is also a fact that these concepts have been carried forward by the present Government, which I think is as it should be. It is something that honourable senators on the other side will welcome, as we do on this side, because it means that ours is a system of government in which there may be a change in administration without any violent changes in the course of federal action. I commend the Government

in this respect for bringing forward this bill, again extending its life of the act for a period of three years.

It is true that not all the legislation brought forward in the period I have mentioned was perfect. Some of it was pilot legislation, pioneering in new fields. I think this bill is in that class, for there is reason to believe that in its present form it is far from perfect.

The major evidence of that would be the fact that the act which came into force in January 1961 provides for the extension of credit to small businesses to a maximum figure of $300 million. The remarkable fact, honourable senators, is that to date no more than $90 million, at most, of that amount has been taken up. I am not able to tell you why. It is an amazing fact to me. Is it that small business in Canada has all the credit it needs, that it needs no more? Here is over $200 million in credit going begging. Is the fault in the act? Is it the administration by the banks? Is it lack of knowledge on the part of small business? What is it?

One suggestion might be the fact that the maximum rate of interest allowed to the banks—and all of these loans must go through the banks—is 5.5 per cent, and there is pressure in some quarters to lower that. The question that arises in my mind is why a bank manager would lend any money at 5.5 per cent under this act when he can lend it at 6 per cent. It may well be that this is the explanation. Some have suggested the banks generally are taking the position that this particular type of credit, guaranteed in substance by the federal Government, is directed at the same type of customer that the bank now has. Perhaps it means that the banks should be instructed—and I am only offering this as a suggestion, if the facts are as they appear to be—that less security be required of would-be borrowers under this act than under their normal banking practice.

If we look at the annual report under the act—I have the report for 1962 before me—we find that the small businessmen of the Province of Quebec, by and large, made proportionately greater use of the act than did businessmen of any other province. If we take the other provinces, we find that in Newfoundland in that year only 18 small businesses in the whole of the province apparently needed credit up to the $25,000 limit allowed by the act; only 15 in Prince Edward Island; 120 in Nova Scotia; 57 in New Brunswick; 792 in Quebec—the amounts are higher in Quebec; 851 in Ontario; 144 in Manitoba; 230 in Saskatchewan; 263 in Alberta; and 343 in British Columbia.

Honourable senators, I suggest there is something wrong somewhere if this is a true picture of the credit needs of small businesses across Canada.

One other point comes up in connection with this act, and that is the principle of the federal Government assuming responsibility for providing easier credit or easier money. Recently representations by private lenders were made before the Royal Commission on Banking and Finance suggesting in very vigorous terms that this is a form of "statism", as they call it, which should be discouraged. They speak of the federal Government now being their rival in the lending business; they speak of the difficulty of competing with this kind of money, at these rates of interest.

I merely say I have no qualms on that score. I believe the former administration took a great step forward in further using the power of Government to ease money in the money markets.

It is a remarkable fact, for example, regarding extensions made to the lending powers of the Industrial Development Bank, which has been in business for 19 years and which now has loans amounting to about $500 million, that of that amount 40 per cent was lent in the last two years because of the increased lending powers of the bank and the easing of credit regulations.

Honourable senators, in my view this is a legitimate function of government. Some of us feel at times too that government is going too far in its entry into the economic life of the country; however, I believe we cannot complain too much of any action taken by the Government, whether it competes with somebody else or not, to make it easier for people to get legitimate credit in this country.

Motion agreed to and bill read second time.

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

Hon. Mr. Smith (Kamloops): Honourable senators, if it is the wish of the house to refer this bill to committee, I would move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Aseltine: Third reading next sitting.

Hon. Mr. Macdonald (Brantford): As there is no seconder of honourable Senator Smith's motion, would he like to move third reading at the next sitting?

On motion of Hon. Mr. Smith (Kamloops), bill placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

CONFERENCE AT KUALA LUMPUR, MALAYSIA—DEBATE CONCLUDED

The Senate resumed from Tuesday, December 10, the adjourned debate on the inquiry of the honourable Senator Cameron, calling the attention of the Senate to the 1963 General Conference of the Commonwealth Parliamentary Association held at Kuala Lumpur, Malaysia, 22nd October to 11th November, 1963, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

Hon. J. Campbell Haig: Honourable senators, at this late date I do not intend giving you a travelogue of my tour, consisting of some 30,000 to 40,000 miles, 55 hours in the air, nine different air lines, 10 different hotels, heat and humidity, and the parties we attended.

I wish to thank my honourable Leader, Senator Brooks, for inviting me to be one of the Canadian delegates at this the ninth annual conference of the Commonwealth Parliamentary Association.

I wish to say here and now that the Canadian delegation—consisting of Senator Cameron and myself from this house, and Messrs. Francis, Fairweather, Godin, Barnett and Leboe from the other place—was extremely well received by the conference and the other delegations. As Senator Cameron indicated last evening, our speeches were short and to the point, and at no time were we called to order. I might also mention that Senator Cameron made a fine leader of our delegation. He is a member of the council, and I am sure he will bring credit to the Canadian branch of the Commonwealth Parliamentary Association.

It should be said that no matter what subject was under discussion by any members of our delegation, or any of the delegations from the provinces, there was no suggestion at any time of political overtone—that is, on the conference floor. I admit that in the hotel rooms or on the buses there were certain differences of opinion, mainly relating to Canadian politics.

Honourable senators, Malaysia is a new federation, as Senator Cameron explained, consisting of these states: Malaya, Singapore, Sarawak and Sabah. The constitution of the federation is an elected monarchy, the sovereign, the Yang di-Pertuan Agong, being elected by and from among the Malay rulers for a period of five years. The form of government remained federal with a bicameral legislature. Under the new constitution provision was made for a federal list of powers, a state list and a concurrent list with residual powers lying with the states. With regard to those residual powers it amazed me, when discussing the matter with some of their officials, that education is a federal and not a provincial responsibility.

It was to be regretted that Mr. Tom Montgomery, the Clerk Assistant of the other place, did not accompany us as our secretary. He was greatly missed.

This ninth annual conference of the Commonwealth Parliamentary Association was attended by 121 members and 17 secretaries from 66 branches of the association; and, according to the newsletter, it was a resounding success. The organization of the pre-conference tours of Malaya, the programming of social events in Kuala Lumpur, the work associated with the opening of the new Parliament buildings, and the concern of our hosts for the welfare and enjoyment of delegates, all deserve highest praise. I certainly concur in the remarks made by honourable Senator Cameron yesterday, and in those made by the general secretary.

As indicated, the conference tours were divided into four groups. I was a member of Group D which stayed around Kuala Lumpur for about a week, then went to Singapore, and thence to Sabah, 1,700 miles northeast of Singapore.

While in Kuala Lumpur one of the most interesting visits we made was to a rubber estate to see how rubber is produced. First it is tapped from the tree and the latex flows out into a small cup, which is transferred to a pail, and then to a barrel, finally being transported to the warehouse where it is processed and comes out as a package of raw rubber. Fifty-five per cent of the economy of Malaya depends upon rubber. For this reason we can understand why the morning paper carries in the extreme right-hand column a section in blue giving the rubber and tin prices of the day before.

I might mention at this stage that these rubber estates, ranging from two to four thousand acres, together with the federal Government of Malaya, are endeavouring to establish what they call a rubber research institute, somewhat similar to what we would call an experimental farm. They are trying to develop a rubber tree that will produce better rubber with longer life; they are also trying to eliminate a large number of diseases to which the rubber tree is subject and, as well, to combat the insects which attack the trees. A rubber tree starts producing after six years and goes on for another twenty. If they can improve the quality of the rubber it will, of course, greatly benefit their economy.

I should like to read to you an extract from a publication issued by the Department

of Public Information of the Malaysian Government in relation to rubber. I do so now because I want to refer to it again later when discussing other aspects of the conference. This publication says:

> At the present time the industry faces competition from the growing synthetic rubber industry of the United States—

And this of course would also refer to Canada.

> —and for this reason special attention is being given to improving the efficiency of production, principally by planting high-yielding trees both on estates and on small holdings.

By small holdings they mean very small farms where the individual farmer handles his own production.

At this point I should like to emphasize what Senator Cameron said yesterday in dealing with the question of what we can do to assist in the matter of technical aid and the education of these people.

In Jesselton, capital of Sabah, as we disembarked from the plane and were taken into the reception area in the terminal building I was approached by a man who said, "You are from Canada?" I said I was. He then asked what part I came from and, I told him I live in Winnipeg but I spend a fair amount of time in Ottawa. At this news his face lit up and he said, "I spent a year at Carleton University studying public administration." I asked him how he had liked it, and he said that he did not like to wear earmuffs and that he had lacked a certain amount of rice. I should mention in passing that at that time it was 85 degrees above, and I would not have minded being some place where it was necessary to wear earmuffs.

At a party given that night by Mr. Stevens this man again approached me and said he wanted me to meet another friend of his. This friend turned out to be a man who had spent six weeks studying with the Canadian Broadcasting Corporation in the City of Winnipeg. I was, of course, very glad to meet him.

In travelling around we met many various people who had some connection with Canada, and when they saw our name badge and learned who we were they were extremely helpful. Perhaps Senator Méthot will not object to my telling this little story. At one of the parties in New Delhi I met a man by the name of Frank Chandler, who is attached to the embassy there. He said he was a good friend of Senator Méthot, having gone to school with one of his sons. I asked him where he was from and he said, "Three Rivers". I said "No, you don't; you come from Trois-Rivières."

I would also like to pay tribute to the trade commissioners and the staff of the External Affairs Department. I should particularly like to mention Mr. Maguire in Singapore, Mr. Drake in Kuala Lumpur, and Mr. Molgat in Hong Kong. I should also mention Mr. Gorham, Mr. Rette, and Mr. Chandler in New Delhi, and also Mr. Riddell and Mr. Lapointe in Cairo.

Now, I wish to make a few general comments, as Senator Cameron did.

If we are to play a real part in the Commonwealth Parliamentary Association, I think we should take a stronger position. We should have more members, because we are considered as the No. 2 country in this parliamentary association, the United Kingdom being the first. I would also strongly recommend that any delegates appointed in future from this chamber, and also from the other house, although we have no control there, be appointed much earlier than heretofore. Furthermore, they should be well briefed by the officials of our departments, because the subjects to come under discussion are well known about a year in advance, and if the delegates were allowed a certain time for preparation, briefing and organization before leaving, it would certainly be a valuable help to the leader of the delegation.

I would also recommend that any delegate to a conference in any of these countries, having regard to the stress and strain imposed, should be in perfectly good health. Fortunately, of our delegation only two members were laid up for half a day owing to the heat and the change of water.

Now, honourable senators, coming to the question of Commonwealth trade, these newly-developing countries—they are not underdeveloped and they do not like that word—are normally one-product countries. They have a primary product which may be tin, cocoa, coffee or rubber. They have made a strong appeal to the developed countries, the United Kingdom, Canada, Australia and New Zealand to buy their products so that they in turn can buy ours.

This brings me back to the subject of rubber. The Malaysian delegate made a speech in this connection and referred to the production of synthetic rubber. This was also mentioned by the Singapore delegate. One of our delegates expressed the view that we had to have this synthetic rubber during the war because our natural rubber supplies were cut off, and he thought there was still a place for both synthetic and natural rubber in world economy.

When it came to the discussion on international affairs and defence, which was the last subject to be discussed, we more or less stood aside and watched the Indian delegation carry on a heated discussion with the Pakistani delegation. This was, of course, over the subject of Kashmir. We also heard the African states, this side of the Equator, take a whack at everybody who sold arms to South Africa. Canada received loud applause and much kudos because it was mentioned that we had placed an embargo on the export of arms to South Africa. That was not the situation with the United Kingdom.

In 1964 the conference will be held in Jamaica, in 1965 in New Zealand, in 1966 in Northern Ireland, and in 1967 it will be held in Canada. We should remember that it takes a year and a half to arrange one of these conferences, to prepare the subjects for discussion, the program of entertainment, and getting all the details arranged for tour directors and others.

In the discussion on trade Mr. Carr, the leader of the United Kingdom delegation, assured the conference that if negotiations again become open with respect to Great Britain's joining the European Common Market, the United Kingdom would not abandon her Commonwealth trade agreements.

As honourable senators will have gathered from listening to Senator Cameron, and as I have tried to indicate today, this country has tremendous vitality. Its people are clean, friendly, courteous and helpful. They can understand English, except the cab drivers, and when one has to deal with them he enlists the aid of the man at the hotel. They have a great potential, but they need help in respect of education and technical training. They have many problems, although religion is not one of them. Language is not a problem. They seem to get along quite well with four languages. For instance, the television station in Singapore broadcasts four hours a day in four languages.

In conclusion, may I say that it was a wonderful and rewarding experience, and it made me realize the tremendous problems facing the Commonwealth in the world of today.

Debate concluded.

CANADIAN NATIONAL RAILWAYS BILL

APPOINTMENT OF AUDITORS—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-121, respecting the appointment of auditors for National Railways.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, with the exception of the order for second reading of the bill to amend the Emergency Gold Mining Assistance Act, we have disposed of all the items on today's Order Paper. If it is the wish of honourable senators I would suggest that tomorrow we proceed with the second reading of that bill, to be followed by the second reading of the bill to appoint auditors for the C.N.R., and in turn by the second reading of the bill to amend the Old Age Assistance Act if we receive it.

My information is that we are not likely to receive any additional legislation from the other place before Monday night. In view of that circumstance I expect to suggest tomorrow that we do not sit on Friday but that we do sit on either Monday night or Tuesday afternoon. If we sit on Tuesday afternoon we can, of course, also sit on Tuesday night. If it appears that we are not likely to receive any legislation until Tuesday, it might be advisable to adjourn tomorrow until Tuesday afternoon.

Hon. Mr. Aseltine: Has the honourable Leader of the Government any information as to when prorogation is likely to take place?

Hon. Mr. Macdonald (Brantford): It is hoped that prorogation will take place not later than Saturday, December 21. If it does not take place by that time, I do not know when it will take place. In that event, it would certainly be some time after Christmas, but how soon after Christmas I do not know. My hope is, and I am sure it is also the hope of all honourable senators, that prorogation will be on December 21.

Hon. Mr. Roebuck: Honourable senators, before we adjourn may I call the attention of the members of the Standing Committee on Divorce to the meeting scheduled for 11 o'clock tomorrow morning in room 263-S. That meeting will follow the meeting of the Special Committee on Land Use. I ask all members of the Divorce Committee to attend that meeting if at all possible because we have a serious matter to consider.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, December 12, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Copy of Ordinances, chapters 1 to 4, made by the Council of the Northwest Territories, assented to on November 20, 1963, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C. 1952, as amended 1953-54, together with a copy of Order in Council P.C. 1963-1791, dated December 5, 1963, approving same. (English text).

Copy of Ordinances, chapters 1 to 15, made by the Council of the Yukon Territory, assented to November 22, 1963, pursuant to section 20 of the Yukon Act, chapter 53, Statutes of Canada, 1952-53, together with a copy of Order in Council P.C. 1963-1792, dated December 5, 1963, approving same. (English text).

Order in Council P.C. 1963-1760, dated November 28, 1963, authorizing, under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase of power generation and sub-station equipment and the employment of Montreal Engineering Company Limited as consulting engineer and procurement agent by the President of India, pursuant to section 21B of the said act, chapter 105, R.S.C. 1952, as amended 1960-61. (English text).

Order in Council P.C. 1963-1761, dated November 28, 1963, authorizing, under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase of capital equipment from Canadian suppliers and the employment of Aluminum Company of Canada Limited as procurement agent by the President of India, pursuant to section 21B of the aid act, chapter 105, R.S.C. 1953, as amended 1960-61. (English text).

Order in Council P.C. 1963-1762, dated November 28, 1963, authorizing, under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase of thirty-seven diesel electric locomotives and spares from the Montreal Locomotive Works Limited by the President of India, pursuant to section 21B of the said act, chapter 105, R.S.C. 1952, as amended 1960-61. (English text).

Order in Council P.C. 1963-1763, dated November 28, 1963, authorizing, under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase of capital equipment from Canadian suppliers including turbo-generators and one-half of the initial fuel supply, engineering and procurement services from Montreal Engineering Company Limited and nuclear engineering services from Atomic Energy of Canada Limited by the President of India, pursuant to section 21B of the said act, chapter 105, R.S.C. 1952, as amended 1960-61. (English text).

SPECIAL COMMITTEE ON AGING

SECOND REPORT OF COMMITTEE

Hon. David A. Croll, Chairman of the Special Committee on Aging, presented the second report of the committee.

The Clerk Assistant, reading:

The special Committee of the Senate on Aging make their second report as follows—

Some Hon. Senators: Dispense.

The report follows

The Special Committee of the Senate on Aging make their second report, as follows:—

1. The order of reference given to your committee was adopted by the Senate on July 29th, 1963. Following the termination of the ensuing summer adjournment on October 1st, 1963, your committee:

(a) Held nine meetings, seven hearings, heard and examined twelve witnesses;

(b) Formed an interdepartmental committee, comprised of senior government officials, under the chairmanship of Mr. R. E. G. Davis, your committee's Special Consultant, to gather such statistical and related information as is available from federal government sources;

(c) Requested all provincial governments to make available to your committee such information and advice as they may feel is relevant to the inquiry;

(d) Requested voluntary organizations, numbering approximately 100, whose activities relate significantly to the subject matter of the inquiry, to prepare briefs and inform your committee of

their experience with such major problems of older people as income, employment, leisure time activities, housing, health, institutional care and social services.

(e) Instituted the preparation of an inventory of Canadian studies and research on the major problems of older people, recently completed or being conducted currently, by universities, governments and other bodies.

2. Of vital importance to an inquiry of this magnitude is comprehensive statistical information specifically related to people aged 65 and over. Such information, your committee has found, is scarce, scattered and often unreliable. While your committee has made progress, it is apparent much time and effort is still required in this area.

3. While the response to your committee's requests for information and assistance has been gratifying, the ramifications of the inquiry are such as to preclude the possibility of any short-term results.

4. Your committee therefore recommends that it be reconstituted at the earliest possible date following the opening of the next session of Parliament.

All which is respectfully submitted.

David A. Croll,
Chairman.

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

Hon. Mr. Croll moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

LAND USE

SECOND REPORT OF COMMITTEE

Hon. Arthur M. Pearson, Chairman of the Special Committee of the Senate of Land Use in Canada, presented the second report of the committee.

The Clerk Assistant, reading:

The Special Committee of the Senate on Land Use in Canada present their second report—

Some Hon. Senators: Dispense.

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

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

That the aforementioned report, being a consolidation of the proceedings and considerations of the committee from its inception on January 30, 1957 to the end of the first session of the Twenty-Fifth Parliament 1962-63, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this day, and form part of the permanent records of this house; and that the report be taken into consideration at the next sitting of the Senate.

Hon. W. Ross Macdonald: Honourable senators, I notice that this is quite a lengthy report.

In this connection may I call attention to the fact that the Chairman of the Divorce Committee intends to present to the Senate today the rules and orders relating to divorce which that committee was instructed to prepare. That report will also be made an appendix to today's record and we would hope to take it into consideration on Monday next. The Commissioner has been appointed but is unable to commence work until the rules and orders have been approved.

I hope that the Printing Bureau will be able to cope with both these somewhat voluminous reports in our record today.

Motion agreed to.

For text of report see appendix "A", pp. 893-920.

ADJOURNMENT

On the Notice of Motions:

Hon. W. Ross Macdonald: Honourable senators, yesterday I suggested that the Senate would adjourn today until Tuesday afternoon next. I now find that progress of legislation in the other place is such that we may have business before Tuesday afternoon. Therefore, I suggest that when we rise tonight after royal assent we adjourn until Monday evening.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

BILL TO AMEND—THIRD READING

Hon. G. Percival Burchill moved the third reading of Bill C-112, an act to amend the Canadian Overseas Telecommunication Corporation Act.

Motion agreed to and bill read third time and passed.

SMALL BUSINESSES LOANS ACT

BILL TO AMEND—THIRD READING

Hon. Sydney J. Smith moved the third reading of Bill C-122, to amend the Small Businesses Loans Act.

Motion agreed to and bill read third time and passed.

EMERGENCY GOLD MINING ASSISTANCE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, December 10, the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill C-124, to amend the Emergency Gold Mining Assistance Act.

Hon. John M. Macdonald: Honourable senators, I adjourned the debate for the honourable Senator Belisle. He will now speak.

Hon. Rheal Belisle: Honourable senators, I do not think there can be too many objections to the bill before us which, according to the minister's statement of November 27 last, was welcomed by the gold mining communities, in as much as it removed any anxiety that the gold mining industry might not be able to rely on the assistance it had been receiving, particularly since 1958, at an increased rate.

Since the coming into force of the emergency provisions I believe that, up to the end of 1962, a total sum of approximately $170 million had been paid. That assistance not only contributed to but, I believe, in most cases was responsible for enabling the gold mines to remain in operation and produce for Canada the metal which is a source of great wealth. It also contributed in a striking way to the prosperity of large sectors of our country.

I would have liked the honourable Senator Hayden to give this honourable assembly some explanation about the restrictions which would apply to new mines after July 1, 1965. That particular provision has been regarded with anxiety by the gold mining communities and also by prospectors generally throughout this country. It could, I think, lead to a curtailment of the operations of a very vital industry for Canada, and I am afraid it will have a dampening influence on prospectors and mineral exploration. It may foreshadow within a few years a noticeable decrease in the amount of assistance the Government will be giving to the gold producers.

The main reason this provision has given rise to anxiety is that in its application it may defeat a most laudable objective, namely, an extension of gold mining activities to other areas of Canada. Surely, this country has not reached the stage where it feels it has a sufficient supply of gold. There is a saying, which undoubtedly most honourable senators have heard: "Gold is where you find it." Does this provision mean that if in the future a new discovery of substantial proportions is made outside the established gold mining communities and a mine is established, it will not qualify for assistance? If that is so, I think the mining people are justified in viewing the provision with great alarm.

There is, I feel, something abnormal in the fact that the Government must give emergency assistance to an industry which has contributed so much to the wealth of this country, and which is producing a metal that is sought throughout the world.

Throughout the centuries gold has been the one product which has always been in demand. It could always fetch its prices, yet, despite this and despite the fact that there is a great shortage of that metal, the gold mining industry has to be treated as a depressed industry, requiring emergency treatment. Of course we know the reason for this situation. It is because there has not been an increase in the price of gold since 1933, at which time the price was raised from $20.62 an ounce to its present price of $35, in United States currency. Since that year, despite mounting costs and inflation throughout the world and despite the ever-increasing demand for gold, the price has remained unchanged. This has been one cause of high prices in many countries and of a decline in activity—not merely in mining activity but economic activity generally.

To my mind, this measure, welcome as it is in principle, and necessary as it is to the degree that it provides assistance to the gold producers, is still nothing but a palliative, nothing but a stopgap.

It would seem, according to informed observers, people in financial circles and experts who have made a special study of gold and its price, that the real solution to the problems of the mining industry and also, perhaps, to the slackening in the economies of several of the leading industrial nations of the world, would be an increase in the price of gold. Of course I am speaking from the point of view of the industry. There are others who will advance good arguments against an increase in the price of gold, from the point of view that Canada would benefit the least. I do not wish to go into that argument. I am primarily concerned with an industry that employs many thousands of Canadians, an industry whose future is uncertain at the moment.

There is a very good case to be made out in favour of such an increase in price at this time. One reason is that there exists a world shortage of the metal. Supplies of gold, including annual production, are insufficient to look after the normal needs of trade and commerce, and insufficient to accommodate public purposes.

To give the house an example, let me point out that in 1962 the combined governments of the Western world were able to

purchase only $325 million worth of gold out of a fresh supply of some $1,550 million. Most of the supplies which were purchased by the governments of the Western world went to meet the normal demands of trade and commerce. A much larger share went into the hands of hoarders and speculators who for several years made a practice of accumulating gold in the belief that soon the world price will have to be increased.

The supply of gold is short in Canada and it is short in the United States. As a matter of fact, in 1962 the United States had to earmark some $12 billion of its supply of gold simply to back up the United States dollar, which left only about $3 billion for normal interchange. In addition, it must be remembered that foreign demands on United States currency amount to some $15 billion and, of course, if all those demands were required to be met in gold, as they have a right to be met if the creditors insist, the United States gold stock would be almost entirely depleted.

Another more fundamental remedy would be for the Americans to devalue the dollar by raising the price of gold. While there are many pros and cons to be weighed, the serious present dilemma for the Americans is that they want to guard the place of gold and keep its present price while accepting the diminishing value it thus has as a means of settling international accounts. The best guess is that they will be forced to raise the price of gold sooner or later, though this and that manoeuvre may postpone the day.

Shortly an important meeting of the International Monetary Fund is due to take place, at which the problem of the American dollar and the general sufficiency of international currency reserves will get an extended hearing.

One hopes that enlightened views for a vast expansion of reserves will win the day over some of the craggy men from Europe, who seem to prefer piecemeal and patchwork expedients, doubtless because they have uppermost in their minds the desire to preserve the influence of their own currency and country.

The last "remedy" would be for the United States to resort to exchange controls, with all its dreadful implications of widening international currency and trade breakdown. Somehow a repetition of the 1930's simply has to be avoided.

There have been potent reasons why the United States should resist the world-wide demand for an increase in the price of gold. To accept it would be tantamount to a devaluation of the United States currency. Nevertheless, the advantages to be derived from an increase in the price of gold are obvious. There would be an immense stimulation of trade and industry. Unemployment would be reduced. More aid could be given to underdeveloped countries. When the Canadian Government—I mean the Diefenbaker good government—did devalue the Canadian dollar to 92½ cents in relation to the United States dollar, we know that this devaluation has already had, and will continue to have, as the figures for foreign trade reveal, a stimulating effect on the Canadian economy. It benefitted Canada's foreign exchange position and, of course, resulted in an increase in our trade earnings.

An increase in the price of gold, the advantages of which I have just outlined, would help most industrial countries in the world but it would help Canada in a particular manner because Canada is one of the primary gold producing countries of the world.

If an economic price were paid for domestic gold in accordance with the price level of other commodities, these subsidies would be eliminated. If Canada applied vision and courage to the gold situation, it would be a most constructive example of what can be done by one of the smaller nations to impress the world that Canada was one of the first to see the light in solving a very serious problem, which seems not to be fully comprehended by several of the larger nations. Some of these nations do not, of course, have the great gold bearing territories to explore and develop that are possessed by Canada.

There is much more gold, I am sure, under the pre-Cambrian Shield than has been mined. It is necessary, in my opinion, for the Canadian Government to go to the International Monetary Fund and demand an increase in the price of gold. We really cannot separate gold from the other monetized metals, but I think the time has come for Canada to decide whether or not we are getting proper value for the gold we export at $35 an ounce.

First of all, I believe the Government should remove the word "emergency" from this measure, because I think we all agree that unless something happens we do not foresee at the moment, there is really no possibility at the end of four years of not having to extend this legislation.

Honourable senators, I think we have an obligation to the gold mining communities because these communities literally have no control over the market price and therefore are unable to do anything for themselves.

This Government is anxious, no doubt, as other governments have been, to keep the industry alive with this emergency gold mining assistance, but, unless the Government adopts a more farsighted policy and shows more sagacity in the solving of this very

complicated problem, we will have, in my opinion, many more Elliot Lakes.

The Government should, through the Department of Industry and in co-operation with the Department of Mines and Technical Surveys, do everything possible by way of surveys and by whatever other means are available. It should explore all possible avenues for developing secondary industry in these areas, so that sooner or later these communities will find themselves again in the self-supporting position which they desire, and which I think the Canadian people desire for them.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Macdonald (Brantford): Honourable senators, the sponsor of the bill, Senator Hayden, is not here today. Honourable senators will recall that Senator Hayden introduced the bill on Tuesday night. It has therefore been with us for three days. Under the circumstances, would honourable senators agree to give the bill the third reading now?

Hon. Senators: Agreed.

Hon. Mr. Macdonald (Brantford): I move third reading now.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS BILL

APPOINTMENT OF AUDITORS—SECOND READING

Hon. W. Ross Macdonald moved second reading of Bill C-121, respecting appointment of auditors for Canadian National Railways.

He said: Honourable senators, this is a short bill and the explanation will also be correspondingly short. The purpose of the bill is to give parliamentary approval to the appointment of a firm of independent auditors to make a continuous audit of the accounts of the National Railways.

This responsibility arises from the terms of section 38(1) of the Canadian National Railway Act, which states as follows:

> A continuous audit of the accounts of the national railways shall be made by independent auditors appointed annually by Parliament, who shall annually report to Parliament in respect of their audit.

Prior to 1955 the auditors were appointed annually by a separate act of Parliament, but in 1955, in order to avoid the necessity of presenting a separate bill to Parliament, it was decided to seek parliamentary approval by the insertion of a clause in the annual Canadian National Railway Financing and Guarantee Act.

However, honourable senators will recall that in the years 1962 and 1963 no financing and guarantee act received parliamentary approval. Accordingly, the Government has this year reverted to the earlier system of appointing auditors by a separate act of Parliament, to ensure that parliamentary approval is given to the appointment of auditors to make a continuous audit in the year 1964.

Honourable senators, the bill now before us designates the firm of Touche, Ross, Bailey and Smart to carry out this audit. I might also add that the annual fee paid for the service is $100,000, and the services rendered includes not only the auditing of the accounts of the Canadian National Railways but also those of the Trans-Canada Air Lines.

That, I believe, is a full explanation of the bill. Those of us who were in the house prior to 1955 recall that this type of bill came to us annually. Now, on account of the fact that it was impossible to pass the all-inclusive bill last year, the Government has reverted to the former system.

Hon. Lionel Choquette: Honourable senators, there is not much that can be said on this noncontentious bill.

As the honourable Leader of the Government said in his explanation of the bill, this is a simple measure to authorize the appointment of auditors for National Railways, which as honourable senators know, is one of the prerogatives of Parliament.

Independent auditors—and that should be underlined—were first appointed for the C.N.R. back in 1923. Honourable senators will be interested to know that the firm appointed at that time was George A. Touche and Company. The honourable Leader of the Government has pronounced it *"Touché"*. I do not know whether or not that is correct.

Hon. Mr. Macdonald (Brantford): I always accept the pronunciation of French words from the honourable senator representing the honourable Leader of the Opposition.

Hon. Mr. Choquette: If you accept my pronunciation, it is *"Toosh"* in French, which means "Touch" in English—and I assume he has the right touch.

Hon. Mr. Connolly (Ottawa West): Touché!

Hon. Mr. Choquette: In 1930, when certain political changes were taking place in this country, a new firm of auditors was appointed. Following the election of 1935 the auditing reverted to the firm of George A. Touche and Company, and it was not until 1958 that a further change was made.

Now, in the bill before us the firm of Touche, Ross, Bailey and Smart is given, which I believe is the successor to the original firm of George A. Touche and Company.

They are being authorized to act as auditors for the C.N.R. I will leave honourable senators to draw their own conclusions. However, we do not oppose this bill, as we feel the Government has the responsibility and initiative in this regard.

I for one, as a professional man, am not prepared to argue as to the competence of one firm of chartered accountants as opposed to another firm. It is a question of reputable professional firms being equally competent in their respective fields. Perhaps the Government objected to the colour of the ink being used by Messrs. McDonald Currie and Company. I think they were using blue ink. This firm intends to use red ink. No matter what colour of ink may be used, I think that the C.N.R., judging it on its past performance, will end up in the red.

The other point I want to make is that the Government is completely within its rights in asking Parliament to approve by legislation the appointment of its nominee as auditors of the Canadian National Railway system. From time to time we have heard charges of political patronage, especially in the other place. However, in the Senate we take a more mature outlook on these things. We see no objection to this bill.

Motion agreed to and bill read second time.

THIRD READING

Hon. Mr. Macdonald (Brantford): Honourable senators, without in any way referring to the colour of the ink mentioned by the Deputy Leader of the Opposition, I would move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, I suggest that the Senate do rise now, to reassemble at the call of the bell at approximately 8 o'clock this evening.

Hon. Mr. Choquette: What about consideration of the rules being prepared by the Divorce Committee? I am in the position that I would not like to pass them this evening without some debate and some suggestion as to what committee should study the rules. Possibly we could discuss it later when the chairman of the Divorce Committee is present.

Hon. Mr. Macdonald (Brantford): The Divorce Committee had a long session this morning, and the rules have been prepared word by word, and clause by clause. The committee went over the rules very carefully and is now prepared to submit them to the house. I understand that the chairman of the committee intends to present those rules to the house this evening, but they will not be considered this evening; they will appear in today's *Minutes of Proceedings*, and I hope will be taken into consideration next Monday evening.

The Senate adjourned during pleasure.

At 8.00 p.m. the sitting was resumed.

DIVORCE

REPORT OF COMMITTEE—RULES AND ORDERS

Leave having been given to revert to reports of committees:

Hon. Arthur W. Roebuck: Honourable senators, the standing Committee on Divorce have in obedience to the order of reference of December 10, 1963 prepared rules and orders respecting petitions for the dissolution or annulment of marriages by resolution of the Senate, pursuant to the provisions of the Dissolution and Annulment of Marriages Act, chapter 10 of the statutes of the present session, and now report thereon as follows:

> Your committee recommends that the rules of the Senate be amended by adding thereto the following as Part IV.

Honourable senators, I move that the said Part IV be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

The Clerk Assistant, reading:

> The standing Committee on Divorce have in obedience to the order of reference of December 10—

Hon. Mr. Macdonald (Brantford): Dispense.

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

Hon. Mr. Roebuck: On Monday night next.

The Hon. the Speaker: It is moved by honourable Senator Roebuck, seconded by honourable Senator Lambert, that this report be placed on the Orders of the Day for consideration on Monday next, and that it be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

Motion agreed to.

HARBOUR COMMISSIONS BILL

CORRECTION OF STATEMENT

Hon. Arthur W. Roebuck: Honourable senators, before we commence the regular business, may I rise to a point of personal privilege.

Yesterday when we were debating the bill respecting harbour commissions I stated that the City of Hamilton had guaranteed $30 million of the commission's indebtedness and that it actually paid off $16,400,000 of that amount.

I am indebted to Senator McCutcheon and also to Senator Willis who called my attention to the fact that inadvertently I had quoted the figures with regard to the City of Toronto and had applied them to the City of Hamilton. I said I was speaking from memory, but I thought I was right. Well, in actual fact, honourable colleagues, I was wrong.

It is a very easy error to have fallen into but I cannot allow it to stand—not that it does any injustice to the City of Hamilton or the City of Toronto in the matter, or that it affects the real argument before us, but for the sake of accuracy I wish to correct my statement in *Hansard*. As I say, I did no real injustice to anyone. I have the statement of Mayor Copps of Hamilton in my hand, and he said:

> The city has made grants to the Hamilton Harbour Commissioners of cash in the amount of $174,000, and of land in the amount of approximately 100 acres along the shore of the harbour which I am informed is worth at least $25,000 an acre or $2,500,000. In addition to the shore property, the city in 1948 relinquished its interest in the bed of Hamilton harbour representing approximately 6,400 acres which includes 390 acres of undeveloped waterlot area inside the harbour headline which I am informed is worth at least $1,500 per acre or $585,000.
>
> While the balance sheet for the Hamilton Harbour Commissioners for 1962 shows assets in excess of $15,000,000, it would be more realistic to say that the city by not requiring payment of surplus profits by land grants along the shore of the harbour, and by relinquishment of its interest in the harbour bed, has a stake in the harbour that represents an asset which it would be more accurate to say is worth $100,000,000.

Hon. Mr. McCutcheon: I am sure my honourable friend would agree that the $100 million was what may be called a bargaining figure.

Hon. Mr. Roebuck: Oh yes. He was estimating it just in that way.

I want to be honest with my colleagues. I made a mistake, and I want to correct that mistake. In doing so I did not want to give another wrong impression, so I have read accurately what the mayor said.

OLD AGE ASSISTANCE ACT, DISABLED PERSONS ACT, AND BLIND PERSONS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-125, to amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

Bill read first time.

SECOND READING

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

Hon. Fred A. McGrand moved the second reading of the bill.

He said: Honourable senators, this bill amends three acts: the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

At present the contribution to persons between the ages of 65 and 70 in need of assistance is $65 per month. This amendment will increase the assistance to $75 per month. The federal Government will continue to contribute 50 per cent of this assistance.

Under the present Disabled Persons Act the recipients of 18 years or over receive $65 a month. The federal contribution to this is 50 per cent. This amendment increases the allowance to $75 per month. The federal contribution continues to be 50 per cent.

At present the allowance for blind persons is $65 per month, of which the federal Government pays 75 per cent. This amendment increases the allowance to $75 per month. The federal Government will continue to pay 75 per cent of the monthly allowance.

Under the Blind Persons Act the recipients are allowed an income of $1,380 per annum, including the assistance, which means they can earn $600 per annum without prejudice to the full assistance. This amendment increases the total assistance to $1,500, and the amount the recipient can earn without prejudice remains the same.

Under the Old Age Assistance Act and Disabled Persons Act the recipients have been permitted to earn $360 net per annum without prejudice to the full assistance benefits. The amendments proposed in this bill will allow the recipients to earn $360 per annum, as previously, without prejudice to their benefits.

Under this amendment married couples in receipt of old age assistance, disabled persons allowance or blind persons allowance will be able to earn exactly the same net amount as previously without prejudice to receiving full assistance benefits.

It will be noted that clause 4 of this bill provides that these amendments shall come

into force on the first day of December 1963. What this means is that the federal Government will be ready to assume its share of the new increases on that date, or any subsequent date that a province might choose to put them into operation. I would stress that it is up to each particular province to decide when it wishes to implement the increases provided for in this bill.

I might add that it will be necessary, on the basis of this bill, to draw up 36 agreements covering the three programs in each of the 10 provinces and the Yukon and Northwest Territories.

The annual cost of assistance under each of these programs in the fiscal year 1961-62 was: for contributions to old age assistance $30.8 million; for contributions to blind persons allowances $4.1 million; and for contributions to disabled persons allowances $16.4 million. This represented a total contribution of $51.3 million for these three programs in the last fiscal year.

It is anticipated that the annual additional cost of these programs occasioned by the amendments proposed in Bill C-125 will be $12.6 million distributed as follows: old age assistance $7.9 million; disability allowances $3.9 million; and blind persons allowances $800,000.

The number of Canadians in receipt of assistance under these programs in the last fiscal year totalled 158,540. Of this number, 98,944 were in receipt of old age assistance, 8,573 were in receipt of blind persons allowances, and 50,029 were in receipt of disabled persons allowances. Distribution by provinces of persons receiving such assistance is set out in full at page 125 of the annual report of the Department of National Health and Welfare.

Hon. Mr. Gladstone: May I ask the honourable senator a question? Do the Indians in Canada come under this act?

Hon. Mr. Macdonald (Brantford): My information is—though I do not have a copy of the act in front of me—that Indians do come under this act.

Hon. Mr. Burchill: May I ask the honourable sponsor of the bill (Hon. Mr. McGrand) a question? I am thinking particularly of pensions for the blind, which is a matter very close to my heart. I take it that there is nothing to prevent a province from paying a higher pension to the blind. Are pensions for the blind uniform all across Canada? Does a blind person living in, say, the Province of Alberta receive a higher pension than one living in the Province of New Brunswick?

Hon. Mr. McGrand: This amendment does not alter the arrangement in effect at the present time.

Hon. Mr. Burchill: That does not quite answer my question. I would like to know what the actual facts are with respect to pensions for the blind.

Hon. Mr. McGrand: I cannot give the honourable senator the exact rate of pensions paid in the various provinces. This is merely an amendment to the present system that has been carried on between the provinces and the federal Government.

Hon. Mr. Macdonald (Brantford): Again, speaking from memory, my information is that so far as the Blind Persons Act is concerned the amount is the same in all provinces of Canada.

Hon. Olive L. Irvine: Honourable senators, it is not my intention this evening to go into this bill in detail.

On October 2 of this year a measure to amend the Old Age Security Act was passed which increased the pension of our senior citizens from $65 to $75 a month. There were, however, three very important groups completely overlooked at that time, namely, those entitled to old age assistance, blind persons and disabled persons. The Government was asked what they intended doing about the extension of $10 increase to the shared programs of the provinces. Two of the programs, old age assistance and disabled persons, are shared 50-50 between the provinces and the federal Government, and the pension for the third group, blind persons, is shared 75 per cent by the federal Government and 25 per cent by the provincial governments. We were told at that time that it was necessary to consult all ten provinces before making any announcement. Surely, on such an important and necessary bill the provincial counterparts could have been consulted without waiting for the Federal-Provincial Conference.

I should like to put on record one or two accomplishments of the previous Government in regard to steps taken during its time in office. Effective November 1, 1957, it not only increased the Old Age Security Act payments by $9 a month, but also amended the three acts in question. It will also be remembered that a step very advantageous to many residents of Canada was taken at that time in reducing the residence requirements from 20 to 10 years. This was a real achievement. At that time, of course, the allowable earnings were also increased proportionately.

The blind received the same treatment. Their benefits were increased from $46 to $55 a month, and the allowable earnings increased by $120 a year for a single person and $240 for a married person.

In 1957 the Disabled Persons Act was amended to increase the benefits from $46 to

$55 a month and the coverage was broadened also to include certain persons in institutions.

In February 1962, the previous Government also piloted through the house, effective February 1, 1962, a further increase in old age security benefits from $55 to $65 a month and, in addition, an equal increase in the allowances under the Old Age Assistance Act, the Disabled Persons Act, and the Blind Persons Act.

When allowances were increased in 1962 by $10 a month, the allowable earnings were increased by $180 for a single person and $360 a year for married persons. When the bill before us this evening passes, with its $10 monthly increase, we find recipients back to the original increase of $120 and $240 a year. This is rather hard to understand when we all are aware of the fact that the cost of living is increasing every month.

The permissible incomes under these shared programs will rise from $1,140 a year to $1,260 for a single person and from $1,980 to $2,220 for married persons.

Personal experience prompts me to suggest that we should give thought to a new approach on these shared programs. It is possible to measure income, but this does not measure need. Instead of a means test, we should be thinking in terms of a needs test.

Ever since the inception of the Blind Persons Act, the federal Government has been well aware of the special problems of blind persons, which is proven by the fact that it is the only assistance act in which the Government participates to the extent of 75 per cent of the cost; this applies not only to allowances but to special care for these unfortunate people. They have problems for which we all have the greatest sympathy, problems that go far beyond simply providing financial assistance. People who are blind are cut off from more of the good things of life than any other persons. They need jobs and opportunities in order to participate in any or all of the various activities.

Today, with so many important matters confronting us, we hope that all men and women of good will will take a sane and sensible view of our obligations. As far as the party I represent is concerned, we will vote for the amending bill, but we regret that the effective date of the bill has been set for December 1, 1963. We would much prefer that its provisions would have been made retroactive to October 1. However, as this does not seem possible, we will agree that the bill should become effective without delay, so that those affected by its passage may reap the benefit, so rightly theirs, at the earliest possible date.

Hon. James Gladstone: Since the sponsor of the bill could not give me a definite answer on the question I asked, I should like to put the same question to the Leader of the Government. I should be glad if he would inquire and give me a reply in this matter.

The Blind Persons Act now does not include the same welfare benefits when there is an Indian reserve in a county, and the county does not contribute the same amount.

Honourable senators, in Ontario the government has been very good in making the contributions, since I have taken it up with them. Wherever there is an Indian reserve in a municipality the provincial government of Ontario regards it as part of that municipality, and if it contributes the same amount that the municipality contributes towards welfare the Indians get the same benefits. I do not know how many reserves contribute at the present time, but I am very happy to say that two years ago 32 reserves in the Province of Ontario were contributing the same as the municipalities and getting the same benefits under the province's contributions, besides what is received from the federal Government.

I would like to have this matter taken up by all provinces in Canada, because in my opinion all provinces have the same responsibility with regard to a contract or a covenant under a treaty of the early days before the Northwest Territories were divided into provinces. The Indians gave up their lands in order that the Queen could bring in settlers without molestation from us, the Indians. I am just a little scapegoat from that generation, but I will tell you right now that in those days the people who made their treaties were statesmen on both sides. Those chiefs were just as much statesmen as any we have ever had. There was no lawyer around when we made those covenants. Now everything has to go through the lawyer. I just feel like giving you guys a sermon.

Hon. Mr. Choquette: Let's hear it.

Hon. Mr. Gladstone: While today I realize we must have law and people in authority, believe me, the loopholes that some of these lawyers have are very hard to understand.

When our Lord was on earth, and His followers walked with Him on the seashore, He dealt with humble men and taught and lived by the spirit rather than the letter of the law. Scarcely four years after He had left us, a lawyer, later St. Paul, a pharisee of the pharisees, reverted to the letter of the law of his people, until he was converted. I am glad to say that I believe that Pope Paul VI is following in the footsteps of his beloved predecessor, Pope John XXIII. Like the two apostles whose names they bear, the former, like St. John, broke through legal

barriers to the freedom of the spirit. The latter, like St. Paul, I am pleased to say, is continuing in his footsteps.

I am sorry that Senator Croll is not here this evening, because I would like to give him a good jolt for what he said in Sudbury. In any event, I am very happy that I have been given the opportunity to get off my chest what I had to say.

Hon. Mr. Macdonald (Brantford): Honourable senators, I am sure we are all glad to have heard Senator Gladstone, who always champions the cause of his people so nobly and so forcefully. I am quite satisfied that his remarks will be read with interest, especially in those provinces where his people are not receiving the attention which he suggested they should receive.

Senator Irvine referred to the fact that this bill takes effect from December 1, and she regrets, as I am sure we all do, that it does not take effect from October 1. The reason for that is that this bill could not come into effect, and cannot come into effect, until the provinces enter into an agreement with the federal Government. At the Dominion-Provincial Conference, held just a few weeks ago, all the provinces agreed to come within the provisions of this bill. As soon as the provinces agreed to come within the provisions of a bill of this type, the bill was introduced in the House of Commons and the agreement which they entered into with the federal Government was to take effect from December 1. Therefore, honourable senators, this Parliament is carrying out the wishes of the provinces in co-operation with the federal Government at the earliest date possible.

Hon. Mr. McCutcheon: I ask the Leader of the Government one question: Is he suggesting in the explanation he has just made that it would not have been possible—after all, this is the twelfth of December—to rewrite section 4 of the bill to say "This act shall be deemed to have come into force on the 1st day of October 1963"?

If a province does not want to go back to October 1, 1963, that is one thing, but surely the Leader of the Government is not suggesting that such a change could not have been made. As it is now, if the province says it will start paying from the 1st of January, then it is from the 1st of January that the federal Government is committed because these are sharing programs.

I just wanted to ask the leader, is he suggesting that there is any difficulty in law that would prevent the word "December" being changed to read "October"?

Hon. Mr. Macdonald (Brantford): Indeed I am.

Hon. Mr. McCutcheon: Tell me why.

Hon. Mr. Macdonald (Brantford): The difficulty is not in law, but in equity, because we cannot tax all the people of Canada to pay the people of one province from October 1 and of another province from December 1. It would not be fair to do that.

The federal Government called all the provinces together and asked, "Can we agree on a date?" This money is being paid by all the people of Canada, and the date on which all the provinces agreed was December 1; the bill has come forward at the earliest date possible after the Federal-Provincial Conference.

Hon. Mr. McCutcheon: I suggest that the present Government is showing a sensitivity towards the taxpayer which is quite unusual. Have the agreements been signed?

Hon. Mr. Macdonald (Brantford): No.

Hon. Mr. McCutcheon: The fact is, any province can decide tomorrow morning that it will not come into this arrangement until January 1, February 1, March 1 or April 1, at the start of the new fiscal year, and we still would be faced with this dreadful disparity of taxation.

Hon. Mr. Farris: Would they be breaking the understanding that was arrived at by doing so?

Hon. Mr. McCutcheon: I do not know whether there was an understanding, but no agreement was signed. We are going to vote for the bill and it will be given royal assent tonight.

I will put it another way: It was quite competent for the Government on the same day that they introduced the bill in the House of Commons to increase the old age security payments by $10, to introduce the same permissive legislation—because that is what this is—and then you would have seen the provinces rush, and we would have had these disabled, the blind, and the old age assistance people on the same basis as a lot of people, some of whom are sitting in this chamber—I wish I were one of them—who are collecting the increased pension without any means test.

Hon. Mr. Macdonald (Brantford): I do not want to prolong the argument with my honourable friend, but I will say to him that if the federal Government had taken upon itself to bring in legislation by which the provincial governments would have to contribute, without consulting them, there would have been a great outcry across this country

that we were interfering with provincial rights. I am quite convinced that if we had taken that autocratic attitude, the bill would not be before us tonight.

Hon. Mr. McCutcheon: Honourable senators, I have a great regard for the Leader of the Government, but I know of no person who can confuse an issue more successfully than he can, and I do not propose to sit here and let him confuse this issue.

There is nothing in this bill that requires any province to contribute a nickel. It is purely permissive legislation. The treatment I am suggesting is what was done in 1957, when it was done concurrently with increasing the categorical payment with no means test, and the federal Government pays the entire amount. Permissive legislation was introduced, and it was up to any province to take advantage of it or not. It is quite obvious that the Government is now very sensitive about provincial rights—we have seen all kinds of evidence of that recently—but this is the kind of intervention in provincial rights which the Government could undertake without running much risk.

Hon. Mr. Connolly (Halifax North): Is it a fact that the provinces can do as they wish with their own money any time they see fit to use it?

Hon. Mr. McCutcheon: That is right.

Hon. Mr. Macdonald (Brantford): I do not want to have a running battle with Senator McCutcheon but I must say that neither this Government nor the previous Government would have brought in a bill of this type until they first had an agreement with the provinces. The former administration first got agreement and so did the present administration, and that is the reason the effective date of the bill is December 1—the provinces were in accord with that suggestion.

Hon. Mr. McCutcheon: Honourable senators, I will make just one more statement. Any time that I am on a slippery slope and am in danger of sliding down, I am going to retain the Leader of the Government to act as counsel for me.

Motion agreed to and bill read the second time.

THIRD READING

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

Hon. Mr. McCutcheon: Now.

Hon. Mr. McGrand: I move that the bill be read the third time now.

Hon. Mr. Macdonald (Brantford): Honourable senators, before the motion is assented to, I understood the honourable Senator Gladstone, in his opening remarks, to say that the question he asked respecting the eligibility of Indians to receive these benefits was not answered. I thought I had answered his question by saying that Indians are entitled to all the benefits of this act.

Hon. Mr. Gladstone: Honourable senators, that is what I understood the Leader of the Government to say.

Motion agreed to and bill read third time and passed.

ADJOURNMENT

Leave having been given to revert to the Order for Motions:

Hon. Mr. Macdonald (Brantford): Honourabue senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Monday, December 16, at 8 o'clock.

Motion agreed to.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

12th December, 1963

Sir,

I have the honour to inform you that the Hon. Gérald Fauteux, Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 12th December, at 10.15 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be, Sir,

Your obedient servant,

A. G. Cherrier,

Assistant Secretary to the Governor General.

The Honourable

The Speaker of the Senate.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Gérald Fauteux, Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having

come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act to amend the Quebec Savings Banks Act.

An Act to amend the St. Lawrence Seaway Authority Act.

An Act to amend the Railway Act.

An Act to amend the Canadian Overseas Telecommunication Corporation Act.

An Act to amend the Emergency Gold Mining Assistance Act.

An Act to amend the Small Businesses Loans Act.

An Act respecting the appointment of Auditors for National Railways.

An Act to amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Monday, December 16, at 8 p.m.

APPENDIX

(See p. 881)

SPECIAL COMMITTEE OF THE SENATE

ON

LAND USE IN CANADA

Honourable Arthur M. Pearson, *Chairman*

Honourable Austin C. Taylor, *Deputy Chairman*

REPORT

Consolidation of the proceedings and considerations of the Committee from its inception on January 30, 1957 to the end of the 1st Session—25th Parliament, 1962-1963.

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Thursday, December 12, 1963

The Special Committee of the Senate on Land Use in Canada make their second Report, as follows:—

PREFACE

On January 30, 1957 a special land use committee of the Senate was authorized. The scope and purpose of this committee was indicated in the following extract from the Minutes of the Proceedings of the Senate of that date:

"1. That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

2. That the said Committee be composed of the Honourable Senators Barbour, Basha, Boucher, Bois, Bradette, Cameron, Crerar, Golding, Hawkins, Horner, Inman, Leger, Leonard, McDonald, McGrand, Molson, Petten, Power, Smith (Kamloops), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Tremblay, Turgeon, Vaillancourt and Wall;

3. That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

4. That the Committee have power to send for persons, papers and records; to sit during sittings and adjournments of the Senate, and to report from time to time."

The Leader of the Government in the Senate, at that time made this comment, when introducing the motion,—

"... There can be no doubt that any comprehensive study of land use will have to range widely across the Canadian scene, but much of the information that the proposed committee will take under advisement will come from the provincial departments of agriculture. The pattern of land uses varies widely ... from province to province."

He further added,—

"It is ... the challenging task of this proposed Senate Committee, (a) to make a broad survey of land use in Canada, (b) to focus public attention on all aspects of this problem, and (c) to invite the best minds in the country to set out their views as to the appropriate solutions, particularly as these would benefit the farmer and tend to raise farm incomes."

The land use problem, which it was expected that the Committee would address itself to, was stated by the Prime Minister in a speech delivered in Toronto on November 20, 1956. He said,—

"Now—at least in Eastern Canada, the area of our arable lands cannot be substantially increased. On the contrary, there is a not important portion of those lands now included in the farm area which is quite unfit for ordinary agricultural uses and on which it is deplorable, and in this country unnecessary, to allow backbreaking work to be continued when it is so obvious that it cannot yield a decent family livelihood to those who engage in that work. I say that should not be continued, because we are blessed by Providence in this country with such great and valuable resources that any man's consistent arduous work could and should provide him with adequate returns to search for himself and his dependents a decent livelihood, provided that work is applied to the right job in the appropriate setting.

I am convinced that some of the land in Eastern Canada that hard-working Canadians are trying to use as farmers should go back to forest and water conservation uses and those attempting to live on them resettled in more rewarding surroundings."

There was much continuity in the membership of the Committee during the eight sessions under review. Sixteen members were active throughout the whole of the period. These were supplemented by the following fourteen Honourable Senators, Buchanan, Emerson, Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Higgins, Hollett, MacDonald (Queens), Méthot, Pearson, Smith (Queens-Shelburne), Veniot, Welch and White. Senator Charles G. Power was chairman of the first two sessions and Senator Arthur M. Pearson at the subsequent sessions.

INTRODUCTION

The Special Committee of the Senate on Land Use in Canada began hearings in February 1957. The hearings were called to facilitate the fulfilment of the terms of

reference stated in the first paragraph of the Minutes of the Proceedings of the Senate as quoted in the preface to this report.

These terms of reference may be paraphrased as follows:

(i) to consider and report on land use in Canada,

(ii) to consider and report what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people, and

(iii) to consider and report what should be done to ensure that our land resources are most effectively utilized to increase both agricultural production and the incomes of those engaged in it.

This special report is a consolidation of the proceedings and the considerations of the Committee up to the end of the first session of the 25th parliament, 1962-63.

PROCEDURE

The procedure adopted by the Committee was to call witnesses to give verbal and written reports in their particular fields of land use. Those giving evidence were officials of federal and provincial governments, university personnel, officers of professional societies, heads of industrial firms, officials of the U.S. Federal Co-operative Extension Service, farm leaders, scientific and technical workers in agriculture, forestry officials, officials of co-operative organizations, and specialists in aerial surveys, land use planning, water use and conservation. A complete list of these witnesses appears as an appendix to this report.

During the period from the first hearing until the last hearing held in 1962, a total of 56 meetings were held at which 109 witnesses were heard and 1,606 pages of evidence recorded (see Table 1). In addition, witnesses were assisted by about 35 advisors.

TABLE 1.—A Summary of the Number of Meetings, Witnesses and Pages of Evidence According to Senate Sessions and Dates of the Sessional Reports of the Committee.

Session	Date of Committee Report	No. of Meetings	No. of Witnesses	No. of pages
5th Session, 22nd Parliament	Mar. 28, 1957	7	27	230
1st " , 23rd "	Dec. 12, 1957	3	3	55
1st " , 24th "	Aug. 20, 1958	3	8	67
2nd " , 24th "	July 8, 1959	15	17	469
3rd " , 24th "	July 13, 1960	9	22	236
4th " , 24th "	June 28, 1961	13	20	341
5th " , 24th "	Dec. 4, 1962	5	8	130
1st " , 25th "	nil	1	4	78
TOTAL		56	109	1,606

The hearings of the Committee were held in Ottawa and were open to the public. The printed proceedings of these meetings were published. Publication of these submissions have assisted substantially in the fostering of a concern for and understanding of the problems concerning the efficient use of our land resources.

Near the close of seven of the eight sessions during which the Committee received submissions, a report was submitted for the consideration of the Senate. The dates of these reports are included in Table 1. Recommendations formed a part of four of these sessional reports. These recommendations are restated later in this report. (see Pages 914-15).

LIMITATION OF LAND RESOURCE

The total land area of Canada is about 2,272 million acres, a large tract. Nevertheless the usable land or land with present or potential use is limited. About seven per cent of the total land or 174 million acres was in farms according to the 1956 Census. Of the total land area about 68 per cent is in forest with 184 million acres being occupied or used. Smaller acreages are used for other purposes such as urban, recreational and communication uses. It was presented to the Committee that the potential increase in improved agricultural land would not exceed 45 million acres.

Restrictions or limitations in the acreage of usable land in Canada result from weaknesses in this resource. The limitation in the potential use of land areas results from differences of soils, topography, climate and location. These four variables may be viewed as the components of land and as they vary so does the value or usefulness of the land. It

was pointed out to the Committee that there have been mapped more than 500 differing soil types in Ontario alone. Variations in the other components are also apparent. Topography varies from depressional areas to the rocky slopes of mountains. Climate varies from the arid Prairies and the frozen Arctic to the humid coastal conditions. Land areas vary in location, also, from land that forms a part of a large metropolitan centre to other land that is located in remote isolation.

An appreciation of the limitations in the land resource of Canada and the need of a fuller understanding of these limitations on efficient land use was expressed in many submissions. It is expected that the trends in land use of the past will continue into the future. Expanses of land will be required for urban, industrial, governmental, recreational and communication uses. Much of the land that will be put to these uses in the future will come from the better agriculture land of the present, it was forecast by different witnesses.

DEMANDS OF LAND

The demands that have been made of the lands of Canada have changed considerably over our relatively short history. The first settlers were concerned with the fur and fish that were found in this country. Subsequent settlement resulted in the raising of foodstuffs to supplement importations, although initially, little produce was raised for sale. The concern of these early farmers was self-sufficiency, the raising of food and fibre with which to assure themselves and their families with sustenance.

Increases in population brought the development of the nation. Widespread agriculture settlement and urbanization occurred. Land was put to use as the site of manufacturing, processing and service industries. Land was used in the extraction and marketing of minerals and petroleum products. The harnessing and distributing of electrical energy required the use of land. The increased specialization and industrialization of the urban centres resulted in the farmers being relied on as the producers of food. This resulted in commercial agriculture with farmers adapting new technologies and raising food for sale, while purchasing many of their supplies. This movement of goods necessitated many improved transportation facilities such as roads and railroads, which required the use of land. Society took an increasingly active role in the allocation of land resources to these uses and later to other uses such as, water supplies and sewage systems, national defence, conservation and recreation among others.

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Improvements in the living standards in urban centres attracted many rural people. The continuing improvement in communication through such means as the press, radio, television and telephone resulted in most agricultural areas becoming less isolated. This has served as stimuli to the farmers to improve their level of living. Those who remained on the farms produced food with greater efficiency. Technological advances facilitated this trend. Machines were manufactured that replaced much man and animal power. Better cultural practices were adopted and more productive crops were grown. Efficiency or output per man increased tremendously. In the course of this change to better living conditions more was demanded of the land. It was found that both men and lands varied in response to change. The farmers with the better managerial abilities and/or with more capital at their command were more suited to adjusting their use of land to the changing demands. Some lands proved to be more responsive than others to the change in use and conditions.

The following sections of this report are grouped in three parts. In Part I, variable uses of land are reviewed, based on briefs submitted by various witnesses and subsequent discussions. Most of the concern of the Committee has been devoted to submissions pertaining to the agricultural use of the land. But the broad range of uses has been considered with briefs having been received that dwelt on land uses for transportation, urban areas, recreational purposes, forestry and fisheries, as well as the problems of conservation and the multiple use of land.

Part II briefly reviews the organization and initial development of the program under the Agricultural Rehabilitation and Development Act (ARDA) and its joint relationships in alternative land use, rural development and soil and water conservation activities with the provinces.

Part III chronologically lists the recommendations the Committee has respectfully submitted to the Senate followed by a statement regarding contributions of the Committee.

PART I

AGRICULTURAL LAND USE

The particular attention of the Committee was directed by the terms of reference to the agricultural use of land. The submissions were predominately concerned with agriculture. It is not the intent of this section to report on the detail of these submissions but rather to present a broad or more generalized review of the agricultural use of land in Canada and a rationalization of many of the problems that beset this use.

AGRICULTURAL LAND OCCUPANCY

As was mentioned in the introduction, there are only 174 million acres occupied as farms out of Canada's total land area of 2,272 million acres, according to the 1956 Census. Of this occupied acreage less than sixty per cent or about 100 million acres are improved. In 1956, 63 million acres were seeded to crops. The remaining improved acreage consisted of summerfallow, seeded pasture, or was idle or in use as barnyards, lanes or roads on farms.

Some additional land in occupied farms can be cultivated. In addition it is estimated that up to 45 million acres of non-occupied land are still available as potential agricultural land. The land, which is viewed as having a potential agricultural value, is generally of inferior quality. The non-occupied land that is available for future agricultural production is found in all the provinces. There are about 5 million acres which could be developed in the Maritimes with most of the remaining potential acreage located in the northern areas of the other provinces.

Land is being brought into production every year with some being removed from use. The net result has been a comparatively slow increase in the net improved acreage over recent years. Because of the low grade of much of the land considered as potentially agricultural, it is expected that the demand for farm products will have to increase substantially before most of this land is developed. New land is brought into production only when the expected returns are adequate enough to make the development of such land attractive.

NUMBER OF FARMS

The Committee heard many witnesses who were concerned about the number of farms in Canada. These submissions all agreed that the decrease in number of farms will likely continue. In 1951 and 1956 the Census defined a farm as a holding on which agriculture was carried out, and of three acres or more in size, or with agricultural production of a value of at least $250 if it was less than three acres but more than one acre in size.

Using this definition there were in 1956 about 575,000 farms in Canada. This number was a decline of approximately eight per cent from the 623,000 farms that were reported in 1951. Over this five-year period, the total number of farms declined in each of the ten provinces. These figures include many holdings which many would not consider farms. Instead they would be viewed more as rural residences or part-time farms. Rural residences are those holdings where the occupant resides but depends for his income, in the main, from non-farm source. Part-time farmers are operators of generally small-income producing holdings who earn part of their income from the farm and part from some other source. These users of land form part of the rural scene of Canada and must be kept in mind when statistics on the number of farms are considered.

The commercial farmers form the group that is of main concern to the Committee. This group depends upon the sale of farm products as the sole or predominant source of farm income. The large majority of these commercial units are family operated farms, few being operated by incorporated businesses. Most farmers are owners of their land, some own only a part of their land and rent or lease a portion while others are wholly tenants.

FARM SIZE

Historically the units of land acquired by the early settlers were smaller in Eastern Canada than on the Prairies. Farms having one hundred acres or less were common in the East, while in the West the original settlers usually farmed 160 or 320 acres. Although, as was pointed out to the Committee, the average acreages of farms in Canada are increasing, many in all provinces are still of an inadequate size.

A farm must be of a size that the volume of production will enable satisfactory level of living when normal prices for agricultural products and costs of production prevail. Without an adequate volume of product no reasonable price-cost relationship will return the desirable standard of living. The limited size of many farms also inhibit the fuller adoption of technological advances and as a consequence, farm costs per unit of product are higher.

The increasing commercialization and specialization that have characterized the movement of Canadian farmers to better living conditions have resulted in many farmers increasing the productive size of their holdings. Some farmers have increased the productive capacity of their farms by areal expansion. This method is common to land areas where the types of farm production is more extensive. Other farmers have increased the volume of products sold by increasing the intensity of use of their existing farm units. This means is used in many parts of Canada where the components of land particularly favour production in this manner. Both methods with adaptations have been used on many Canadian farms.

Adjustments that have been made in the short-grass prairie region of Western Canada exemplify increased production through areal expansion. This region was originally farmed with horses by settlers on holdings of about 160 or 320 acres. Incomes from many of these

farms proved inadequate soon after settlement and a large number of farms were subsequently abandoned. Abandonment reached large-scale proportions in the 1930s. This was the period of drought with low yields and low prices. The abandonment of many of the farms permitted the remaining families the opportunity of expanding their holdings. Through a change from horsepower to tractor power with larger complementary equipment; the replacement of threshing machines with combines; the adoption of appropriate cultural methods; and a more extensive use of land for wheat and beef production; adjustments to more economic-sized units were accomplished. Relatively larger farms of about 960 acres and more are common to the areas today.

Examples of increase in the productive capacity of farms through more intensive use of land can be cited for many areas across Canada. The fruit growers in British Columbia and in Eastern Canada have increased the production from their relatively small acreages either by more selective plantings, better use of irrigation water in some areas, a fuller use of fertilizers, insecticides and herbicides, or by other means. Many dairy farmers, especially some fluid milk producers, have made gains in volume of production from limited acreage by increasing the quality of livestock, increasing the size of their herds and generally specializing in this one line of production. The volume of production from livestock enterprises is enlarged by many farmers through the purchase of feed and the specialization of feedlot operations. This reduces the need for additional land as well as permitting a more exclusive use of available capital, labor and management for the more specialized agricultural production.

QUALITY OF AGRICULTURAL LAND

It was pointed out to the Committee that many farms are so situated that they are not adaptable to enlargement. This points to the comparative quality of land areas. Quality in agricultural land refers to the relative ability of the resource to satisfy the demands for its use. As the soils, topography, climate and location of particular land areas vary the quality of these lands vary. In determining the most satisfactory use for the agricultural lands of Canada, it is necessary to appreciate the effect of these varying components of land.

Several submissions referred to the work being carried out by soil specialists in Canada. From 85 to 90 per cent of the improved farm land in Canada as well as a considerable acreage of non-improved farm land and much non-occupied land has been surveyed by soil scientists. Soil surveys provide an inventory of soils which are recorded in map form. They also permit a basis for the examination and study of hundreds of differing soils described in the many published reports. The soil survey work carried on in Canada is generally done in co-operation with the federal government, provincial governments and universities. The continuing studies which are carried on by the soil specialists seek to determine the various properties of the soils and their farming potential. A number of soil survey reports include a soil rating. The system of soil rating used in the provinces differ, but all seek to present a grading of agricultural potential. These ratings are confined generally to an index of the levels of physical productivities of the various soils. Many soils are considered inadequate for farming while others are rated from fair to excellent.

Soils to have a high productivity must have a satisfactory rooting zone and suitable permeability. They must also have an adequate water holding capacity and at the same time permit satisfactory drainage. These better soils must also contain adequate organic matter, enough lime to keep the soil neutral, neither too acid nor too alkaline, and they must also contain the nutrients that are required for plant growth in an available form. Due to the great differences that exist in these physical and chemical characteristics there is a great range in the adequacy of Canadian soils.

Reference was made in different submissions to limitations to agricultural production imposed by topographical features. Often these limitations are quite apparent but frequently they result in a misuse of land. Lands with steeper slopes are more subject to water erosion. In many cases it is preferable to leave the steeper slopes in their natural state. Where cultivation has been practised it is often recommended that the steeper slopes be seeded to grass. In some areas reforestation is practicable. The lands with steeper gradients are difficult and costly to cultivate with many lands too steep to consider practical for cultivation. The topography of land areas largely determines the drainage pattern. All of these topographical features effect the productivity and costs of operation, and consequently, the quality of the land.

Variations in the topography of the land of Canada have been mapped since the days of early explorers. Current mapping techniques, which use modern instruments and aerial photography, portray topographical relief with greater accuracy than did former methods. This information is available for Canada's agricultural land area. It was suggested that more research could be carried out to determine the effect of variations in topography on land use.

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Many examples of the effect of climate on land use were mentioned in submissions. The relative aridity of some areas precludes the growing of certain crops that are dependent on larger quantities of available moisture. On the other hand, abundant moisture which is characteristic of some areas limits the growing of other crops. The relative humidity and rate of evaporation are both related to plant growth and these also vary with agricultural regions. Limitations imposed by low temperatures also restrict the use of land. Variable weather which is so much a part of the climate of some areas and results in wide divergences in annual production also determines land use.

In terms of physical production it was pointed out that climate and soils are the two most important components of land. Continuing research on these variables was suggested as being a requirement of better land use.

In considering the quality of land for agricultural production it is necessary to appraise the location or site value of the particular area of land. Markets are a prerequisite of agricultural production. There must be an economically adequate demand for the products that can be raised. The higher the costs of marketing products and procurement of supplies from markets for particular land areas the more disadvantaged is the land. The better quality land is usually adequately serviced with roads and there are schools and other cultural facilities available. The manner in which these facilities are made available vary with regions. The method of taxation and the costs of taxes differ. It was also pointed out that land is preferable when it is located near opportunities for alternative employment. Differing settlement policies and the manner in which land was divided for settlement varies with provinces and these have affected the comparative values or quality of land in one area when compared with another.

EFFECT OF LAND QUALITY ON LAND USE

It is difficult to discuss the various components of land and their effect on land use separately or in isolation. The components are so dependent one on the other that in the selection of the most satisfactory use they must be viewed jointly. A review of some of the broad regions having characteristic land use points up this interdependence.

In the short-grass area of the Prairie Provinces, with some exception, the agricultural land is put to one of two uses. This is an area characterized by a semi-arid climate where the limited rainfall, a high moisture evaporation rate and the relatively high frequency of strong winds limit the crops that can be grown. Much of the area, because of the vulnerability to drought, is left in native grass for extensive pasture use. The pasture lands frequently have soils with poor moisture retention characteristics and rougher topography. Both of these characteristics make the land, when cultivated, subject to severe soil erosion.

The major single land use in this semi-arid region is the production of wheat. The majority of Canada's high quality hard spring wheat, a well-known export product in world trade, is grown in this area. In order that enough moisture is available for the wheat the land commonly is cropped every second year. The land is summerfallowed in the alternate year. This is the practice of leaving the land idle and cultivating two or three times during one growing season to keep weed growth at a minimum and conserve moisture in the soil. Shallow cultivation is practised enabling as much of the stubble trash as possible to remain on the surface to combat wind erosion.

The Committee was told of the research and extension work that has been carried out which has assisted in the development of an adequate agricultural use of land in this dry area. Universities, government research stations and the Prairie Farm Rehabilitation Administration have been in the forefront of this work. The various cultural programs that have been developed are based upon scientific principles of land use and include measures to control soil drifting, water erosion, tillage and cropping practices, suitable forage crops, grass land management and tree planting.

Despite the vast amount of research work and extension work that has been carried out it was reported that many farmers do not make use of the recommended practices. Much erosion of the land still occurs. Also it was estimated that the annual damage from weed growth alone costs western farmers at the rate of approximately $1,000 per farm.

Another feature of this semi-arid area is its suitability to large scale production. Only with large acreages can the farmers keep their costs of production per acre low enough to compensate for the lower acreage yields that are received. Other regions in Canada outyield the short-grass prairie area on a bushel of wheat per acre basis, but they are unable to produce at such low costs per acre. The land use of this short-grass prairie is extensive whether in wheat or in pasture use. In other words it has a low rate of inputs per acre of the factors of production which compensates for the low yields that are received.

The location of the short-grass prairie area is such that it has limited local demand for the agricultural products of the land, and consequently the products that are raised must be exportable. Both wheat and beef have proven

satisfactory. This implies that these two main products can be produced at a low enough cost to permit profitable marketing at the prices offered by the export market.

Lands which are adjacent to the prairie area are commonly referred to as the parkland and wooded lands. These lands have a higher precipitation, a lower evaporation rate, a lower frequency of strong winds and a shorter growing season than do the prairie lands. These differences have resulted in a differing pattern of land use for the parkland and wooded lands. Mixed farming is common to these areas with the farmers raising livestock and grain on their farms. Wheat, oats and barley are the common grains and hogs, beef and dairy cattle are the main types of livestock. Grain yields per acre generally are higher in the area but the costs of production are also higher. In this area there is generally less need for a moisture build-up for succeeding crops. Summerfallowing is not as common as in the short-grass prairie areas but is practised as a weed control measure. Higher precipitation results in an increased weed growth which necessitates increased costs for field operations to combat this problem. The increased work load which results from the additional cultivation has tended to restrict the acreages operated by the farmers of this region. The need of clearing of trees to bring the land under initial cultivation has also restricted the acreages operated, especially on the more wooded lands. The raising of livestock which complements the grain growing permits the farmers of this area to build up the productive size of the family farm holdings and results in a more efficient use of both land and labor.

The shorter growing season that characterizes this region results from later frosts in the spring and earlier occurrence of these damaging temperatures in the autumn. This is one of the contributing reasons for the selection of the coarse grains as one of the main crops, as oats and barley mature in a shorter period than wheat.

As with the more arid region most of the products raised are generally sold elsewhere. Consequently, these products must be produced at a cost which will permit sale at interprovincial or export prices. Generally the lands with the better soils in this area have returned a more adequate living than have the lands with the less productive soils. A relatively high proportion of the soils in the wooded areas are of the lower productivity rating because of much leaching of the plant nutrients from these soils during the past centuries. It is in the wooded regions that most of the non-occupied lands are found.

The majority of the agricultural production of Canada occurs in the Prairie Provinces but the majority of the farm operators are found in Eastern Canada. In Eastern Canada the rural land scene differs from that found on the Prairies. Due to larger metropolitan areas there are more demands for non-agricultural uses of open-country land. These non-agricultural uses would include land for rural residences, part-time farms, wildlife and recreation, in addition to increased use related to the industries of mining and forestry. These demands for alternative land use result in higher real estate values than would be the case if demands were restricted to agricultural use. The non-agricultural demand results in larger rural populations in some areas. These non-farm rural people also require social services such as school and roads. These increased services result in higher costs in the form of taxes per unit of land in some areas. Farmers, in sharing these higher costs with the non-agricultural users of land, must practise a land use that will adequately pay for the extra costs.

Other inhibitors to agriculture characterize land use in Eastern Canada. Initially the land was covered by heavy forests which provided a hindrance to the development of large farms. Further restrictions to farm size in Eastern Canada are imposed by the soils. Many of the soils are not productive. Many soils are shallow deposits over bedrock. Poor internal drainage is also common to much of the land. Drainage systems have been installed in many cases but these require substantial capital investment which add to the costs of production.

The topography of Eastern Canada in many areas is too hilly or mountainous for agricultural use. Steep and rough topography restricts the use of farm machinery in addition to being very subject to water erosion when cleared of its native tree cover.

While noting many of the limitations to agricultural production in Eastern Canada, the submissions mentioned areas where the land is of a quality that permits satisfactory farming conditions. The climate in the East is generally more advantageous to the raising of farm produce than it is in the Prairie Provinces. Precipitation is generally higher, the growing season is generally longer and the evaporation rate is generally lower than in the West which are all desirable features.

The main strength of the land, particularly in Ontario and Quebec, is its location. The proximity of the larger population centers has resulted in the most common agricultural land use in the area being the production of dairy products. Fluid milk is not usually transported over long distances and the major demand for this product is in the urban centres. It is advantageous, therefore, to put land located near the large cities into this

use. The adequate precipitation also enables the growing of forage and pasture which complements this type of land use.

Many farmers who are not able to obtain a fluid milk contract also put their land into a similar use. This group market their produce for processing into such products as cheese, skim milk powder, condensed milk, butter and ice cream. These farmers are frequently interspersed with the fluid milk producers as well as more removed from the urban market.

Near the large urban centers, farms that are used for the production of fresh vegetables are also found. Fresh vegetables must be marketed in peak condition to receive the better prices and thus the positioning of this type of production near the market is often advantageous where the right kind of land is available. Modern refrigerated transport has increased the transportability of fresh produce and this has reduced to some extent the importance of the location component. However, when soil and climate are adequate location is a valued factor which must be judged against real estate costs.

Location is not as important to fruit and vegetable production when the product is marketed for processing purposes. These products, when canned or frozen, can be transported easier over longer distances than fresh produce. Also they are suitable for long-term storage which permits marketing of the processed products at dates much later than the harvesting period.

Other specialty products are raised in areas removed from the larger urban centers where soil, topography and climate are satisfactory. Certain lands with sandy soils having good topography and moderate climate have proven usable as tobacco lands. This is a crop that can be stored as well as transported with comparative ease.

Potatoes are an important crop in certain areas, especially in parts of the Maritime Provinces. In these areas the quality of the land is such as to favour this line of specialization. Potatoes are tolerant to slightly acid soils and many of the soils of Eastern Canada are acidic. Liming is recommended for most crops.

Fruit growing as in the Annapolis Valley and the Niagara Peninsula are almost historic land uses. The components of land have been such as to favour advanced specialization in these areas. However, the vulnerability of these uses to a changing land use demand was brought to the attention of the Committee. In the Niagara Peninsula particularly, many acres of land that were very productive in soft fruit production have had their use changed to industrial use.

FARM MANAGEMENT AND LAND USE

Efficiency in the use of Canada's agricultural land is dependent upon the abilities of the individuals using this resource. The variations that exist in this human factor of production are great. The ability to manage a farm is associated with the knowledge of the individual farmer. This knowledge is an inherent trait as well as an acquired characteristic. The fortunate farmer is one that has above average mental capacity developed through education. But farmers, as other groups of people, do not all have above average mental capacity nor have they all had the same opportunity to receive the most desirable education. For this reason there are from excellent to poor farm managers.

Many submissions to the Committee stressed the need for additional educational facilities for those that are presently farming as well as those that will become farmers in the future. The more developed the decision making abilities of the users of Canada's agricultural land becomes the more productive will be the use.

In discussing the need for additional farm management information being made available for farmers, many witnesses pointed to the increasing emphasis that is being given to farm management education both formally through schools and informally through extension services. The ability to farm efficiently was stated to be the basic formula for success and this ability it was noted, results from education and a greater knowledge of the profession.

CAPITAL AVAILABILITY AND LAND USE

Many witnesses that appeared before the Committee referred to the need of adequate credit facilities for farming. Attention was directed to the cost of production from uneconomic farm units. When farms are not of a size to adequately use the available management and labor, there is a waste of this resource. When the farm is too small in size, the economies of scale that are available to larger farm units are not possible. Many farmers, it was pointed out, operate uneconomic units because of limitations in capital.

The submissions considered the difficulties inherent in granting of credit. Both the land and the management must be of a quality to repay the indebtedness. It was submitted that a great need existed for counselling of many farmers in the efficient use of credit.

The suggestion was also made that the increasing capital requirements that characterize Canadian agriculture will result in more land being farmed by tenants. The result of this it was agreed will be an increase in soil conservation problems. The

providing of more readily available credit would relieve these pending problems it was suggested.

LAND USE CHANGE

Canadian agriculture is dynamic. Adjustments have been made since the days of the early settlers. The adjustments that have been made are many and varied. Differing crops have been grown; different cultural practices have been adopted; many acres of land have been drained while others have been irrigated; many farms have had their acreages increased; and, livestock raising has become more specialized. In many cases the needed adjustments have forced the abandonment of farm land.

Changes in land use are costly. Many witnesses that appeared before the Committee discussed the problems inherent to making land use adjustments. The briefs indicated many of the costs to the individual farmers and also costs to society as a whole. Frequently, changes in land use have resulted in new capital commitments by farmers. Often capital goods such as machinery must be disposed of before it is fully worn out to be replaced by new more efficient lines. The change in use may require specialized equipment of a line that differs from previously owned machines. Often too, the farmers have had waiting periods during which adjustments in use are being made but the increased returns have not begun. For example, it requires time and capital to build up a livestock herd or possibly to plant an orchard of a type that bears a more marketable variety of fruit.

The individual farmer that decides to abandon his farm and take up another occupation is an example of a high cost of change. His farm management ability, his "know how" is frequently sacrificed in the change as are much of the worth of his productive capital. These farmers must adapt to a new means of livelihood. The time and costs of these adjustments are often a large and insurmountable burden for a farmer to carry. As a consequence, he may remain farming an inefficient unit in preference to uncertain urban employment. At retirement or death of the operator the land is available for consolidation.

Where a farmer would be more productive in some alternative endeavour both he and society as a whole lose through his unrealized potential. This loss is only one of the costs to society of adjustment requirements. Other costs which were mentioned to the Committee, more specifically for prairie regions but pertinent throughout Canada, are the costs of changes to community patterns. Roads, schools, churches, and for that matter whole towns have been abandoned because they were no longer necessary. New communication routes have replaced old. Reduced rural populations and improved means of transportation have replaced the need for many of the old services.

Briefly some of the problems of change have been cited here. These problems point up what different briefs stressed, i.e., the need for more study of this facet of land use in Canada. Change is considered inevitable but it can be facilitated through knowledge thereby reducing the cost in both human suffering and capital wastage.

SMALL FARM PROBLEM

In the consideration of the most effective use of land in Canada, many of the submissions that were received by the Committee were particularly concerned with the small farm problem. At the request of the Committee a group of four Canada Department of Agriculture officials visited the United States and studied their rural development program. This American program pertains predominantly to the small farm problem and land use adjustment. A report of this study was submitted to and considered by the Committee. The reader is particularly referred to this report contained in Proceedings No. 1, March 3, 1960, (3rd Session, 24th Parliament, 1960).

Size of farm frequently refers to the net income producing capabilities of the farm. In this context small farms would refer to low-income farms. That is, the concern is with the families that live on farms, in most rural communities, who have been unable to keep abreast of changing times.

The presence of small farms is not a modern phenomenon. They have characterized agriculture since early times. But the urgency of the problem posed by small farms varies with times. Recently, with the rapid changes in agriculture that have resulted through increased mechanization and commercialization, the income situation of many families on small farms has become acute. They have been unable to keep pace with the advancement of our society in general. Their relative position in the overall scale of living has been characterized by regression.

The difficulty of assessing the magnitude of the problem of small farms was pointed out in many briefs. Statistics, such as 37.9 per cent of Canadian farmers received gross incomes from farm products sold of less than $1,200 in 1950, were mentioned. However, witnesses noted the inadequacies of such figures due to the inability of the data to differentiate between the real problem farms and the small farms that have a satisfactory way of living.

Small farms may be considered as being of various types. There are the part-time farmers.

These are the group that earn the major portion of their income from non-farm sources. Frequently the families on these farms were formerly dependent upon the farm for their sole source of income. Because of the changing social and economic forces they have been forced to supplement their income through off-farm employment. This group of part-time farmers often are in a transition period between farming and full time non-farm employment.

There are other cases where the part-time farmers are primarily concerned with farming and the off-farm employment is serving as a means of farm capital accumulation. Many of these two groups of part-time farmers are not social problems. They are capably making adjustments. However, there are other part-time farmers who are in distress.

Another group of farmers that appear in the statistics of low income farm families are the farms of limited output because the operator is in the process of retiring. This group of farmers are not necessarily a problem. They may have decided to retire because of poor health or because of advancing age. They may, as is frequently the case, be assured of an adequate income to satisfy their reduced demands. This group, not infrequently, reduces the farm output by a reduction in the productive capital. They sell land and/or productive livestock. The capital received from these sales may adequately supplement their reducing current farm incomes.

Another type of small farms are formed of farmers that are dependent upon their farms for their main source of income which is very limited. This group operate farms that do not have the productive size to return an adequate income. These farms are found throughout the agricultural area of Canada but with greater frequency in some areas than in others. This type of small farms results from limitations in the factors of production. They result from limited managerial ability, limited capital availability or limited land capability or from a combination of two or three of these factors. The occurrence of farmers with low managerial ability will be found in all agricultural areas, as will farmers with limited capital. The most serious problems occur in areas where the land use is characterized by unsatisfactory income returns for the farm families. These land areas present a challenge of adjustment. Alternative land uses will have to be found. The new uses may be agricultural or non-agricultural. It can be expected that the adjustments will result in fewer farms in many areas. Other sources of income must be found to accommodate the farmers displaced through change. In many cases the farmers will be poorly qualified to earn satisfactory incomes from other lines of work. Because of this they will tend to remain farming low-income or uneconomic small farms.

The small farms have an inadequate productive capacity. The smallness of output from these farms makes any price increase merely token relief from their basic problems. The inadequate income received from these farms make it impossible for the majority of these low-income farmers to pay their share of all the modern and social costs such as hospitals, schools, roads, etc. These costs must be borne in part if not wholly by other members of society. Unfortunately, there are areas of low income producing farms where there are discrepancies in the availability of the social services that are found in the more productive areas. These are areas of small farms where the schools, hospitals and roads are below national standards. These inequalities result in a continuation of the underdevelopment of both the human and land resources unless adjustments are made.

WATER AND LAND USE

Water occupies a very influential role in determining the most beneficial use of land. Because of this, various witnesses devoted a part of their submissions to expressing a need for more concern about the use of this resource. The briefs pointed out that most uses of land require water. Despite this, the value of water is often overlooked. This lack will have to be remedied, especially in the areas where the limitations of water are becoming apparent. Less pollution and squandering of water will have to result, it was noted. Decreasing water supplies in relative or absolute amounts create limitations to urban, industrial and recreational development, it was stated. Large quantities of water of suitable quality is required for these land uses.

Of particular concern to the Committee was the role of water in agriculture. In Eastern Canada many lands have the problem of too much water. Drainage must be provided for many agricultural lands. All levels of government are active in drainage programs. Many details were reported to the Committee of the various schemes that are in operation to assist farmers in draining farming areas.

Lands in both Eastern and Western Canada are subject to erosion by water. In areas characterized by heavier precipitation, cultural practices and land use measures are adopted to compensate for erosion tendencies. Seeded pasture and forage crops are grown in many areas in Eastern Canada as a means of controlling water erosion. Lands that are more susceptible to this erosion are frequently left with forest cover.

In other regions, particularly in the more arid section of the Prairies, the concern is with the safeguarding waters at its source

and in reservoirs and the providing of supplemental waters to land through irrigation. Thousands of dugouts have been constructed to collect waters from the spring run-off, thereby providing farms with a summer water supply for domestic and stock use. Reservoirs have been constructed by damming rivers and streams.

The largest developments of supplemental water are the irrigation works that have been and are being constructed. In Ontario, the Committee was told, there are about 70,000 acres of land that are irrigated and it was forecast that up to 500,000 acres may be irrigated by 1975.

Scarcely more than one per cent of Canada's improved farm land is provided with irrigated facilities and not more than 750,000 acres are regularly irrigated. Most of the irrigated land is located in Alberta with smaller acreages in British Columbia and Saskatchewan.

Large acreages of irrigated lands are used for the production of spring grain crops, but it was pointed out that the most satisfactory use of irrigated land was for the production of irrigated forage crops to supplement livestock production or for intensive use of land for specialty crops. In Alberta and Saskatchewan the production of forage crops through irrigation is integrated with dryland grazing. This has proven a desirable combination of land uses.

In some areas, where the demand for particular specialty crops is adequate, it has been found economical to use irrigation to more fully use the other factors of production. In British Columbia the relatively high rate of capital and labor inputs that are used in irigated fruit growing is only feasible in the arid south-eastern valleys. In Alberta a similar situation exists with the production of sugar beets, canning and fresh vegetables. In Ontario the relatively high cost of tobacco production has resulted in advantageous use of irrigation in some cases.

Due to the increasing demands for food production in the future which will result from anticipated population growth and due to the existing limitations in the extent of our agricultural land resources it was stated that additional irrigation facilities could justifiably be developed.

TRANSPORTATION, COMMUNICATION AND LAND USE

Land use in Canada has paralleled lines of communication. The water routes were our first avenues of transport. Because of this our first settlements, in the Maritimes and in the Provinces of Quebec and Ontario were located on lands adjacent to these routes. The characteristic 'long lot' of Quebec, extending back from the St. Lawrence river is a direct result of the value placed upon this main artery of transportation. In the western parts of Canada initial settlements developed near trading forts that were established on rivers. The rivers supplied water and transportation routes for the fur traders and the subsequent settlers.

While submissions mentioned the continuing effect of water transportation on land use, particularly in regards to cities that provide facilities for ocean going vessels, witnesses discussed other means of communication and transportation. The great westward movement of settlement was made possible by railroads. Towns and villages located along the railroads provided market centers for produce from adjacent agricultural lands and were service centers for the farmers. Railroads served as the main means of transport from farms to industrial centers and conversely from industrial centers to farms.

In more recent times motor transport has had a decided effect on land use. Marketing facilities have been greatly expanded where access to good roads is available. As settlements in the past were located on water routes and rail lines, today, the development is along the main highways. We expect an increase in this ribbon type of settlement in the future.

Witnesses brought to the attention of the Committee many of the problems associated with the development of properties along main roads. This tendency for industrial and urban growth to extend out into the open-country creates a demand for many social services. The cost of these services is met in a large measure by means of a property tax which many farmers have difficulty in paying. More will be said of this later but briefs stressed the need for consideration of costs other than engineering in the planning of new roads. Attention should be directed to the offset of road development on agriculture, on land values and on urban development, it was stated.

Other forms of transportation and communication have been extended across Canada as the result of technological advancements. The telegraph, the telephone, the radio and the television facilities have all a place in the development of this country. The increased communication facilities removed the isolation from many parts of Canada and permitted the population to become more productive as a consequence of being better informed.

Air traffic has increased substantially also in recent times. Land values neighbouring air terminals have increased as a consequence. An increasing demand for land to be used as terminals or for industrial developments that service or are serviced by air traffic was forecast.

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Other means of transport that were mentioned are power lines and pipelines. These means of transport require the use of land for rights of way but of most importance is the availability of power in the areas served. This transference of power from one locale to another provides advantages that affect the land use in the recipient areas.

The presence of or the lack of the various means of transportation and communication have a significant effect on the competition that exists among various regions in Canada. The advantages one region has over another resulting from differences in location, soil, topography and climate are enlarged when complemented by more adequate and efficient systems of transportation and communication.

URBAN LAND USE

A continuing growth of the population of Canada is anticipated and will be located in the main in and adjacent to the present large urban centers. The Committee was told that 80 per cent of the population will live in cities, towns and villages of 1,000 population or more by 1980. Land adjacent to existing urban centers, especially the larger metropolitan areas, will be required to provide room for residences, industries, communication and recreation, as well as schools, churches and other institutional buildings. Much inefficiency in the use of land will continue unless planning is undertaken, witnesses claimed.

As urban centers increase in area much of the better grades of farm land is brought into urban use. The significance of the loss in farm land will increase as the demands for agricultural produce increase. It was estimated that the use of 382 acres of land is lost to agriculture for every 1,000 population increase. It was further pointed out to the Committee that two-thirds of the acreage that is lost to agriculture can be considered as waste and permanently lost to the former use.

This land is viewed as waste inasmuch as it is in a state of misuse or non-use. The main reason for the waste is the scattered, sprawling type of development that occurs around the urban centers. The non-compact manner in which housing and subdivisions for housing are built creates many social and economic problems. It is difficult to supply many of the sprawl areas with the usual urban services at a reasonable cost. As the sprawl development encroaches upon agricultural land areas, inevitably taxes are increased, often out of proportion to the increase in services rendered to farmers. Another type of problem that frequently occurs is that physically the sprawl type of development breaks up many economically sized farm units as a result of the ribbon or leapfrog nature of the development along main roads.

Speculation in land in advance of urban development results in much waste inasmuch as the land is often held in an idle state awaiting ripening and development. Foreseeing eventual abandonment of the farm lands to urban or industrial uses farmers frequently appear to "mine" their land. Often the buildings and fences are not kept in good repair and cultural methods tend to be more extractive rather than conservational.

Adequate adjustments on the periphery of urban centers can be attained through a regional planning approach. It was argued that efficient planning undertaken on a regional base rather than being restricted to areas enclosed by boundaries or urban centers, if followed by government or municipal action programs, would facilitate greatly the solving of many of the problems of urban development. It was suggested that consideration be given to a deliberate attempt by governments to break the land market, thereby reducing land speculation. A re-examination of public utility policies that encourage urban sprawl was also suggested to the Committee.

RECREATIONAL USE OF LAND

In the course of considering land use in Canada the Committee received some views on land requirements for recreational use. It was pointed out that various forms of creation put land to a wide range of uses. Land is required for institutional purposes such as museums and historic sites. It is also required for playing fields and various other park forms.

Briefs discussed the increasing recreational use of land, especially in the region of the larger urban centers, which will result from the increasing population of Canada. They also mentioned increases in income, greater mobility and more leisure time of the people as other factors that add to requirements for land for recreational purposes.

Foresight in planning and acquisition of land for recreational use is required it was stated. Much of the land that should be acquired for recreational needs is held in private ownership. The acquisition of this land in the near future would be desirable before it becomes firmly committed to other uses, it was suggested by witnesses. In many cases land should be purchased now and held in reserve for future recreational demands, it was claimed. It was also noted, that rights of public access to certain land and water areas should also be secured.

The Committee was told that there should be a minimum of ten acres of readily accessible (within 50 miles) park land for each 1,000 population. Additional land is required

within urban centers for recreational purposes as well as land for use as more remote wilderness parks.

It was further pointed out that the importance of tourism and its direct relationship to the recreational use of land has been only recently realized. It is considered that the value of land for this purpose is not sufficiently recognized.

FORESTRY AND LAND USE

The forests of Canada provide the greatest single item of export from this country, i.e., newsprint. The importance to Canada of our wood and paper products is evident when it is considered that for many years these products have returned an annual favorable balance of trade in excess of one billion dollars, the Committee was told.

Of Canada's total land area of about 2.3 billion acres, 68 per cent or about 1.5 billion acres are in forests. A large proportion of the forested area is unproductive from the standpoint of economically usable products. It appears inevitable that a large proportion of the land area will always be in forests. The area that produces usable forest products covers an area of 28 per cent of the total land or about one million square miles. At the present time about three-quarters of this productive and usable forest land is accessible and about one-quarter is being used. The used or occupied forest land has an extent of about 287,000 square miles or 184 million acres.

The total production of timber in Canada has been nearly stationary, witnesses reported, with about two-thirds being produced in British Columbia of which about one-half is exported. Of the paper output about 15 per cent is produced in British Columbia with the most of the balance coming from eastern provinces. A large proportion of the plywood comes from the western provinces. The demand for forest products will increase in the future, it was forecast.

The occupied forest consists mainly of privately-owned lands and crown lands under lease or licence. Many of the privately-owned forest lands form part of farms and serve frequently as a source of income for farmers. These privately-owned forested areas are often the most productive of the forest lands. In many cases they are adaptable to intensive forest management. An expansion of the private forest use could be considered in some areas. Many submarginal farm lands could beneficially be reforested. Many existing wooded lands on farms could have increased value if adequate encouragement was given, it was stated.

Witnesses suggested many means whereby privately-owned forest lands could increase in productiveness through various government action. Due to the long term crop rotation of up to 75 years, low-cost capital and forest crop insurance to cover fire, insect and disease damage would be desirable, it was stated. It was also submitted that adequate standards for grading and scaling of trees should be developed and administered by qualified provincial personnel. Other means suggested included increased extension services, expanded forestry service, consideration of certification and verification of seed, establishment of seed production areas, and experimentation in new species and disease-free tree types. A well prepared thesis was also received by the Committee which argued that consideration should be given to a study of the present methods of taxation on real property, income and estates, as they pertain to forested lands.

Adequate markets for the products from privately-owned forest land present a problem in many areas. Many pulp and paper mills, when they are located nearby, provide a market for wood products which were formerly wasted such as, weak species, tops of trees, hardwood species, slabs and edgings in addition to the normal pulp wood. Saw and planing mills are strategically located in many areas but in others there has been a decline in numbers. It was suggested that governments consider the adequacy of local markets for the products of the privately-owned woodlots and possibly encourage co-operative mills.

There is an increasing awareness of the value of forest management practices. Many pulp companies are now working forests on a sustained yield basis. Most of these firms have plans underway which provide for orderly cuttings and eventual rejuvenation of the forest, the Committee was told.

Witnesses expressed concern for the manner in which many of the forest lands are being alienated for other purposes. Often little regard is being given to the full potential of the forest, it was claimed. The determination of the value of the forest land should consider, in addition to the value of timber production, the worth of forest use as a source of water, forage, wildlife and recreation.

Attention was also directed by witnesses to the need of land quality for productive forests. Forest lands must be accessible as well as having suitable soils and climate. Many lands that are inferior or sub-marginal for agriculture are also inferior for forest growth, it was pointed out. The quantity and quality of tree species that may be produced depend upon the quality of land.

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FISHERIES AND LAND USE

Fish from the fresh and salt waters of Canada have been an important source of food and income since the days of the first settlements. The dependence upon fish for food by many Canadians, particularly many of the original natives, has caused our governments in their programs to attempt to mitigate against any harmful effect upon the livelihood of these people.

The continuation of commercial and sport fishing in many waters necessitates an increasing concern for the maintenance of suitable habitat for fish. Frequently man in using land resources directly or indirectly adversely affects fish population, it was reported. Poisons that are added to waters through such means as industrial wastes and pesticides often deplete fish numbers. Organic matter dumped into streams and rivers from industrial and domestic sewage uses up available oxygen resulting in lower fish populations. Man has altered fish habitat by such structures as hydro-electric dams which interfere with fish migration. Man has also induced soil erosion and the silting of streams, which is detrimental to fish.

In certain areas, mostly coastal, in Canada commercial fishing provides the sole source of income for families. Many fishermen fish throughout the whole year which permits no secondary source of income. In other areas the income from fishing is supplemented by income from other sources. Forestry has proven the more lucrative source of secondary income in many fishing areas.

An expansion in agricultural pursuits as a source of secondary income is limited in most fishing areas by the conflicting demands for the fishermen's labor and by the absence of suitable land. There is a strong combination of factors acting as deterrents to agriculture, the Committee was told. The soil is often in small pockets and has limited fertility. The growing season is often very short. Marketing difficulties often exist due to the geographical location of the fishing areas. But expansion in agriculture could be encouraged in some areas if only to serve as a source of supplementary food for the families of fishermen, the Committee was told.

It appears that the most promising method to improve the income and level of living of the segment of Canada's population dependent upon commercial fishing is through an increase in employment opportunities for the non-fishing members of the families. The increasing processing of fish has been one development that has permitted additional employment, the Committee was told. It is hoped that other sources, including labour intensive industries, will develop.

CONSERVATION AND LAND USE

Lands has been available for the use of generations in the past, it must also be available for the use of generations in the future. Individuals must be aware that the land used by the present generation is held only in trust for future uses. Land must be conserved. Many witnesses made statements, such as these, when they appeared before the Committee.

Because people are particularly concerned with their own welfare, it becomes the role of the various levels of government to safeguard the needs of society. Each individual lives his own number of years but governments have continuing responsibilities that span generations.

The need for an awareness of the limitations in the agricultural land has been mentioned. Land is limited in extent and in quality. Increasing population will place greater demands on the land and this will have the effect of stressing these limitations. Minimizing wind and water erosion of land through proper cultural and land use practices and the maintenance and improvement of soil fertility where possible was advocated by witnesses.

While governments have the responsibility of conserving the land resource, it is often the individual that must perform the conservation practices. The selection of the most satisfactory use frequently rests in the hands of the citizens themselves. Governments are generally better equipped to conduct research and assemble knowledge which can be provided to guide the decision making and the enactment of the most desirable use.

In the past governments on numerous occasions have taken the initiative and instigated desirable land use programs which have been more conservation orientated than former practices. The Committee heard in some detail of the conservation work that is carried on by many of the provincial governments and also the federal projects carried out under the Maritime Marshland Rehabilitation Act and the Prairie Farm Rehabilitation Act. Although much work of a conservation nature is and has been carried out in the past, it is considered that more is required.

MULTIPLE USE OF LAND

The selection of the most desirable use of land is a complicated task in many cases. Many possible uses must be considered. Differing uses of land have been briefly discussed in this report. The interdependence of uses has been suggested or inferred in many instances. The people in the urban areas rely on the areas of primary production to provide food and fibre. Farmers require communication and transportation facilities. The uses of

agricultural land require the market centers provided by urban areas. Urbanites demand land for recreational uses. They also require the use of land for communication. All people require water and the forests assist in the preserving of a supply of this resource. These are some of the examples of the relationship between uses that have been reported to and discussed with the Committee. In addition there is another type of related use which may be referred to as the complementary or multiple use of land.

In the consideration of the use of Canada's land resource it was noted that in several areas, many uses complement and supplement each other. Many examples of these multiple uses were cited by witnesses. In certain regions the harvesting of forest products such as timber, pulpwood, Christmas trees and maple syrup from farm woodlots have been an important source of income for farmers. Many farmers have supplemented their income by working in neighbouring forests. In some forest areas grazing of cattle is carried on. This type of complementary uses of a region's land resource for forest and agriculture will likely continue in the future where proper management of the resource is practised. However, in the past millions of acres of forest land have been 'man-handled' and then abandoned to a regrowth into scrub forests the Committee was told. This type of use may be too costly in the future.

Another example of multiple use which was referred to was the use of forests for the harvesting of wood products as well as providing recreation in such pursuits as hunting, fishing and relaxation. Farming areas also serve as recreational areas. It was suggested that recommended uses give due consideration to all complementary uses where these exist and not just to particular singular uses.

The amount of research that is required to determine the most satisfactory use of the land of Canada is extensive. With the increasing demand that is being placed upon the land for satisfaction of human wants, it is fortunate that much information has been assembled. In the past much of the study and concern has been with particular uses. In the future more attention, the Committee was told, should be given to planning the use of land on a regional basis keeping in mind the multiplicity of uses.

Because of the multiplicity of uses as well as their interdependence, differing persons when presenting their briefs suggested that a detailed land use study and program be undertaken. It was suggested that an inventory of land should be compiled followed by study which would permit the most desirable uses to be recommended.

The responsibility for effective land use planning must ultimately rest with the government as the custodian for the people of this resource. The jurisdiction of this control lies in many instances with provincial authorities and these, in turn, will leave much of the action on an individual or group basis. Nevertheless, the problem of satisfactory use must be solved through regional and national concern. The basic criteria for the selection of policies of land use should not be narrow choices between one use and another but instead directed to an optimum habitat for men.

PART II

RURAL DEVELOPMENT

The particular concern of the Committee with agricultural land use and the need for adjustments in this use resulted in an interest in what has been termed "rural development". Although mention was made in Part I of the need for adjustments on many farms and of rural development, this section of the report deals specifically with this subject.

Rural development is a term that may be defined broadly as the organized consideration and programming of required resource adjustments in rural areas of Canada. Many of the witnesses who appeared before the Committee referred to various aspects of rural development. In the earlier hearings, witnesses from different parts of Canada, recommended that a concerted program be undertaken by provincial and federal government groups that would be particularly concerned with rural development. An outgrowth of this concern was the Agricultural Rehabilitation and Development Act commonly known as ARDA.

ARDA

This was legislation passed by the Government of Canada, June 22, 1961. In January 1962, the federal ARDA Administration was set up. This Administration with a relatively small staff directs, organizes and co-ordinates various existing agencies at the federal and provincial government levels. A federal interdepartmental co-ordinating committee functions at two levels, (1) at the Deputy Minister level to consider broad policy matters, and (2) at the senior officer level to consider and appraise provincial program and project proposals and to advise on project execution.

P.F.R.A. and M.M.R.A. organizations are both considered as operating arms of ARDA and deal with negotiations and joint inspections, and carry out some joint federal-provincial projects.

The various kinds of programs and projects possible under the terms of the Act must be carried out jointly between the federal and

provincial governments. The actual physical arrangements of projects may be carried out jointly or the federal government may co-operate only through the provision of financial assistance. There is one area of activity provided in the Act in which joint federal-provincial financial cost-sharing is an exception and not mandatory. The federal government may conduct research strictly on its own as well as on a joint basis with the provinces.

Individual projects are undertaken and carried out through specific agreements. Under the terms of the Act the lines of communication with local areas and committees are through the provincial co-ordinating body or its agent. Following discussions with representatives of all provinces a general agreement was drawn up. This general agreement exemplifies the intent of the Act and lists in some detail the kind of projects that may be carried out under each of four general categories. These four broad categories are:

(1) Projects for alternative use of land,

(2) Projects for soil and water conservation,

(3) Projects for rural development, and

(4) Research projects.

Through the federal-provincial administration, discussions and the submissions of the provinces, many projects were proposed. These proposed projects were varied but in most cases could be considered under the four general categories. The kind of projects proposed by the provinces were:

(a) Section 2 of the act—alternative use of land—in terms of maintaining land in some appropriate use, not idle or permitting abandonment,

(1) projects to establish association, group or community pastures on lands considered to be submarginal or marginal for cultivation,

(2) projects to establish pastures on individual farmer-owned marginal cropland,

(3) projects to acquire marginal or other related lands for forestry purposes—provincial crown forests, municipal forests, county forests or other public forestry management areas,

(4) projects to acquire marginal lands for assembly to lease to adjacent farmers for forestry purposes and promote establishment of diversified economic forest farm units,

(5) projects for the acquisition and planting to trees of lands that are designated as marginal or sub-marginal agricultural lands,

(6) projects to assist in the establishment and maintenance of farm woodlots, including assistance in planting, thinnings, access trails to woodlots, management, planning and other woodlot extension services,

(7) projects to acquire marginal lands for recreational needs, particularly in areas close to large urban centres,

(8) project to acquire marginal lands for public shooting areas, wildlife management areas or to lease or acquire easements on such lands from farm owners for public use;

(b) Section 4 of the act—soil and water conservation of good agricultural lands,

(1) projects for the drainage of good arable farm lands,

(2) projects for the protection of such lands from flooding, including dykes, main ditching systems, stream improvement, flood control dams,

(3) projects for the supply of water for agricultural purposes, including water storage, dams and dugouts,

(4) projects for shelter belts and other such soil erosion control measures,

(5) projects for stone removal on good arable land, also grassing and terracing to prevent erosion,

(6) projects to maintain water levels for stability of agricultural production and related flood control, wildlife and recreational purposes,

(7) projects to provide for engineering studies, cost-benefit studies or other studies related to projects proposed in this section of the act,

(c) Section 3 of the act—rural development;

(1) projects to establish rural development areas

(2) projects for pilot area studies;

(i) studies of present land use and land capability for various purposes,

(ii) studies of resource use or resource development opportunities for increasing income,

(iii) studies of soil and water conservation project needs,

(iv) rural sociological studies,

(v) agricultural economic studies including marketing, employment, labour, under-employment and vocational training needs,

(vi) studies of off-farm employment and industrial development opportunities.

Some of the provinces suggested the above kinds of intensive pilot studies in rural development areas where low incomes are prevalent and in which local committees would be set up. The results of these studies will be presented to local committees in such a way as to be understood in devising appropriate projects to improve employment and income opportunities and living standards. It is hoped that blueprints or proposals for development of the particular area will emerge from the deliberations of these committees.

Through technical and financial facilities co-ordinated through ARDA, programs for the better use of land and improvement in use of good agricultural land by soil and water

conservation will be applied. Technical and financial assistance will be focussed on local areas through an integrated attack on local economic development.[1]

RURAL DEVELOPMENT AT THE PROVINCIAL LEVEL

The Committee received briefs outlining rural development work being undertaken in different provinces. These briefs indicated variations to be expected in the application of rural development programs in the various provinces. Rural development in Manitoba—The Committee received a brief that dealt with ways and means of promoting positive thinking and action with respect to rural development in general and ARDA in particular in Manitoba. It suggested two broad approaches to rural development. The first of these was the liberal provision of capital in order to develop what really amounted to a completely new resource. The second was a "bootstrap" approach whereby people are given assistance, primarily technical, in order to develop their resources. This is the basic extension philosophy of helping people to help themselves.

The general public is generally inclined, the brief pointed out, to view a program such as ARDA, as of the first type, while public administrators tend to regard government assistance as technical help only. The types of programs to be developed under ARDA were suggested as falling between the two extreme categories.

The Committee was told that it is unrealistic to try and solve the economic problems in a narrow setting of relatively small marginal or submarginal areas. These areas should be considered as a part of a larger region including other areas with more resources, often non-agricultural, capable of development. Economic development, it was claimed, can no longer be attained in terms of primary resources of agriculture, forestry, fisheries, etc. The utilization of these resources must be related to industrial development to permit wider employment and income opportunities.

An interdepartmental committee was set up in 1961 in Manitoba to formulate a list of proposed ARDA projects. Two sub-categories of research and investigation projects and physical projects were proposed in each of the major categories of alternative land use, rural development and soil and water conservation.

Since ARDA is primarily a long range, fundamental program, a great deal of detailed information is required, it was pointed out. Thus, research projects in such fields as soil surveys, farm ownership, rural sociology and hydrology are needed to develop multiple use programs. The provincial committee recognized a basic problem of under-employment in agriculture, especially in the marginal areas, and proposed an educational program in one area to re-train some of the people for non-farm employment.

To prepare the people in local areas for participation in the ARDA program, a one-week course for 25 rural leaders was held to acquaint them with the details of the ARDA program, the general philosophy of rural development. In one area an advisory committee of five local residents and five governmental representatives of major resource fields was set up to work toward the maximization of a long range program based on involvement of all local people.

The Committee heard of the regional development program of the Manitoba Department of Industry and Commerce. This body has the broad objective of securing the proper development of the physical and human resources to provide the needs of the people through productive measures to put permanency and stability into the regional economy. It is believed that the prime way to help in the development of rural and urban areas of the Province is through the introduction of secondary manufacturing and processing industries, business industries, business developments, tourism and recreation. The program is premised upon the initiation of self-help at the local level supplemented where feasible by government assistance per se in the role of a development promotion agency to interest out-of-province investors to establish in the Province. It depends upon close interdepartmental co-operation and partnership with local development agencies for economic progress and social improvement.

The first major step in the program to stimulate and assist regional development, the Committee was told, was the preparation by expert consultants employed by the provincial government of a broad economic inventory and analysis of human and physical resources of a region. It concerns the extent of the region's resources, the significance of each resource, over-all opportunities for economic growth, and particularly opportunities for industrial expansion in the broadest sense. The development opportunities recommended in these economic surveys involve agriculture, forestry, industry, business and tourism.

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[1] Mr. A. T. Davidson, Director of ARDA appeared before the Committee on December 3, 1963, and reviewed progress in ARDA to that date. A synopsis of this review appears as Appendix II of this report.

The organization set up to enlist the co-operation of the people in the region is responsible for carrying the program forward. Conferences and workshops are held to present the facts of the economic survey, to give the local people an opportunity to present their views as to the development potentialities and to stimulate local leadership. This is followed by the completion of an evaluation form by the community. Four types of community surveys are used and are referred to as community data, drawing power, industrial impact and industrial location. These are valuable and useful tools in promoting, stimulating and assisting industrial development.

These kinds of local development organizations found throughout Manitoba were described for the Committee. Under the Companies Act as amended in 1958, community development corporations or quasi-public bodies can be formed to act as local development agencies. They are a formal and legal framework through which municipal leaders, farmers and businessmen can work together to solve common problems and assist in the initiation of industrial projects. In addition to their functions to publicize industrial opportunities, stimulate business and industrial expansion, provide information to make business contacts, the most important role is the power to raise funds to assist industrial establishment. This latter power has been employed in a number of cases to provide buildings for an industry, usually under a lease-purchase arrangement. The second kind of local development organization includes a chamber of commerce or a board of trade. Recently, other organizations have been established, which are unincorporated, under the name of Civic Affairs or Development Committees. If these latter two bodies are successful in stimulating interest in retail or service commercial activities or tourist attraction or any kind of local development project, then a corporate body, as outlined above, is established. The third kind of local development organization which has grown up of late is an area development association. These associations are of a regional nature and include representatives from a relatively large number of rural and urban municipalities. They are comparable with area committees as envisaged under ARDA with various study sub-committees such as beef, swine, dairy, sheep, grain, special crops, allied agricultural industries, credit, linear programming and public information. Other non-agricultural committees include forestry, recreation, employment, and vocational training.

An important agency with respect to growth of industries and tourist facilities is the Provincial Development Fund. Its purpose is to provide financial assistance to new and existing manufacturing industries, tourist and recreational facilities and to community development corporations. While the source of funds of this agency is the provincial government, it is administered by an independent board of Directors. It does not compete with banks or other private lending institutions but rather supplements their activities.

Another service of the Regional Development Branch is a town and rural planning service which provides technical information to municipalities and works directly with local planning commissions. This body helps local people to assess the community problems and formulate future plans for action to assure the best possible over-all development of the areas.

The experience in area economic development has met with far greater success when an effective development group has been set up. The common needs of every class of people in a community in terms of employment, industrial development, more income, municipal services, new development capital at the farm, processing and service industry level simplify the task of drawing the various segments of the community together through co-operative effort.

The relationship of ARDA to the regional development program is viewed as complementing each other and meshing perfectly. A major part of ARDA is concerned with the development, adjustment and use of natural and human resources upon which rural industrialization depends. Rural industrialization in an agriculturally-oriented province can be built upon a framework of raw agricultural products, adequate water supplies and underemployed farm people. The efforts of the Regional Development Branch are compatible with the economic and social aspirations of rural communities which can be aided and abetted further through ARDA. A key point with respect to assistance to local development committees is the provision of a sort of rural development specialist or regional co-ordinator, with experience in local involvement and motivation, access to technical knowledge of local resource use in agriculture and other industries, and ability to stimulate gainful employment in those kinds of production demanded by a maturing economy.

Rural development in Prince Edward Island—The early phases of the rural and community development program in Prince Edward Island was outlined in a brief presented to the Committee. The program became effective on January 1, 1961. The launching steps were, (1) analysis of the physical, economic and social conditions of the normal and natural regional boundaries coinciding with the existing regional high

school areas centering on a key centre, (2) selection of a sponsoring group in each area, and (3) preparation of a list of institutions, organizations and leaders in agricultural, business and civic affairs active in each area. Invitations were sent to leaders and representatives of the area organizations to attend a meeting at which the over-all provincial program was discussed. An opinion survey was then used to obtain some community and personal attitudes followed by a declaration of program agreement and support of the local participants.

Those attending the meeting were asked to pursue a study course, to take part in an area-wide survey of physical and human resources, and to serve on one of 18 different sub-committees in such fields as agriculture, fisheries, recreation, tourism, education, public health, small business, new industry, rural beautification, etc. Out of 150 people co-operating in the study course, 130 were graduated at a formal ceremony and about 70 per cent agreed to carry out all three steps. The remaining group were asked to bring an additional person to a group meeting at which the survey was initiated. The prime purpose of this survey was to investigate the physical and human resources mainly in terms of ideas, aspirations, hopes and needs; kinds of talents and skills; employment opportunities; training requirements. The survey returns justified the belief that people in local rural areas have worthwhile thoughts and ideas for the improvement and development of the local economy. The intent is to derive and set reasonable, sensible and practical long- and short-range goals, specific fields of community activity and even to suggest project priorities.

Those in charge of the provincial resources development program have catalogued the provincial and federal technical experts from which scientific and technical knowledge and skills might be sought and made available to local groups. Local and provincial groups were encouraged to refrain from appealing for financial assistance from the federal treasury only after every other possibility of local effort has been exhausted, or in the case of worthwhile projects when no known local solution exists.

After the provincial program got underway, a forty-four man provincial development council was formed representing virtually every economic and social strata of the Province. Their duty is to counsel, to guide and direct the program.

EXTENSION PRINCIPLES AND RURAL DEVELOPMENT

The Committee heard opinions of professional agricultural extensionists regarding the importance of extension work in rural development. These witnesses pointed out that while the duty of extension workers in the past has been to provide answers to individual farmer's production problems and to teach production and management skills, the new challenge is now primarily related to the establishment of goals, motivations, and capacities for self-help projects of individuals and communities, and help to improve the character of whole communities. The fundamental principle of ARDA, it was stated, is to develop self-help programs in rural areas but the witnesses cautioned that activities should not be limited to purely agricultural possibilities.

Nine principles of extension pertinent to rural development were outlined to the Committee.

(1) full cognizance must be taken of existing local organizations, institutions and agencies in order to deal effectively with people at the grass-roots level on a self-help basis.

(2) to obtain interest, support and participation of the people, objectives of any program must be clearly understood.

(3) a well-directed extension or educational program is essential to bring about changes in knowledge, attitudes, skills and practices.

(4) extension, which is the major channel of communication, should have full information on research findings, trends and rural needs to facilitate a two-way flow of information between research and the public.

(5) a well-balanced extension program including production techniques, marketing, management, leadership development, youth work, community improvements and social and cultural interests, should be democratically developed and oriented to the needs of the community.

(6) a good extension program should be long-range and be ready to meet anticipated problems.

(7) the extension field staff should have a well-balanced training in the physical, biological and social sciences. It should be supported by competent and subject-matter specialists.

(8) there should be close association between researchers, administrators and extension personnel.

(9) there should be research into the different types of organizations, teaching techniques and methods so as to evaluate and measure the achievements of the extension activities.

The real problem ahead in the ARDA program, it was stated, is the development of people, to interest and involve them, to raise their objectives, to change their farming practices and to use the available technical information. This is also the same challenge facing Extension. The objectives would be to broaden the scope of the ARDA program

rather than restrict it to production-type projects. More information and research is needed on the factors associated with decision-making, planning programs and measuring achievements in order to apply the principles and administrative implications of extension to the ARDA program.

PART III

RECOMMENDATIONS OF THE COMMITTEE

The method used by the Committee to approach the assigned task was outlined at the start of this report. Dates are noted in Table 1 when the seven reports of the Committee were presented for consideration. As part of four of these reports the Committee respectfully submitted to the Senate a number of recommendations. These were the result of study and deliberations by the Committee of the information submitted by the numerous witnesses.

On August 20, 1958 the four recommendations that follow were made.

1. That the soil survey being co-operatively carried out by the Federal Department of Agriculture, the Provincial Departments of Agriculture and the Colleges of Agriculture be speeded up and expanded not only in order to complete the soil mapping of the whole settled area of Canada, but also of the unsettled areas.

2. That it be called to the attention of the proper authorities the need of a systematic land use survey based upon appropriate factors to provide for an economic classification of the land according to its use suitability.

3. That the work of various agencies in the study and management of our water resources be expanded—specifically that work relating to drainage and erosion problems, irrigation, levels of water-tables and present and likely future water requirements.

4. That more emphasis be given studies which designate requirements respecting farm size, organization and practices according to the physical characteristics of the land and economic conditions which prevail.

On July 8, 1959 the Committee reaffirmed its support of the recommendations of the preceding session and in addition presented an additional six for consideration. These six recommendations follow.

5. That a special body be instituted to assemble, co-ordinate and arrange for the dissemination to farmers of agricultural research done by the Federal and Provincial Departments of Agriculture, universities and agricultural colleges, and other research organizations.

6. That an expanded extension service be inaugurated to deal with active farm planning, sound business principles and farm management for the alleviation of problems of the small uneconomic farm unit. These services are regarded as necessary conditions in the use of credit and the expansion of loans to farmers in the long, intermediate and short-term fields.

7. That provision be made for an expanded program of vocational and technical training in rural areas.

8. That governmental employment agencies improve and expand their services to facilitate employment of persons from low-income farm areas in off-farm jobs. Associated with this service we would urge the complete listing, categorizing, and reporting of the farm labor supply. A special counselling service should be instituted.

9. That consideration be given to extension of resettlement assistance to any farmer on a small uneconomic farm wishing to move to another area of employment, after due consideration of the existing farm potential and employment situation.

10. That this Committee request the Federal Department of Agriculture to send a delegation to the United States to study and report on the Rural Development Program. On July 13, 1960 the Committee reported and submitted the following five recommendations.

11. (a) That further research be undertaken to define more clearly the nature of the problem in low-income areas and to pinpoint their location.

(b) That a Federal-Provincial Rural Development Program be instituted to deal with areas of greatest need.

12. That in implementing such a program the provincial governments participate on a co-operative basis; such co-operation to include the principle that both provincial and local authorities assume major responsibility for the identification of problems and needs of local areas and the initiation, planning and development of appropriate action programs.

13. That the federal and provincial governments co-operate in assisting any such program with financial and technical assistance, said financial assistance to be provided through a cost-sharing agreement.

14. That the federal and provincial governments provide for a larger farm-management service and expansion of educational facilities with particular emphasis on leadership to ensure a prompt dissemination of the research results to those farmers who will be more benefited therefrom.

15. That there should be some form of co-ordination of Federal Departments of Agriculture; Northern Affairs and National Resources; National Health and Welfare; Labor;

Trade and Commerce; Fisheries; Forestry; and Citizenship and Immigration, with regard to activities under a Rural Development Program.

Resulting from study and delineation of the Committee during the 1961 session, the following five recommendations were submitted on June 28, 1961 for consideration.

16. That a system of financial assistance payments by senior governments be developed to recompense farmers on submarginal and marginal lands in appropriate areas to encourage reforestation of presently cultivated farm lands and sustained use management of present farm woodlots during a waiting period and until these lands attain a fair state of forest productive use.

17. That Federal and Provincial Governments arrange for the building up of a coordinated extension staff to work with the present Provincial extension staffs whose training should have particular emphasis on farm management and planning, rural development, principles and methods of community organization and development.

18. That further studies in co-operation with the provinces be made to the end that pollution of waters should be restricted by more effective measures and penalties.

19. Due to the limited extent of good agricultural lands in Canada, it is recommended that the Federal Government speed up the survey being made by the Department of Mines and Technical Surveys of urban expansion of all metropolitan areas in Canada, so that there might be a basis of a more orderly development.

20. Whereas the agricultural industry is subject to changing forces and periodically facing new economic and social problems and in a continuous process of use adjustment, the Committee believes it can serve a useful purpose in the public interest and recommends:

(a) That the Special Committee of the Senate on Land Use in Canada be a continuing committee and be reconvened at each session.

(b) That authorization of the Committee under its order of reference be used to engage a research team or teams to assemble data and to make comprehensive studies and report to the Committee on (i) the state and incidence of rural taxation, (ii) requirements of land for future recreational use, (iii) conversion of marginal farm lands to forest use, (iv) river and lake pollution, (v) loss of good agricultural lands to urban sprawl, in all parts of Canada, and (vi) co-operation of Federal and Provincial Governments in a study of methods to combat forest fire losses.

CONTRIBUTIONS OF THE COMMITTEE

In reviewing the work of the Committee over the first six-year period of its existence, 1957 to 1963, it is evident that problems in land use in Canada are many, extensive and varied. The tasks that were assigned to this Special Committee were broad and the value of contributions made are difficult to assess. The results of the work that has been carried on will only be judgable in retrospect in years to come.

The following five points may be listed as an indication of the means through which the Committee has been responsible for contributions to the field of efficient land utilization:

(i) The members of the Committee have formulated many recommendations regarding land use which have been submitted for consideration.

(ii) Many suggestions in briefs and recommendations of the Committee have been incorporated in the new Agricultural Rehabilitation and Development Act, which provides means for action programs in land use adjustments.

(iii) Many briefs dwelt with problems of farm credit prior to the general revision of the federal participation in this field and the creation of the Farm Credit Corporation on October 5, 1959.

(iv) The Committee has provided a forum where attention could be directed to the problems dealing with uses of our land resources.

(v) Many people from across Canada have had their interests fostered and have been encouraged to consider means of solving many of the problems pertinent to satisfactory land use.

APPENDIX I

List of witnesses appearing and the reports of the Committee on Land Use in Canada.

5TH SESSION 22ND PARLIAMENT, 1957

Printed Proceedings No. 1:

Canada Department of Agriculture
Dr. A. Leahey, Field Husbandry Division, Experimental Farms Service
A. M. Shaw, Chairman, Agriculture Prices Support Board

Printed Proceedings No. 2:

Farmers' Union of Alberta
Mr. A. Platt, President

Western Canada Reclamation Association
Mr. J. A. Cameron, President

Canada Department of Agriculture
Mr. S. J. Chagnon, Assistant Deputy Minister

Printed Proceedings No. 3:

Union Catholique des Cultivateurs
Mr. J. B. Lemoine, President

New Brunswick Department of Agriculture
Mr. A. M. Taylor, Deputy Minister

Nova Scotia Department of Agriculture and Marketing
Dr. W. F. Walsh, Deputy Minister

Printed Proceedings No. 4:

McGill University
Professor H. J. Spence-Sales, Chairman, Committee on Physical Planning, Faculty of Graduate Studies and Research

International Water Joint Commission
Mr. George Spence, Commissioner

Prairie Farm Rehabilitation Administration, Canada Department of Agriculture
Mr. G. L. MacKenzie, Chief Engineer

Printed Proceedings No. 5:

Canadian Forestry Association
Mr. J. A. Vance, Chairman of the Board
Mr. Harold Fish, President
Mr. J. L. Van Camp, General Manager

Canadian Pulp and Paper Association
Mr. W. A. E. Popler, Manager, Woodlands Section

Canadian Forestry Association
Mr. L. Paquet, Chairman, Executive Committee

Quebec Forest Industries Association
Mr. E. Porter, Manager

Canadian Institute of Forestry
J. W. B. Sisam, President
Mr. Angus Hills, Chairman, Committee on Soil and Land Use

Printed Proceedings No. 6:

Canadian Federation of Agriculture
Mr. H. H. Hannam, President
Mr. David Kirk, Secretary-Treasurer
Dr. E. C. Hope, Economist

Ontario Department of Agriculture
Mr. J. A. Garner, Chief, Agricultural Officer
Dr. H. L. Patterson, Director, Farm Economics Branch
Professor N. R. Richards, Head, Department of Soils, Ontario Agricultural College

Printed Proceedings No. 7:

Canadian National Railways
Mr. J. S. McGowan, Director of Colonization and Agriculture

Agricultural Institute of Canada
Mr. J. E. McCannel, Executive Secretary

1ST SESSION, 23RD PARLIAMENT, 1957

Printed Proceedings No. 1:

William Houde Limited, Quebec
Mr. William Houde, President

Printed Proceedings No. 2:

University of Toronto
Professor Donald Baillie, Department of Mathematics

Printed Proceedings No. 3:

Federal Department of Mines and Technical Surveys
Dr. N. L. Nicholson, Director, Geographical Branch

1ST SESSION, 24TH PARLIAMENT, 1958

Printed Proceedings No. 1:

Canadian International Paper Company
Mr. Vernon E. Johnson, President
Mr. F. A. Harrison, Vice-President and Manager, Woodland Division
Mr. D. A. Wilson, Forest Economist

Printed Proceedings No. 2:

Spartan Air Services Limited
Mr. Russell L. Hall, Vice-President
Mr. W. G. E. Brown, Resources Engineering Department

Printed Proceedings No. 3:

Canada Department of Agriculture
Dr. P. O. Ripley, Chief, Field Husbandry Division, Experimental Farms Service
Dr. K. W. Hill, Head, Field Husbandry Section, Field Husbandry Division, Experimental Farms Service
Dr. K. F. Nielson, Head, Soil Fertility and Soil Management Section, Field Husbandry Division, Experimental Farms Service

Printed Proceedings No. 4:

Report of the Committee

2ND SESSION, 24TH PARLIAMENT, 1959

Printed Proceedings No. 1:

Canada Department of Agriculture
Dr. J. F. Booth, Director, Economics Division

Printed Proceedings No. 2:

Canada Department of Agriculture
Dr. J. G. Taggart, Deputy Minister
Dr. J. F. Booth, Director, Economics Division
Dr. M. E. Andal, Chief, Production Economics Section, Economics Division

Printed Proceedings No. 3:

Canadian Agricultural Economics Society
Dr. M. E. Andal, President
Dr. W. E. Haviland, Vice-President
Professor P. A. Wright, Executive Member

Printed Proceedings No. 4:

Prince Edward Island Department of Agriculture
The Honourable Eugene Cullen, Minister

Printed Proceedings No. 5:

Ontario Forest Industries Association
Mr. Gordon Godwin, Director
Professor D. V. Love
Mr. J. B. Matthews
Mr. J. W. McNutt, Past-President
Mr. D. R. Rogers, Director
Mr. C. R. Mills, Manager
Mr. S. F. Rook, Vice-President

Printed Proceedings No. 6:

Interprovincial Farm Union Council
Mr. Ed. Nelson, Vice-President, and President of the Farmer's Union of Alberta
Mr. James Patterson, Director of Public Relations

Saskatchewan Department of Agriculture
The Honourable I. C. Nollet, Minister
Mr. W. H. Horner, Deputy Minister
Mr. Grant Mitchell, Research Economist

Printed Proceedings No. 7:

La Cooperative Federee de Quebec
Mr. Adelard Bellmarc, President
Mr. Omer Deslauriers, Vice-President
Mr. Raynald Ferron, General Manager
Mr. Roger Perreault, Economist

Alberta Department of Agriculture
The Honourable L. C. Halmrast, Minister

Printed Proceedings No. 8:

Canadian Federation of Agriculture
Dr. H. H. Hannam, President
Mr. J. M. Bentley, 1st Vice-President
Mr. Jean B. Lemoine, 2nd Vice-President
Mr. E. A. Boden, Director, Saskatchewan Wheat Pool
Mr. C. R. Belyea, Economist, Ontario Federation of Agriculture
Mr. Roy Grant, Secretary, Maritime Federation of Agriculture
Mr. J. M. Johnson, Director, C.F.A.
Mr. L. Laventure, Executive Member, Ontario Federation of Agriculture
Mr. J. Ferguson, Past President, Ontario Federation of Agriculture
Mr. David Kirk, Secretary, C.F.A.

Nova Scotia Department of Agriculture and Marketing
The Honourable E. D. Haliburton, Minister

Printed Proceedings No. 9:

British Columbia Department of Agriculture
The Honourable M. P. Steacy, Minister

New Brunswick Department of Agriculture
Mr. R. D. Gilbert, Deputy Minister

Printed Proceedings No. 10:

Manitoba Department of Agriculture and Conservation
The Honourable E. F. Willis, Minister
Mr. L. B. Kristjanson, Extension Economist
Mr. J. Parker, Director, Soils and Crops Branch

Printed Proceedings No. 11:

Ontario Department of Agriculture
Dr. R. L. Patterson, Director, Farm Economics and Statistics Branch
Dr. N. R. Richards, Head, Department of Soils, Ontario Agricultural College

Printed Proceedings No. 12:

Report of the Committee

3RD SESSION, 24TH PARLIAMENT, 1960

Printed Proceedings No. 1:

Canada Department of Agriculture
Mr. S. C. Barry, Deputy Minister
Dr. J. F. Booth, Director, Economics Division
Mr. A. E. Barrett, Assistant to the Director General, Research Branch
Mr. R. A. Stutt, Head, Land Economics Unit, Economics Division

Printed Proceedings No. 2:

Canada Department of Agriculture
Dr. J. F. Booth, Director, Economics Division
Mr. A. E. Barrett, Assistant to the Director General, Research Branch
Mr. R. A. Stutt, Head, Land Economics Unit, Economics Division
Mr. S. F. Shields, Regional Director, Prairie Farm Rehabilitation Administration

Printed Proceedings No. 3:

Waterloo University College
Professor Ralph R. Krueger, Ph.D., Chairman, Department of Geography

Printed Proceedings No. 4:

Federal Department of Northern Affairs and National Resources
The Honourable Alvin E. Hamilton, P.C., Minister
Mr. E. A. Cote, Assistant Deputy Minister

Printed Proceedings No. 5:

Cooperative Extension Service, United States
Mr. Paul V. Kepner, Deputy Administrator, Federal Extension service, United States Department of Agriculture
Mr. Sherman Weiss, Northern Area Resources Development Specialist, Hayward, Wisconsin

Printed Proceedings No. 6:

The Canadian Chamber of Commerce
General R. Holley Keefler, Chairman, Executive Council
Mr. W. J. McNally, Manager, Policy Department
Mr. J. S. Whyte, Chairman, Agricultural Committee
Mr. R. F. Richardson, Manager, Organization Service Department

Federal Department of Labour
Mr. George V. Haythorne, Assistant Deputy Minister
Mr. Ross Ford, Director, Training Branch
Mr. William Thomson, Director of Employment Service, Unemployment Insurance Commission

Federal Department of Trade and Commerce
Mr. James A. Roberts, Deputy Minister
Mr. C. V. Parker, Director, Agriculture Division, Dominion Bureau of Statistics
Mr. Morgan Mahoney, Assistant Director, Small Business Branch
Mr. Basil Hayden, Director, Industrial Development Branch
Mr. A. D. Holmes, Director, Prices Division
Mr. V. J. Macklin, Director, Economics Branch

Printed Proceedings No. 7:

Experimental Farm, Ste. Anne-de-la-Pocatiere, Quebec
Dr. J. R. Pelletier, Superintendent

Printed Proceedings No. 8:

Report of the Committee

4TH SESSION, 24TH PARLIAMENT, 1961

Printed Proceedings No. 1:

The Conservation Council of Ontario
Mr. Gavin Henderson, Executive Director

Printed Proceedings No. 2:

The Lower Mainland Regional Planning Board
Mr. A. D. Crerar, Research Planner

Canada Department of Agriculture
Dr. P. C. Stobbe, Director, Soil Research Institute
Dr. P. O. Ripley, Director, (Soils), Research Branch

Printed Proceedings No. 3:

Federal Department of Forestry
The Honourable Hugh John Flemming, Minister
Dr. J. D. B. Harrison, Deputy Minister
Mr. A. L. Best, Acting Chief, Forest Economics Division

Federal Department of Fisheries
Mr. S. V. Ozere, Assistant Deputy Minister
Dr. A. L. Pritchard, Director, Conservation and Development Service
Mr. J. B. Rutherford, Assistant Director, Economics Service

Printed Proceedings No. 4:

National Capital Commission
Mr. Eric Thrift, General Manager
Mr. Douglas McDonald, Director of Planning and Property

Printed Proceedings No. 5:

Department of National Health and Welfare
Dr. C. D. W. Cameron, Deputy Minister
Dr. Joseph W. Willard, Deputy Minister

Printed Proceedings No. 6:

Quebec Department of Agriculture
Dr. Ernest Mercier, Deputy Minister

Macdonald College of McGill University
Professor Angus Banting, Chairman, Department of Agricultural Engineering

Printed Proceedings No. 7:

Canada Department of Agriculture
Dr. W. J. Staple, Soil Research Institute, Research Branch
Mr. S. F. Shields, Director, P.F.R.A.

Printed Proceedings No. 8:

Canada Department of Agriculture
Mr. J. S. Parker, Director, Maritime Marshland Rehabilitation Administration

Maritime Federation of Agriculture
Mr. Ross Hill
Mr. Roy Grant, Secretary

Canada Department of Agriculture
Dr. C. C. Spence, Economics Division, Edmonton, Alberta
Dr. J. C. Wilcox, Research Station, Summerland, B.C.
Dr. C. C. Russell, Experimental Station, Lethbridge, Alberta

Printed Proceedings No. 9:

University of Saskatchewan
Professor W. B. Baker, Director, Center for Community Studies
Professor H. Van Vliet, Head, Department of Farm Management

Printed Proceedings No. 10:

Ontario Department of Commerce and Development
Mr. A. H. Richardson, Chief Conservation Engineer

Printed Proceedings No. 11:

Report of the Committee

5TH SESSION, 24TH PARLIAMENT, 1962

Printed Proceedings No. 1:

Agricultural Rehabilitation and Development Act
Mr. A. T. Davidson, Director

Printed Proceedings No. 2:

Government of Manitoba
Dr. G. A. Kristjanson, Senior Rural Development Specialist, Department of Agriculture and Conservation
Roger B. Truemner, Regional Development Branch, Department of Industry and Commerce

Printed Proceedings No. 3:

La Société Canadienne d'Etablissement Rural
Mr. Jean-Baptiste Lanctôt

Printed Proceedings No. 4:

Government of Prince Edward Island
Mr. Hartwell Daley, Director, Division of Research, Department of Industry and Natural Resources

Printed Proceedings No. 5:

Canadian Society of Rural Extension
Dr. W. A. Jenkins, President
Mr. L. W. Rasmusson, Vice-President
Dr. L. C. Paul, Secretary-Treasurer

1ST SESSION, 25TH PARLIAMENT, 1962

Printed Proceedings No. 1:

Canadian Tree Farmers' Association
Mr. Bert Herridge, M.P., Vice President
Mr. C. B. Kevin Clarke, President
Mr. J. A. MacDonald, Secretary-Treasurer
Mr. Edmund Asselin, M.P., Director

Printed Proceedings No. 2:

Summary of Briefs Presented to the Committee During the 5th Session, 24th Parliament, 1962.

APPENDIX II

A Synoptic Review of Progress in the ARDA Program Based on a Brief Received by the Committee

The Committee heard a resume of the progress and some of the underlying philosophy of the ARDA program from its Director, Mr. A. T. Davidson, on December 3, 1963. As a supplement to this report, a summary of this progress is presented here.

Following a series of meetings with the provinces, a general ARDA agreement was prepared and signed by all ten provinces and the federal government by October, 1962. As was stated,—"this general agreement sets forth the working policy for the program, the types of programs that may be approved, the range of federal cost sharing, and provides for a maximum federal contribution of $50 million over the two and three quarter year term of the agreement, which runs from June 1, 1962 to March 31, 1965". The general agreement was made extremely flexible and was restricted to the relatively short period to provide a pilot term for testing methods of approach. It is anticipated that a longer term policy will follow.

After the general agreement had been signed, a series of project agreements to implement specific sections of the program were negotiated and signed. These include agreements for: alternative land use, soil and water conservation, community pastures, research and rural development. In total, 265 separate projects and programs have been approved and 10 were under discussion at the time of the hearing, the Committee was told. More than 15 million dollars of federal and provincial expenditure have been committed to these programs.

Thirty projects for alternative and more efficient uses of marginal agricultural lands are under way. The majority of these projects are concerned with the acquisition of low grade agricultural lands for forestry, wildlife and recreational uses. Consideration is also being given to policies which will enable acquisition and consolidation of agricultural lands and their re-sale in economic size farm units. Agreement has also been reached on a land capability inventory being carried out jointly by the federal and provincial governments.

Examples of specific types of projects and programs under the soil and water conservation agreements were noted. Some bog land may be reclaimed in Newfoundland for agricultural pursuits. Small dams are being constructed in Prince Edward Island. Programs of farmland improvements on the better soils of New Brunswick and Nova Scotia are being undertaken. In Quebec, drainage and stream improvement work is being carried out. A multi-purpose watershed development scheme is under way in Ontario. In Manitoba, a water stabilization scheme to protect good agricultural land from flooding has been agreed on. In Saskatchewan, projects of stream improvement, water supply and drainage in conservation and development districts were undertaken. In Alberta, a multi-purpose river development scheme and a start on a long term development program to renovate and improve the operation of existing irrigation districts are other examples. In British Columbia, an agreement for a project to renovate and improve existing irrigation works has been signed.

Agreements have been signed to acquire and develop 41 community pastures. There

are 19 in Saskatchewan, 6 in Nova Scotia, 5 in Alberta, 5 in British Columbia, 2 in Ontario, 2 in New Brunswick, 1 in Quebec and one main pasture project in Newfoundland which is comprised of 6 smaller pastures.

A number of rural research regions which have development and adjustment problems have been selected. Four rural research regions are under study in Newfoundland; two areas on the east and west ends of Prince Edward Island; the north shore area of Nova Scotia; the Bathurst-Gloucester region in New Brunswick; the south shore of the St. Lawrence River and the Gaspe, the Brome and Vallee de la Rouge areas in Quebec; the ten eastern counties in Ontario; the Interlake and central plains areas of Manitoba; the Torch River, Meadow Lake and Broadview areas and Census District 16 in Saskatchewan; and the Edson-Coal Branch area in Alberta. In these regions, physical, social and economic research is under way or is planned. It is expected that rural development areas will be designated as studies go forward in these rural research regions. A number of formal rural development areas had been designated at the date of the submission of the brief.

Among other agreements that have been signed are research projects which will obtain land capability and land use information necessary for land adjustment and agricultural development programs in local regions.

All which is respectfully submitted.

Arthur M. Pearson,
Chairman.

THE SENATE

Monday, December 16, 1963

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

Prayers.

CUSTOMS TARIFF

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-129, to amend the Customs Tariff.

Bill read first time.

Hon. W. Ross Macdonald moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CONSUMER CREDIT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Woolliams had been substituted for that of Mr. Gundlock on the Special Joint Committee on Consumer Credit.

DOCUMENT TABLED

Hon. Mr. Macdonald (Brantford) tabled:

> Agreement dated the 16th day of December, 1963, between the Government of Canada and the Government of India relating to the Rajasthan Atomic Power Station and the Douglas Point Nuclear Generating Station. Signed at New Delhi, December 16, 1963. (English and French texts).

SPECIAL COMMITTEE ON AGING

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Special Committee on Aging.

Hon. David A. Croll moved that the report be adopted.

He said: Honourable senators, before the report is adopted I should like to make a few brief remarks.

The Special Committee of the Senate on Aging was appointed on July 29 last. Then Parliament took a summer recess and we returned about the end of September. The hearings of the committee commenced on October 17. We have had nine meetings, of which seven were public hearings where the committee heard experts on the problem of aging. The discussions have all been very interesting. Presentations were made to the committee by active and vital people who have an understanding of this problem.

I believe it is true to say that when we came to the committee most of us had some preconceived ideas on aging. We had lived with the problem and thought we knew a good deal about it. However, we soon learned it was not a simple one and that there was no simple answer. There is no question but that some of the ideas we had were strengthened and some altered; but, in any event, all of us have learned a great deal in the time we have spent on the committee.

Foremost in the minds of all members of the committee is that there arises a question of priorities. When one considers the matter of income, health, housing, employment, education, recreation, institutional care, community service, just to indicate some of the problems which have presented themselves, one begins to appreciate the difficulty and often bewildering adjustment to age which has become a personal crisis to millions of Canadians and their families.

The committee was very fortunate in obtaining the services of our consultant, Mr. R. E. G. Davis, who spent many years with the Canadian Welfare Council. He knows where to find the pieces and, moreover, he knows how to put them together.

In addition to the hearings which began in the middle of October, an interdepartmental committee was established composed of senior officers under the chairmanship of Mr. Davis. There are senior officers on the committee for the departments of Health and Welfare, Labour, Veterans Affairs, the Dominion Bureau of Statistics, National Employment Service, Unemployment Insurance Commission, and Central Housing and Mortgage Corporation. At these meetings they discuss and consider areas in which they can be helpful, and this is a continuing process. The Government and the officials are giving us the utmost co-operation.

The provinces have all been contacted and they are asked to make presentations. We expect that they will prepare briefs and will be heard in due course.

We contacted 85 voluntary organizations, 47 of which replied and showed considerable interest. Thirty-two, almost all of them of national scope, have agreed to present briefs and wish to be heard. I think before we return in January even a larger number will wish to be heard.

In so far as the committee is concerned, the attendance and the interest has been terrific. I have been a member of many committees on many occasions, and in my opinion it is a real credit to members of the Senate the way in which they have attended the meetings and the manner in which they have questioned the witnesses. In the early hearings we were at a disadvantage because we did not have copies of briefs before us, and we had to grasp the subject as the witness spoke. In the latter stages we obtained copies of briefs ahead of time and this gave members of the committee an opportunity to consider and prepare questions.

When the committee is reconstituted at the next session we expect to have briefs to lay before senators and thus give them an opportunity to study in advance the material to be presented at any particular meeting.

As yet the public have not paid too much attention to our deliberations, but when the provinces and voluntary organizations appear on the scene, I expect the public will take a greater interest. We are not the kind of committee that attracts headlines, but we are dealing with a subject of vital human importance. If the press is looking for all the news that is fit to print, they will find it in the Senate's Special Committee on Aging. I think the general public would be interested in hearing more about the work of the committee.

Speaking for myself, I learned one new word in the course of the work of the committee; the word is "automaged," which means too old to work and too young to retire. I feel we shall hear more about that in the years to come. My own view is that this is the kind of inquiry that should be undertaken more often by a Senate committee, because in it we are dealing with a problem that lends itself to inquiry and demands a solution.

In the new year we hope that some of the special aspects of aging will be reported on by the various departments of government, and having heard the provincial governments and voluntary organizations, we will have further reports to make.

We have already arranged 32 appointments. I am confident that future meetings of the committee will attract a livelier public interest in the problems of the older citizen. It is my feeling that the work of the committee will in time contribute something of real value to the solution of these problems.

Report adopted.

LAND USE

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Special Committee of the Senate on Land Use in Canada.

Hon. Arthur M. Pearson moved that the report be adopted.

He said: Honourable senators, my remarks on this report will not be lengthy, because we have reported often on this subject over the years, and have dealt with the work done by the Senate Committee on Land Use.

The report gives in condensed form the work that has been done by the committee over the period from 1957 to 1963. During that time we have had 109 witnesses appear before the committee and a total of 1,639 pages of evidence have been recorded. This report, which covers some 82 pages of typescript, gives a condensation of the briefs presented by the witnesses. It is divided into three main parts, and opens with the preface and introduction.

Part I is divided into nine subheadings:

(a) Agricultural Land Use.
(b) Water and Land Use.
(c) Transportation, Communication and Land Use.
(d) Urban Land Use.
(e) Recreational Use of Land.
(f) Forestry and Land Use.
(g) Fisheries and Land Use.
(h) Conservation and Land Use.
(i) Multiple Use of Land.

Part II, under the heading of "Rural Development" is divided into three parts:

(a) Agricultural Rehabilitation and Development Act, which is known as ARDA.
(b) Rural development at the provincial level.
(c) Extension principles and rural development.

Part III is divided into three subheadings:

(a) Recommendations of the Committee.
(b) Contributions of the Committee.
(c) Appendices I and II.

Appendix I consists of 12 pages giving the names and qualifications of the witnesses who appeared before the committee. Appendix II completes the report, and is the final brief given to the committee by Mr. A. T. Davidson who is in charge of the ARDA program in Canada. Honourable senators will find Appendix II at the back of the report that has just been presented.

At the start of its work this committee received a great many briefs; at first it was felt that the committee was not accomplishing or achieving any purpose. However, after looking back over the whole series of briefs

we found the report could be based on three phases. The first one is the setting down of the problems of rural Canada in words. The second phase is the result of the study by the federal Department of Agriculture of the proceedings of the Land Use Committee above referred to, and in that department's recognizing, first, the problems and, second, proceeding to enact legislation to overcome these problems. The third phase is the report given by Mr. A. T. Davidson as to the accomplishments now taking place under the Agricultural Rehabilitation and Development Act.

There is active participation and agreement on work to be done by the federal Government and all ten provinces. It is recognized that this is a long-time remedy, but most provinces and the federal Government feel that they are on the way to overcoming some of the difficulties which small farmers are experiencing.

The committee in making a study of these briefs was able to put forward a number of recommendations, which, as I stated before, are under Part III of the report. At this time I would like to stress one or two of these recommendations.

The first one is that the soil survey, being co-operatively carried out by the federal Department of Agriculture, the provincial departments of agriculture and the colleges of agriculture, be speeded up and expanded not only to complete the soil mapping of the whole settled area of Canada but also the unsettled areas. I think everyone will recognize that there is a great waste of good lands, and also a waste of submarginal lands, and that a complete soil survey, to be followed by proper planning, should be carried out at the earliest possible moment.

Even in my own province of Saskatchewan where we have great agricultural areas—in fact, greater than any other province in Canada—and where land seems to be in abundance, and where we need not worry about the uses or abuses of it, industries are being built on the outskirts of our capital city, on the very best of wheat land when, as a matter of fact, they could very well be established on land of a lower quality if they moved ten miles to the northeast of the city. The type of soil there, with its higher elevation and good drainage, would make it an excellent factory area, and it would still be within commuting distance of the city.

It is suggested in the report of the Resources of Tomorrow that during the next 20 years there will be a 70 per cent increase in the amount of food consumed in Canada, resulting from a 63 per cent increase of population and a 5 per cent increase in the amount of food consumed per capita. World demand for food will increase 80 per cent in that time.

Canada at the present time consumes approximately 75 per cent of her own food production. Therefore, the problem is how to maintain sufficient food supplies in Canada for her own use, in the face of this projected 70 per cent increase.

It means we will have to improve considerably our farming methods, make more extensive use of fertilizer, and better plan the use of our land and water resources.

This brings me to recommendation No. 3 in the report made by the committee, which I would stress at this time:

> That the work of various agencies in the study and management of our water resources be expanded—specifically that work relating to drainage and erosion problems, irrigation, levels of water-tables and present and likely future water requirements.

If I may, I would like to enlarge somewhat on that recommendation.

In our modern society, due to the population explosion, the supply of water is becoming the subject of serious thought, especially adjacent to large metropolitan areas. We saw an example of this last summer in western Ontario where they had a drought, and today in many parts of that area they are still hauling water for their stock. Before the end of this century it is estimated that water will have to do three times what it does at the present time.

To show how essential water is to our present civilization, I would like to put down some figures. Do you know just how big a part water plays in our daily lives?

It takes 100 gallons of water to produce one pound of bread, 2,300 gallons to produce one pound of beef, 65,000 gallons to make one ton of steel, 165,000 gallons to produce one ton of rayon, 215,000 gallons to produce one ton of terylene, 100,000 gallons to make one standard automobile, and 34,500 gallons to produce one ordinary change of men's clothing.

So, honourable senators, you will understand how essential it is that we plan seriously to conserve our water supply. I wish to mention some of the things that can be done immediately, and that to some extent are done by farmers or forestry men; but in most cases the problem is too big for them and should be carried out by governments.

(1) Water conservation. First, we should take care of all headwaters of small streams, making ponds and some dams so that the rush of spring thaw does not carry all the water down to the main streams immediately

and out to the ocean; it must be held back long enough to give us an orderly supply of water for the whole season.

(2) Ground water. This is water from wells, underground streams and other sources. Our ground water supply should be built up through trapping properly the rainfall and not allowing too much of it to run away. In western Canada most farmers are now endeavouring to increase the ground water by proper cultivation through fallow methods and proper type of cultivation.

(3) Pollution. Cities and industry must organize and learn how better to use water supplies.

The recommendation which I would like to stress in particular is No. 6 of the report, that an expanded extension service be inaugurated to deal with active farm planning, sound business principles and farm management for the alleviation of problems of the small uneconomic farm unit.

These services are regarded as necessary conditions to the use of credit and the expansion of loans to farmers in the long, intermediate and short term fields.

The reason I would stress this recommendation is that I believe the problem of the small uneconomic unit of Eastern Canada, and to some extent in the other provinces, particularly along the forest fringe areas, is very serious. If in the next decade the problem is to be alleviated, the extension services of the provincial and federal government should be augmented as rapidly as possible to enable these governments to get right into the heart of the problem at an early date.

Honourable senators, before I close, I should like to read Recommendation No. 20, on page 63 of the typewritten report:

> Whereas the agricultural industry is subject to changing forces and periodically facing new economic and social problems and in a continuous process of use adjustment, the committee believes it can serve a useful purpose in the public interest and recommends:
>
> (a) That the Special Committee of the Senate on Land Use in Canada be a continuing committee and be reconvened at each session.
>
> (b) That authorization of the committee under its order of reference be used to engage a research team or teams to assemble data and to make comprehensive studies and report to the Committee—

Honourable senators, that concludes my remarks on the report.

Hon. Austin C. Taylor: Honourable senators, it is not my purpose to speak at any length on the motion now before the Senate. My remarks will be brief for three reasons. First, the chairman of the committee has given a detailed report of the work of the committee since its inception. He has outlined some of the important resolutions which were finally adopted, and there is not much left to be said. The second reason for being brief is that when the resolution was adopted to set up this committee I spoke at some length and indicated my support of the work of the committee, and of the supporting recommendations hich were made, and at that time I referred to several of what I considered to be some of the important recommendations. The third reason is that the whole report is contained in No. 72 of the *Minutes of the Proceedings* of the Senate for Thursday, December 12 last, and the recommendations of the committee commence at page 780 and go to the end of the report.

Therefore, my only purpose in speaking at the moment is to indicate my willingness to support the report in full, even to the last resolution, in relation to the establishment of the Land Use Committee as a continuing committee to work through the years ahead.

Report adopted.

DIVORCE

RULES AND ORDERS—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to the consideration of the Report of the Standing Committee on Divorce with respect to rules and orders prepared pursuant to order of reference of December 10, 1963.

Hon. Arthur W. Roebuck moved that the report be adopted.

He said: Honourable senators, I have very little to say in connection with this matter. The act was passed in August last, providing that the Senate may make such rules and orders respecting petitions for dissolution or annulment of marriage, the procedure of hearings thereon, and all other matters as it considers necessary or desirable for carrying out the provisions of this act. That has been done.

We have, of course, followed the general trend of the previous rules of divorce when a private act was being asked for, adapting them to the new procedure of a commissioner to hear the evidence. In the new Part IV there are 40 rules, and each one is important in its way. Every word and every line has been considered with the greatest of care. There is nothing that stands out in my mind, one part above another; they are all important.

I gave some figures the other day as to how many cases are awaiting the attention of the Commissioner. At that time 753 cases were

still to be tried. I hope we can have the Commissioner hearing cases by the first of the year. The Christmas recess will, of course, intervene.

I shall be pleased to attempt to answer any question which anyone may wish to ask, but there is no reason why I should go through all the rules. The report has been before honourable senators over the weekend, and I trust that it will pass. It looks to be in good order.

Report adopted.

AMENDMENT RECOMMENDED BY COMMITTEE CONCURRED IN

Hon. Mr. Roebuck: Honourable senators, these rules and orders are not according to the law of the Medes and Persians. I fancy as we go along we shall perhaps see reasons for amendments from time to time. That was done previously with regard to rules of divorce. I moved a number of amendments from time to time. Already, I have an amendment to these rules.

It seems to be necessary and proper that before the Commissioner commences his work, he should take an oath of office. Therefore, with the consent of the Senate—and I suppose no one will object to this—I now move that the Rules of the Senate be amended by inserting in Part IV thereof, immediately after rule 156, the following:

> Rule 156A. A Commissioner shall, before entering upon the duties of his office as Commissioner, take an oath in the following form before the Speaker of the Senate or such person or persons as may from time to time be appointed by him for that purpose:
>
> "I, ..., do solemnly and sincerely promise that I will duly and faithfully and to the best of my skill and knowledge, execute the powers and trusts reposed in me as Commissioner. So help me God."

Honourable senators, I could not just add that provision, because notice had been given of these rules over the weekend. So I had to wait until the report was adopted before adding this further provision. It has only just occurred to us that we should not allow the Commissioner to commence his work without a formal acknowledgement on his part of the serious duties he will be expected to perform.

Hon. Mr. McCutcheon: Are you suggesting he has not been working up to date?

Hon. Mr. Roebuck: He has not been hearing evidence up to date.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, we have disposed of all the business on the Order Paper with the exception of item No. 1, the second reading of Bill C-106, to amend the Currency, Mint and Exchange Fund Act. May I ask that that item be the first order of business for Wednesday next.

With respect to the work of the Senate for tomorrow, we live in expectation that we shall receive something from the other house. I understand that Bill C-126, respecting the office of Representation Commissioner, has received second reading in the other place, and in all probability will receive third reading there tomorrow afternoon. The Customs Tariff bill has already received third reading there, and was presented in this house this evening (Hon. Mr. Macdonald, Brantford).

I would suggest, honourable senators, that tomorrow afternoon we proceed with Bill C-129, an Act to amend the Customs Tariff. It affects only four items and is not at all complicated.

Tomorrow we are likely to receive Bill C-126, an Act respecting the office of Representation Commissioner. Senator Power will introduce that measure. I would not wish to rush it through, but I think we can proceed with it tomorrow evening.

There are still on the Order Paper in the other place the following bills: Bill C-128, respecting salaries; Bill C-107, to amend the National Centennial Act; Bill C-127, respecting Canadian National Railways financing; and Bill C-120, to amend the Canadian World Exhibition Corporation Act.

Things are moving rather quickly in the House of Commons and it is possible we will receive all these bills by Wednesday. Therefore, I would ask honourable senators to follow the proceedings in the other house so that we will be prepared to go right along with these bills as we get them in the Senate.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, December 17, 1963

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

Prayers.

THE LATE JOHN FITZGERALD KENNEDY

ACKNOWLEDGMENT OF MESSAGE OF CONDOLENCE—UNITED STATES SENATE

The Hon. the Speaker: Honourable senators, I wish to inform the Senate that I have received the following letter from Honourable J. W. Fulbright, Chairman of the Committee on Foreign Relations of the United States Senate, in reply to a message of sympathy from this house on the occasion of the death of President Kennedy.

UNITED STATES SENATE

Committee on Foreign Relations

December 13, 1963.

The Honourable Maurice Bourget,
Speaker of the Senate,
Ottawa, Canada.

Dear Mr. Speaker:

Your thoughtful message of condolence, enclosing two copies of the Debates and Minutes of Proceedings of the Senate of Canada, has been referred to the Committee on Foreign Relations of the Senate.

On behalf of the Committee, I want to express our appreciation for your message in this trying hour.

J. W. Fulbright,
Chairman.

PUBLIC SERVICE SALARIES BILL

AMENDMENT RESPECTING SALARIES OF CERTAIN PUBLIC OFFICIALS—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-128, an Act to amend the Canada Grain Act, the Financial Administration Act, the Income Tax Act, the International Boundary Waters Treaty Act, the National Energy Board Act, the Railway Act, the Salaries Act and the Tariff Board Act with respect to the salaries of certain public officials.

Bill read first time.

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

Hon. Mr. Macdonald (Brantford): Honourable senators, this bill sounds formidable; it mentions a number of important acts. The only way in which it amends any of these acts is to increase the salaries of certain officials whose salaries are provided for by act of Parliament. I can proceed with the bill now or later today, according to the wishes of honourable senators.

Hon. Mr. Brooks: The bill sounds formidable, but it appears simple. However, I would like to have it stand until I have seen a copy of it.

Hon. Mr. Macdonald (Brantford): Second reading later this day.

Hon. Mr. Croll: Will we have copies of the bill by then?

Hon. Mr. Macdonald (Brantford): I understand there is a first reading copy of the bill on the file of each honourable senator. I have no objection to proceeding with the bill later this day.

Hon. Mr. Brooks: I do not think it has been distributed.

Hon. Mr. Macdonald (Brantford): Honourable senators, if the bill has not been distributed, I am sure the Clerk will endeavour to have it distributed before second reading.

On motion of Hon. Mr. Macdonald (Brantford), bill placed on the Orders of the Day for second reading later this day.

CONSUMER CREDIT

JOINT COMMITTEE—REPORT ADOPTED

Hon. David A. Croll, Joint Chairman of the Special Joint Committee of the Senate and House of Commons on Consumer Credit, presented the second report of the committee:

> Your committee recommend that they be reconstituted at the earliest possible date following the opening of the next session of Parliament.

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

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

Report adopted.

THE ROYAL ASSENT

JUDGES ACTING AS DEPUTY OF HIS EXCELLENCY—NOTICE OF INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I wish to give notice of the following inquiry which relates to the Judges of the

Supreme Court of Canada now actually sitting on the bench.

> What puisne judges of the Supreme Court of Canada have come to the Senate as Deputy of His Excellency the Governor General to give the royal assent?

There are nine judges on the Supreme Court bench, and lately the Chief Justice, Mr. Justice Cartwright, and Mr. Justice Fauteux have come to give the royal assent. That leaves six others, and I wonder if they have ever come. If not, I am wondering why we cannot have a kind of rotation system for royal assent so that we are given the privilege and the opportunity of seeing in turn each one of the justices of the Supreme Court of Canada. There are some whom we have never seen at the royal sanctions.

CUSTOMS TARIFF

BILL TO AMEND—SECOND READING

Hon. Austin C. Taylor moved the second reading of Bill C-129, to amend the Customs Tariff.

He said: Honourable senators, it will be noted that Bill C-129 is to amend the Customs Tariff. It is a very short bill but, in my opinion, it is reasonably important. It has two main objects and two proposals. The two proposals affect four items in the schedule.

The first object of the bill is to remove all Canadian tariffs from tea effective January 1, 1964. At present tea is duty free under the British preferential tariff, two cents per pound under the most-favoured-nation tariff and eight cents per pound under the general tariff. Most of our total importation of tea, which is valued at approximately $23 million a year, comes from India and Ceylon and enters Canada under the British preferential tariff. These commonwealth countries are strong supporters of the general movement towards the free entry of tea and they welcome Canada's participation in it.

The proposal to remove the duties from tea arises from discussions of the trade problems of underdeveloped countries at a number of international forums, including GATT, and it is a part of the international initiative to assist the trade of developing countries. I do not think I need say that this is a welcome and generous gesture towards underdeveloped countries, and also towards Japan which is another country from which we import some tea. It is an indication on the part of Canada to remove at least some of the barriers in relation to the present balance of trade between Canada and Japan.

At the GATT ministerial meeting last May, consideration was given to a proposal that the industrialized countries afford free entry to an agreed list of tropical products, and that priority should be given to joint action on tea and tropical timber. Canada already accords free entry to tropical timber, and this bill proposes that free entry be granted to tea. This will come into effect, if the bill is passed, on January 1, 1964.

Incidentally, it may be noted that this date coincides with that on which the United Kingdom and the European Economic Community will be suspending their duty on their imports of tea, and it is considered desirable that Canada's action be at the same time as that of the United Kingdom and others.

The second proposal is to extend the duration of three temporary statutory items which now bear expiry dates of December 31, 1963. That date is only two weeks hence and some action is necessary to be taken in that respect.

Item 209e covers potassium chloride, which is caustic potash and is used in the soap industry. The proposal with respect to this item is one that all countries have agreed to, and with respect to which they are reasonably well satisfied. It is in our interest that the present situation with respect to the agreements on these items be continued for another year or two years, as the case may be. I shall explain that in a few moments.

Item 210i covers sodium hypochlorite, which is used in laundry and household bleaches. Item 263e covers compounds of tetramethyl lead which is used as an antiknock product in the manufacture of gasolines, and is now used by the Ethyl Corporation of Canada and other oil refineries.

These items were inserted in the tariff in July 1961 in order to implement an agreed solution to a problem which had arisen in respect of the tariff treatment of sodium hypochlorite laundry bleaches. The problem arose when, pursuant to a Tariff Board case and judicial decision, these laundry bleaches were reclassified under an item which provides for free entry. For some years previously they had been classified under a dutiable item, and Canadian producers affected by the decision made strong representations for the restoration of the previous rates.

Following negotiations with the United States, the former rates on sodium hypochlorite laundry bleaches were restored, and as compensation the duty was removed from potassium chloride and reduced on tetramethyl lead. In introducing these measures in 1961 the then Minister of Finance said:

> Each of these items is temporary. Each of the three comes into effect, it is proposed, on July 31, 1961, and continues in effect until December 31, 1963. By that time it is expected that we shall have the report of the Tariff Board

following its review of the whole field of chemicals and we shall be in a position then, with the assistance of the Board's recommendations, to deal with these and other items.

That is taken from the House of Commons *Hansard* July 3, 1961, page 7429.

The Tariff Board Report on Chemicals has not yet been received, and it is not expected before 1965. Accordingly, it is proposed to extend the interim solution which was worked out in 1961, and which has proved satisfactory to all concerned, to December 31, 1965.

I think those are the only changes that are effected. I do not anticipate that the reduction of duty on tea coming into Canada will reduce materially the price of tea, because this reduction will only reduce the revenue from that source by $30,000. Considering the amount of tea consumed in Canada, and the amount of tea purchased from the British area, I do not expect there will be any marked decrease in the price of tea as a result of this amendment.

Hon. John M. Macdonald: Honourable senators, there is not a great deal one can add to what the sponsor of the bill (Hon. Mr. Taylor, Westmorland) has said in regard to these tariff items.

I must agree with him that the reduction of two cents a pound on the Minister of Finance's tariff clause on tea is not going to result in either the lowering of the price of tea or in its greater use by the Canadian people. However, as he said, it is a gesture and a pleasant one, so certainly there can be no objection to it.

As he mentioned, the other items form an interim solution, which was worked out back in 1961 and which is to be put into effect until the report of the Tariff Board can come to hand.

Hon. Mr. Macdonald (Brantford): I might remind my namesake from Cape Breton that we all remember the excellent speech he made supporting that move three years ago.

Hon. Mr. Macdonald (Cape Breton): I thought the leader may have forgotten it. I might have taken some extracts from that very excellent speech, but since it is fresh in his memory I think I can say that we see no objection to this bill and certainly consent to it.

Hon. Mr. Roebuck: Did the honourable senator say the Tariff Board report will not be received until 1965 and, if so, why is there so long a delay?

Hon. Mr. Taylor (Westmorland): Honourable senators, I cannot answer the second part of that question. I do not know the reason for the delay. However, from the information I have, the indications at the moment are that the report from the Tariff Board will be received in 1965, and probably towards the end of the year.

Hon. Mr. Connolly (Halifax North): May I ask the sponsor of the bill who is going to benefit from the $30,000?

Hon. Mr. Taylor (Westmorland): I would think that the people who use tea will benefit to some degree; at least, I hope they will. While I do not expect it will reduce the price of tea more than a fraction of a cent a pound, it might help a little.

Hon. Arthur W. Roebuck: Well, even a fraction of a cent spread over the years would amount to a considerable figure.

Honourable senators, as my friend Senator Macdonald (Cape Breton) has said, this is a pleasant move. Tea has been a great blessing to the human race. Prior to its introduction in England quite a number of years ago the people had no small drinks of a convivial character, except alcoholic drinks, and tea served a grand purpose at that time. I am reminded of Dickens' description in *Pickwick Papers* of a ladies' tea party in those good old days. Sam Weller was sitting in the gallery looking on. He was simply amazed at the quantities of tea that the ladies were drinking. The younger Sam came and sat beside him and pointed out one lady whom he said he had been watching. She had by this time drunk 24 cups of tea, and he said, "I can see her swelling wisibly before my wery eyes."

Tea is a great source of comfort in this and other countries. I am glad to see this very pleasant move being made. Of course, I am always happy when tariffs are reduced. It seems to me that in that way barriers between nations are alleviated somewhat. I should like to see tariffs abolished entirely, and I join with my friend in saying this is a very pleasant gesture.

Hon. Jean-François Pouliot: Honourable senators, I have a suggestion to make on this bill, and it applies to all public bills.

In some provinces, shortly after the session there is a supplement published containing all public laws that have been passed during the session. This session of Parliament commenced in May. Many pieces of legislation have been passed, and we shall have to wait perhaps for a long time for the text of the law as it stands as amended in the statute book.

It seems to me that it would be very easy for the Government of Canada, particularly the Department of Justice, to see to it that a

supplement to the *Canada Gazette* is published containing all the public acts which have been passed during this session. We are not supposed to ignore the law; but is it possible to carry with the *Minutes of the Proceedings of the Senate* and the *Votes and Proceedings of the House of Commons* the bills that we have on our files before they are amended?

That suggestion is made in the hope that it will be considered favourably by the Government for the greater benefit of all of us, and also of the lawyers who have to give legal opinions on federal statutes.

Motion agreed to and bill read second time.

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

Hon. Mr. Taylor (Westmorland): Honourable senators, I suggest that the bill be read the third time now.

Hon. Mr. Roebuck: Oh, no. Is there any such hurry as that?

Hon. Mr. Taylor (Westmorland) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, the *Votes and Proceedings* of the other house record that yesterday that house gave second reading to the Representation Bill and the National Centennial Bill. In all likelihood at least one, and probably both, of these bills will reach us by this evening. Therefore, I suggest that the Senate should rise now to reassemble at approximately eight o'clock this evening to consider the bills which come to us from the other house, and also the bill respecting the increase in salaries which was brought to our attention earlier this afternoon.

Hon. Mr. Brooks: Are you suggesting that we have second reading of these bills this evening?

Hon. Mr. Macdonald (Brantford): I think we should proceed with second reading of those bills this evening.

The Senate adjourned during pleasure.

At 8.00 p.m. the sitting was resumed.

PUBLIC SERVICE SALARIES BILL

AMENDMENT RESPECTING SALARIES OF CERTAIN PUBLIC OFFICIALS— SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill C-128, to amend the Canada Grain Act, the Financial Administration Act, the Income Tax Act, the International Boundary Waters Treaty Act, the National Energy Board Act, the Railway Act, the Salaries Act and the Tariff Board Act with respect to the salaries of certain public officials.

He said: Honourable senators, the bill now before the Senate increases the salaries of the Auditor General, all lieutenant-governors and members of six separate boards and agencies of the Government of Canada. The officials and agencies in respect of which an increase is proposed and the amount of such increases are set forth in the clauses of the bill. The proposed increases bring the salaries of these officials into line with those now paid to judges, and others in similar capacities such as senior civil servants and deputy ministers.

I should point out that this bill provides salary increases for those officials whose salaries are fixed by statute. As honourable senators know, there are many public servants whose salaries are fixed by Order in Council. On the other hand, the salaries of certain officials are fixed by statute. This bill affects only those persons whose salaries are determined by Parliament.

Honourable senators, I have a table setting out changes in the salaries of the public servants affected by the bill, and I would be pleased to place it on the record. From it honourable senators may determine, for instance, the salary details of those serving on the Board of Grain Commissioners—their present and proposed salary—the salary of the Auditor General, and so forth. I will be glad to give this information.

Hon. Mr. Brooks: It is all in the bill.

Hon. Mr. Macdonald (Brantford): Yes, it is all set forth in the bill. With the concurrence of honourable senators I place this table on Senate *Hansard*.

Hon. Senators: Agreed.

BOARDS, AGENCIES AND OFFICIALS AFFECTED BY THE PROVISIONS OF BILL C-128

Composition	SALARIES Present	Proposed	Increase	Total Annual cost of proposed increases
	$	$	$	$
(1) Board of Grain Commissioners:				
1 Chief Commissioner	15,000	19,000	4,000	
2 Commissioners	13,500	17,000	3,500	11,000
3				
(2) Auditor General:				
1 Auditor General	20,000	25,000	5,000	5,000
(3) Income Tax Appeal Board:				
1 Chairman	16,900	22,000	5,100	
1 Asst. Chairman	14,500	19,000	4,500	
4 Members	13,500	18,000	4,500	27,600
6				
(4) International Joint Commission:				
1 Chairman	15,000	20,000	5,000	
2 Commissioners	10,000	12,000	2,000	9,000
3				
(5) National Energy Board:				
1 Chairman	20,000	23,000	3,000	
1 Vice-Chairman	18,000	20,000	2,000	
3 Members	16,000	19,000	3,000	14,000
5				
(6) Board of Transport Commissioners:				
1 Chief Commissioner*	—*	—*	—*	
1 Asst. Chief Commissioner	15,500	20,000	4,500	
1 Deputy Chief Commissioner	14,500	19,000	4,500	
3 Commissioners	13,500	18,000	4,500	22,500
6				
(7) Lieutenant Governors:				
Ontario	10,000	20,000	10,000	
Quebec	10,000	20,000	10,000	
Nova Scotia	9,000	18,000	9,000	
New Brunswick	9,000	18,000	9,000	
Manitoba	9,000	18,000	9,000	
British Columbia	9,000	18,000	9,000	
Prince Edward Island	8,000	16,000	8,000	
Saskatchewan	9,000	18,000	9,000	
Alberta	9,000	18,000	9,000	
Newfoundland	9,000	18,000	9,000	91,000
(8) Tariff Board:				
1 Chairman	16,900	22,000	5,100	
2 Vice-Chairmen	14,500	19,000	4,500	
4 Members	13,500	18,000	4,500	32,100
7				
			Total annual cost of all increases proposed in bill	$212,200

*The Chief Commissioner of the Board of Transport Commissioners receives an annual salary equal to the salary of the President of the Exchequer Court. A bill earlier this year increased the salary of the President of the Court from $18,500 to $25,000.

Hon. Mr. Macdonald (Brantford): There is nothing further I can add, except to repeat that this bill affects the salaries of Government officials whose salaries are fixed by statute.

Hon. Mr. Roebuck: Could any statement be made as to why the increases are made? Is there any special reason for this?

Hon. Mr. Macdonald (Brantford): There has been a general increase in the salaries of officials throughout the civil service, and this bill has been introduced to bring the salaries of those not included in the civil service into line with those increases.

Hon. Mr. McCutcheon: It is long overdue.

Hon. A. J. Brooks: Honourable senators, I have only a few remarks to make in connection with this bill. I agree entirely with the honourable Leader of the Government that it is long overdue, and is merited at the present time.

From reading the title to the bill—"An Act to amend the Canada Grain Act, the Financial Administration Act, the Income Tax Act"—and so on, one got the impression it was a rather formidable bill. Then when you come down to the last part of the title, which says it is to amend the salaries of certain public officials to bring them up to date, it becomes very understandable.

I may say with respect to the senior officials, that I have known many of them who have held these positions for a good many years; I am sure we all agree they have been very devoted public servants, and that by increasing their salaries we are not doing them any special favour; rather, it is an act of justice, and nothing more or less.

As far as the lieutenant-governors' salaries are concerned, the honourable Leader of the Government had very little to say about those increases. However, I notice that while the salaries of the senior officials are increased by one-third to one-fourth or one-fifth, the salaries of the lieutenant-governors of the different provinces have been increased 100 per cent. For instance, the Lieutenant-Governor of Ontario, who previously received $10,000, will now receive $20,000. All lieutenant-governors have had their salaries increased 100 per cent.

I would like to ask the honourable Leader of the Government the reason for this large increase. Is it because these salaries have not been increased for a number of years, while the salaries of the officials of the departments have been increased more recently? I have no criticism to make of the increases to the lieutenant-governors, but the amounts mentioned here in no way represent the remuneration or the emoluments received by the lieutenant-governors. They have other sources of income from the provincial governments. I understand most of them get free rent and other benefits. Otherwise, I am sure they could not carry on their duties and pay all the expenses incurred in carrying out those duties on the salaries set out here.

I have nothing further to say, honourable senators, except that I consider these salaries are in line with what they should be. We are very much in favour of the bill. However, I would like to know why there is to be an increase of 100 per cent for the lieutenant-governors at the present time.

Hon. Mr. Macdonald (Brantford): I will answer the questions when I close the debate.

Hon. Donald Cameron: Honourable senators, I do not intend to speak at great length on this matter, but I was rather curious about this appropriation for the lieutenant-governors. I understand their salaries have not been changed since about 1911. So, on that ground alone, quite apart from any other reason, it would appear that this increase is long overdue.

I am rather intrigued by the fact that we appear to have three classes of lieutenant-governors, a first class, a second class and a third class.

Hon. Mr. Pouliot: Hear, hear.

Hon. Mr. Cameron: I am sure my friends from Prince Edward Island will never agree that the lieutenant-governor of that province is a third class lieutenant-governor although he is at the bottom of the list. I wonder by what curious system of logic this particular amount of money has been arrived at so far as the Lieutenant Governor of Prince Edward Island is concerned.

The other increases are thoroughly warranted and are in keeping with what has been happening throughout the civil service generally. It is only fair that these senior officials should be treated in the same way.

Hon. Mr. Hollett: May I ask the honourable Leader of the Government if in his reply he would give us the number of men and women affected by the salary increases under each particular section?

Hon. Jean-François Pouliot: Honourable senators, I am greatly interested in this matter. I have said "Hear, hear," loud enough to be heard when my honourable colleague was mentioning the discrimination that exists with regard to certain lieutenant-governors. Who are the lieutenant-governors? They are the representatives of Her Majesty the Queen. One may ask, what queen? It is Her Majesty Elizabeth II, Queen of Canada and other parts of the world. I consider the official

representation given by the Lieutenant-Governor of Prince Edward Island is exactly the same as that given by the lieutenant-governors of Ontario, Quebec, the Prairie provinces and the Maritime provinces. They represent the same Queen, and they have to perform other duties as well as receiving the honoured guests who call on them.

If my honourable friend, Senator Cameron, permits me I will say that these salaries were increased some years ago, and I remember that at that time the same line of argument was taken. There was then a complaint that the Lieutenant-Governor of Prince Edward Island was discriminated against.

One or two years after, or before, the estimates were passed to increase the salaries of the lieutenant-governors I went to Charlottetown and I called at Government House. I was looking for the lieutenant-governor, and to find him I had to go around the place. I found him in the backyard of Government House washing his automobile.

There is nothing dishonest in that kind of work, but one is not accustomed to seeing other lieutenant-governors doing it. I was full of compassion for him, and I told him that if there ever was a man I would defend and boost, it was the lieutenant-governor of the Garden of the Gulf. Although Charlottetown is by the water, and the lieutenant-governor did not have to go far to get water in his pail to wash his car, nevertheless, is not that condition sad? In a country like Canada, which boasts of being so rich, I was upset to think of that poor lieutenant-governor in his overalls and rubber boots washing his car. I might say that he was very far from wearing his decorations. I protest against such a thing.

In my opinion, all of the representatives of Her Majesty the Queen should be treated in the same manner and get the same salary. They have big houses to maintain. I have seen Government House in Charlottetown. It is beautiful. Charlottetown is an historical landmark, although it is wrongly called the cradle of Confederation. It is the place where the Fathers of Confederation from Upper and Lower Canada met the other delegates, shook hands with them, and decided to proceed to Quebec City where they held their conference. That was all that was done at Charlottetown. Visitors are shown a table and told, "Here is the cradle of Confederation." This is the only time in the history of the world that a table becomes a cradle. Nevertheless, it is accepted as one of those historical fantasies that we hear repeated *ad nauseam*.

I have some friends amongst the lieutenant-governors. They are all worthy men who do honour to their country in the high positions they occupy. But, the lieutenant-governors not so long ago were rebuked when the Table of Precedence was amended. I am going to defend them on this point.

At that time, ambassadors, high commissioners and ministers plenipotentiary, who previously had not the same high rank as lieutenant-governors, were placed ahead of the lieutenant-governors of all the Canadian provinces in the Table of Precedence. Something like the cold shoulder was given by the Government to the representatives of Her Majesty the Queen. All the lieutenant-governors are representing our Queen, our sovereign, just the same as the Governor General does.

In a matter of precedence, those who represent Her Majesty the Queen of Canada in Canada should come before any diplomat who represents the head of any other country. It is not an "After you Gaston" story. You must consider that I am speaking as if I come from, say, the most rigid part of Canada in matters of precedence. I do not mention the place but everybody knows what I mean. It is like our house itself, honourable colleagues. We have our sovereign, who is represented in Canada by the Governor General for Canada at large, and by each lieutenant-governor in each province.

They represent the same sovereign to whom we have taken the oath of allegiance. We are bound by that oath and it is because of it that I rise now to protest with regard to the Table of Precedence.

Is it not incredible and unjust that Her Majesty the Queen, represented by her lieutenant-governors here in Canada, should pass after the representatives of any other country? I refer to all countries. I shall not mention them because I do not want to be offensive to any other country. I am discussing a matter of principle. I say that our Queen should pass first. If the Queen were here in person she would pass ahead of everybody, and therefore her representatives must pass ahead of every other diplomat here in Canada. This is one of the many corrections which should be made in the Table of Precedence.

I will not say all the good that I think of the lieutenant-governors whom I know. For a time, I was afraid to express my mind openly as I am doing now because some of them may have been touchy.

Hon. Mr. Stambaugh: When was it you were afraid to express your mind openly?

Hon. Mr. Pouliot: Well, thank you, sir; it is the greatest compliment I have ever had.

If we are going to pay no more attention than that to the representatives of Her Majesty the Queen here in Canada, we could

do something else; we could take an altogether different approach; we could abolish those positions and appoint a chief justice *ex officio* as the representative of the Queen in each province.

This is a subject that I raised a long time ago in the House of Commons when Mr. Woodsworth was leader of the C.C.F. party. He approved of it. However, I did not insist upon it, as my ideas are sometimes expressed too long before they are accepted. However, I am sure that within 15 or 20 years—which will not affect any one of the present lieutenant-governors—the representative of the Queen in each province will be the chief justice of that province, and it will prevent a great deal of difficulty and disappointment.

That being said, I bow to you, sir. I thank my honourable colleagues, and I leave it at that for the time being.

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Macdonald speaks now, it will have the effect of closing the debate.

Hon. W. Ross Macdonald: Honourable senators, I think that Senator Cameron answered the question of the Leader of the Opposition (Hon. Mr. Brooks) when he mentioned that the present salaries were established in 1911 and have not been increased since. An honourable senator on the other side of the chamber—I believe it was Senator McCutcheon—suggested that it is high time there was an increase in salaries, at least for lieutenant-governors.

The question has been raised as to the position of lieutenant-governors in Table of Precedence. Senator Pouliot has proposed that they should be placed higher in the Table of Precedence. Probably that is a problem we should consider. I am not in a position to give an opinion on that at the present time, for I have not the order before me. So far as I am concerned, I am not satisfied with the Table of Precedence as it is at present set forth. However, it is a difficult problem. Many people are affected by it, both our nationals and those of other countries who are in Canada. It is not easy to change the order, because when you make one change you are required to make another and you end up by pleasing nobody. However, I am glad Senator Pouliot brought the problem to our attention.

Senator Cameron has asked why there is a difference in salaries of lieutenant-governors. Apparently in 1911 the salary of the Lieutenant-Governor of Prince Edward Island was fixed at $8,000, the salaries of the lieutenant-governors of Ontario and Quebec were fixed at $10,000, and the salaries of the lieutenant-governors of the other provinces at $9,000. I think we all agree that a lieutenant-governor cannot carry on the duties of his office today on the salary that was provided for him in 1911. I think I am safe in saying that no lieutenant-governor can carry on the duties of his office even on the salary fixed by the bill now before us.

I am not suggesting that the salary paid is the only money provided for a lieutenant-governor, but the provisions are different in the various provinces. What is paid by way of allowances to the lieutenant-governor of one province may be different from that of another province.

I believe also that in fixing remuneration we must take into consideration, to some extent, the population of the province. Prince Edward Island, for instance, has a population of approximately 106,000. Quebec has a population of over five million. The population of Ontario is even higher. So I think we must realize that there is a difference in the expense of carrying on the office as between a province with a small population and that of a province with a large population.

Honourable senators, that is all I have to say with respect to lieutenant-governors, except that I think you will agree with me that if they were to receive only the salaries provided by this bill they would scarcely be able to carry on the duties of their office.

The honourable Senator Hollett has asked me for some details about the number of personnel on the various boards..

The bill before us provides salary increases for the Board of Grain Commissioners, which is composed of the chief commissioner and two commissioners. The bill also makes provision for the Auditor General.

It provides increases for the Income Tax Appeal Board, which consists of the chairman, the assistant chairman and four members, being six members in all. It also provides for the International Joint Commission, consisting of the chairman and two commissioners.

The National Energy Board is also provided for; it is made up of the chairman, vice-chairman and three members.

The Board of Transport Commissioners is composed of the chief commissioner, the assistant chief commissioner, the deputy chief commissioner and three commissioners.

The number of lieutenant-governors, of course, corresponds to the number of provinces, being ten in all.

Finally, increases are provided for the tariff board, which is made up of the chairman, two vice-chairmen and four members.

I have not the total number of officials affected, but the total annual cost of all increases proposed in this bill amounts to $212,200.

Hon. Mr. Choquette: Clause 6 of the bill, which amends section 26 (1) of the Railway Act, provides that the Chief Commissioner shall be paid an annual salary equal to the salary of the President of the Exchequer Court. I know that that figure may vary, and that is the reason no specific salary is mentioned there. But as a matter of curiosity, could you tell us what is the present salary of the President of the Exchequer Court?

Hon. Mr. Macdonald (Brantford): I am sure the deputy leader of the Opposition recalls that earlier this year a bill was passed by the Senate increasing the salary of the President of the Exchequer Court from $18,500 to $25,000.

Motion agreed to and bill read the second time.

THIRD READING

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

Hon. Mr. Macdonald (Brantford): I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

THE PHARMACY EXAMINING BOARD OF CANADA—COMMONS AMENDMENTS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-7, to incorporate The Pharmacy Examining Board of Canada, and acquainting the Senate that they have passed this bill with the following amendments to which they desire the concurrence of the Senate:

1. Page 2, Lines 6 and 7. Delete the words "and recognizable as the highest in Canada."

2. Page 3, Line 37. Add the following new subclause:

"10. (1) Any licensing body which is not a participating body may after the coming into force of this Act, if authorized by resolution, enter into an agreement with the Board to become a participating licensing body."

3. Page 4, Lines 36 and 37. Delete lines 36 and 37 and substitute the following:

"(c) has been determined to be mentally incompetent under provincial law, and any person whose name has been removed from the register pursuant to this subsection shall have the right to appeal to the Exchequer Court of Canada for revision and the decision of the Court will be final and binding on all parties."

4. Page 6, Line 24. Add the following new clause:

"18. This Act shall not apply to any province unless the licensing body thereof has, by resolution, requested such application thereto."

Hon. Mr. Macdonald (Brantford) moved that the amendments be considered at the next sitting.

Motion agreed to.

REPRESENTATION COMMISSIONER ACT

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-126, respecting the office of Representation Commissioner and to effect certain consequential amendments to the Canada Elections Act.

Bill read first time.

SECOND READING

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

Hon. C. G. Power moved the second reading of the bill.

He said: Honourable senators, I am well aware that the subject matter of this bill is not one in which the Senate has an immediate concern; it concerns rather the other house because it deals with matters having reference to redistribution of seats. Nevertheless, perhaps most honourable senators are not aware, as I was not until quite recently, that the Senate on two occasions, in 1899 and 1900, rejected holus-bolus redistribution bills which came from the other place. So I take it our forebears had more strength in and depth to their convictions and possibly wished to be watchdogs not only in the barking but also in the biting. However, as people who have been interested in the political life of the country, we do have a right to give due consideration to such important matters as the redistribution of seats.

I am advised that this particular bill is part of a sort of trilogy, that two other bills will follow. One will involve our agreeing upon whether or not there should be an increase in the number of members of the House of Commons which, in all possibility, would involve an amendment to the British North America Act. I may say from information I have gained in the press, the other bill will constitute ten commissions to deal with redistribution in each of the provinces.

This bill only deals with the appointment of an official to be called the Representation Commissioner, and delineates some

of his duties. I have some personal interest in this, in that over 25 years ago I was, I believe, the first to introduce in the House of Commons, as a member of the Government of that day, a bill calling for the redistribution of seats within the provinces by an independent commission. You will tell me it takes a long time for certain political parties to carry out their policies, but perhaps one could say it is better late than never, and in all possibility too it may be that this particular party took its cue from one of its leaders, the late Mr. Mackenzie King, who always said that timing was what counted. Even 25 years is a heck of a long time to wait for timing. However, apparently they are coming through now with what was undertaken those many years ago.

The bill appoints a commissioner, and I understand the latest development is that the Chief Electoral Officer has been officially named to that post. It is perhaps superfluous for me to make any mention of Mr. Nelson Castonguay, because I know that from all sides of the house there has been nothing but praise for the able, efficient and impartial manner in which Mr. Castonguay has carried on his duties as Chief Electoral Officer during the years in which he has held that office.

Some Hon. Senators: Hear, hear.

Hon. Mr. Power: As far as I know, there have never been any serious complaints made about him, and he has a reasonably tough job to carry out. It is not everyone who is satisfied when he is defeated in an election; and I have no doubt that on Mr. Nelson Castonguay's desk and on his doorstep there has appeared many a complaint, but with his amiability and consideration he has been able to continue to hold the respect, admiration and esteem of all those who take part in politics.

Hon. Mr. Brooks: And his father before him.

Hon. Mr. Power: Yes.

I am reminded that this particular position of Chief Electoral Officer was established some time during the war years when a new Elections Act was constituted, and the first person appointed was Oliver Mowat Biggar, who was appointed by a vote of the House of Commons of that day. Mr. Biggar, a highly reputable and esteemed lawyer here in Ottawa, in the firm of Smart and Biggar, and who, as you know, afterwards became one of the members of the joint commission, held the position for about three or four years. He then resigned on the ground that between elections there was not sufficient work, although he received what was considered at that time to be quite a reasonable salary. He was succeeded by Mr. Jules Castonguay, the father of the present incumbent, who had been his assistant. He carried on for several years and was in due course succeeded by the present incumbent.

Needless to say, I support this bill, but I have some reservations because in the bill certain duties are imposed upon the commissioner—for example, to make inquiries and report on matters which to my mind involve purely partisan politics or almost such. His reports will quite possibly not be acceptable to all the people in politics. His position is one which should not involve the hazard of his becoming associated with any partisan aspect of politics. It is going to be bad enough to be a co-ordinator of the various commissions, and it is not at all likely that all the reports of the commissions will be acceptable to everybody. It is, in my view, taking a needless risk to involve this commissioner in such things as a review and study of methods of registration of electors used in national elections in a country where continuous electoral rolls are maintained. The question of the continuous electoral roll is one which can cause considerable controversy.

Those who have been interested in politics for some time will remember that in the late R. B. Bennett's time it was decided to do away with the house-to-house and door-to-door enumeration which took place during elections, and which was a reason for the considerable delay which took place between dissolution and a new election. And Mr. Bennett, in a quite praiseworthy attempt to shorten this delay, brought in legislation which called for registration of the electors every year.

Recently much has been said on the necessity for decreasing the costs of elections. I may say to honourable members of this house that as a result of Mr. Bennett's legislation, of which I approved at the time, it was found that it cost the candidates and the political parties a great deal of money every time there was a registration. I have no wish to disparage my fellow countrymen, but they are not conscious of their civic duties. They will not go to the trouble to register themselves unless somebody brings them. For this reason, each registration took on the character of an election, having regard to the efforts necessary to get the lazy, recalcitrant voters to go and register. Consequently, the registration was not very satisfactory.

I cannot see why we should make another inquiry into this, but if we have to do so, I would suggest that the politicians themselves, and the members of Parliament, would be the best people to give a judgment on this matter, rather than an official who is supposed to be nonpartisan. Even in his own nonpartisan way, I doubt if he will feel it incumbent on him to ask political parties

how much it costs to carry out such a registration. Even if he does he is not likely to receive a good answer or even a truthful one.

Further, he is to study the mechanics of absentee voting. In my view that is a matter for members of the House of Commons to study for themselves. At times I am a little plagued by those people who have an obsession that everyone, the sick, the crippled, and the unwilling should somehow or other be brought to vote. The next step would probably be to make the dead vote. What could very easily be done, and in fact it is done elsewhere, is to institute a system of compulsory registration and compulsory voting. A person then failing to vote could incur penalties such as the striking of his name from the list if he neglected to use his franchise in any election. Other than that, I think it would be extremely difficult. However, that is only one point of view. The point I wish to stress is that this is a matter essentially for the members of Parliament themselves to settle, and not one on which to ask an impartial authority to make a judgment.

There are other duties for this commissioner to carry out. I understand he is to be a member of each and every one of the ten commissions, and he is to endeavour to coordinate their work. Immediately after the conclusion of any census he is to prepare maps and reports dealing with the distribution of the population, and to bring this to the attention of the appropriate provincial commission.

In addition, under this bill he is to supervise the work of the Chief Electoral Officer; but since under the present bill, as amended, he is the Chief Electoral Officer, I do not see how this applies. But I gather this is only to be transitional, and that at some time in the near future the commissioner will be charged solely with the duty of carrying out redistribution with the assistance of and in association with the other commissioners.

Furthermore, the reports which formerly were made by the Chief Electoral Officer are now to be made by the commissioner. These reports shall be referred to the Speaker of the House of Commons. I think there is an amendment to be made there. I think it is the Prime Minister who should refer the report of the commissioner to the Committee on Privileges and Elections. That is all I have to say on that point.

Hon. Allister Grosart: Honourable senators, I am sure that all honourable senators are glad that this bill has been brought before us tonight, if for no other reason than to give us the opportunity to hear once more a bill sponsored by one of the great parliamentarians of our time.

Hon. Senators: Hear, hear.

Hon. Mr. Grosart: Although I am a novice here, I have over the years read of the accomplishments of Senator Power, but I have not often had the opportunity of hearing him speak. I now begin to understand some of the eulogiums that have been paid him already in our history books. Not only has he been a great parliamentarian, but he has been an outstanding champion of the principle of an impartial and judicial approach to the redistribution of seats in the House of Commons after any decennial census. The battles he has fought in the other place on that score are part of the history of our Parliament in which he has taken such a distinguished part.

I think it is fair to say it is not surprising that in sponsoring this bill he said he had some reservations. As I read the record of his career in Parliament I would think that that is not an unusual position for him to take.

The bill before us is, as I understand it, the first step, and only the first step, in a fairly comprehensive process intended to bring about the impartial, judicial redistribution of seats in the House of Commons that has been talked about for at least 50 years.

Speaking for myself, I find this legislation, and the proposed legislation, somewhat confusing. The honourable sponsor (Hon. Mr. Power) said that we are going to have two other bills besides this one. My impression was that there was going to be one other bill, but I have no doubt that the Government has very good reasons for putting forward another bill.

Hon. Mr. Power: If it is found necessary to increase the number of members in the house, that will mean an amendment to the British North America Act. Apparently that question has not yet been decided.

Hon. Mr. Grosart: I thank the honourable senator for that qualification. I believe that is one of many points which are now subject to discussion.

I think all honourable senators will be happy to know from the discussions that have already taken place on this bill that the Government has taken the attitude, in the words of the leader in the other place, that this is to be done on the basis of collective bargaining. A statement was made on behalf of the Government that any part of this legislation is subject to amendment from any quarter of the house—I believe that was the expression used—reserving only one principle, namely, that there must be a judicial, impartial redistribution.

I am sure it is fair to remark at this point that this legislation bears a hallmark, as has other legislation that has come to us, that makes it very easy for us on this side to commend the wisdom of the Government and to say that this was an undertaking given by the previous administration. If the previous administration had been returned to power it would have undertaken for the first time in the history of our country this kind of redistribution. I say that the present administration is to be highly commended in that it has now for the first time in the history of Canada brought forward legislation to put the distribution of seats in the House of Commons outside the arena of partisan politics.

The bill in the other place received third reading only today, having come forward for second reading only yesterday. I am going to ask the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) if it would suit his schedule if I were to adjourn the debate so that I could make some comments at the next sitting of this house. I ask that in view of the fact that today's *Hansard* is not yet available. On the other hand, if the honourable Leader of the Government wishes me to proceed because of the fact that if I adjourn the debate it would interfere with his schedule, then I shall do so. I wonder how he feels about this.

Hon. Mr. Pouliot: I rise on a point of order, Mr. Speaker. The honourable gentleman is not alone in this chamber. There are other honourable senators who would like to say something in the course of this debate, and I myself have something to say. I hope that the debate will not be adjourned when it is still so early in the evening and we are able to proceed to debate this bill.

The Hon. the Speaker: I am in the hands of honourable senators. I understand that the honourable Senator Grosart is asking the honourable Leader of the Government if he will allow him to adjourn the debate so that he may look again at the bill. On the other hand, the honourable Senator Pouliot wishes to speak. I do not think anyone would wish to prevent the honourable Senator Pouliot from speaking. Then, if there is agreement, the debate can be adjourned until the next sitting.

I am in the hands of honourable senators on this particular point.

Hon. Mr. Pouliot: It is now only seven minutes past 9 o'clock. If the honourable gentleman has something to say, let him say it and I will answer him. It is easy to do.

Hon. Mr. Grosart: Mr. Speaker, subject to your ruling on the matter raised by the honourable Senator Pouliot, I still suggest that I might hear the view of the honourable Leader of the Government as to whether it would meet his schedule if I were to move the adjournment of the debate.

Hon. Mr. Pouliot: Mr. Speaker, I protest against such action. I mind the lack of courtesy for our colleagues. Some of us are ready to speak. Does the debate have to be adjourned because the honourable gentleman is not ready to speak? There is nothing to prevent him from speaking on third reading. This is the first time in my long career that I have heard of such a suggestion. Do all of us have to bow profoundly to him because he has not had time to read the bill? The bill was distributed several days ago. We all had a copy of it over the weekend. We could have read it either before or after supper. Do we have to cut this sitting short and adjourn the debate until another day because the honourable gentleman has not read the bill? We will have something else to do tomorrow. I am ready to proceed with the second reading of this bill tonight.

The Hon. the Speaker: With the co-operation of all honourable senators. I think the question can easily be settled. The honourable Senator Grosart can speak on third reading. That will give the honourable Senator Pouliot an opportunity to speak tonight, after which perhaps another honourable senator could adjourn the debate.

Hon. Mr. Grosart: With respect to Your Honour, I would not like to leave the impression that I have not read the bill or that I am not prepared to proceed. I thought I made it clear that I was prepared to proceed. I have been asked to speak on this bill from our side of the house, and I think this is the proper time for me to speak. The honourable Senator Pouliot objects to my asking that question of the honourable Leader of the Government and that, of course, is his right. If he wishes to put it on the basis that he would object because he would like to speak, then with respect to Your Honour and to the honourable Senator Pouliot, I should like to continue.

The Hon. the Speaker: The honourable Senator Grosart may continue, if he wishes.

Hon. Mr. Grosart: I thank Your Honour.

The bill before us ranges over a very large area of the problems of representation in the House of Commons. The honourable Senator Power has raised one particular point which I would like to deal with at the start, and that is whether consideration should be given to an increase in the number of members of the other place.

I am sure that all senators recognize the delicacy of this situation. Senator Power has

said that there was an occasion on which a redistribution bill was not accepted by the Senate. I think we have moved on constitutionally quite a long way from that point, and there is a realization now that the matter of representation in the House of Commons is pretty close to the privileges of the house itself.

In the remarks I make, I am not going to suggest that this chamber should go very far in telling the House of Commons how it should constitute itself. However, because this is the Parliament of Canada and we are a part of it, we have an interest in this question, particularly as it involves the representation of the various provinces in the House of Commons and as it is a traditional role of the Senate to protect the interests of the provinces.

I am not going to discuss now the complicated method by which the number of members of the House of Commons is determined under the British North America Act. It is a mathematical formula. Most people appear to have the idea that the British North America Act says there shall be 265 members of the House of Commons. It says nothing of the sort. It says there shall be 263, and it is a mere accident of mathematics from time to time that there may be 264 or 265 or 266.

The proposal in the mind of the Government is, as I understand it from reading the newspapers—we have not the whole proposition before us—that if we maintain the present basis of deciding the representation of each province in the House of Commons, the next House of Commons after the redistribution would, I believe, consist of 264 members.

An alternative suggestion has been made. Various figures have been quoted, the most realistic being 283, because this would allow for a redistribution on the basis that no province would actually have less members than it has today.

If we proceed on the basis of the B.N.A. Act as presently written, two provinces would lose some members. The suggestion that we should go to 283 or some such number of members is really only one to save face, because actually it would make no difference in the proportionate representation of the various provinces.

My suggestion is that it is not very important and my own feeling is—and I believe this is the feeling of the Government—that under present circumstances it makes more sense to stay with the act as it is and constitute the house on the basis of 263, plus. Perhaps I should explain that the plus represents only the additional number of members who would come into the house by Rule 2, a saving clause, which says that after the decennial census and redistribution, no province may lose more than 15 per cent of its membership.

Therefore, under the present act, at any time that the membership of the House of Commons is in excess of 263, it merely means that one province or another has been given additional representation by that saving clause.

There are of course other saving clauses. One of the rules under the section of the British North America Act as amended provides that no province shall have fewer members of the House of Commons than the number of its senators. This saving clause guarantees Prince Edward Island four members, and another saving clause guarantees New Brunswick 10 members.

Also under the act the Yukon and the Northwest Territories have the statutory right to elect one member.

This accounts for 16 members of the house who are not really affected by any plan of redistribution. That leaves 247. When we divide the 247 into the remaining population, that is, the population of those provinces which are not under the saving clauses, we come up with something like a figure of 70.8 thousand, which for those provinces not under the saving clause would be the basic unit of representation.

In the discussion on the bill a great deal has been said about the importance of the principle of representation by population. Apart from the great principle of an impartial and judicial redistribution, the bill stands also on the principle of a fairer concept of representation by population than has developed over the years.

This of course raises the great question of what is meant by "fairer." Does it mean a complete division of the whole population of the provinces that would come under the redistribution by 70.8? The discussion to date indicates, I think, that nobody really believes that should be so.

It then raises the question of what tolerance there should be. Various proposals have been put forward. I am sure honourable senators here are fully aware that you cannot exactly equate a rural constituency with an urban constituency. You cannot just count heads. There are many other considerations. There is the size of the constituency, the problem of communication—which is greatly accentuated today by radio, by television and the incidence in city and town of daily and weekly newspapers. Therefore, assuming that you cannot exactly equate, you must say how much tolerance should be given.

The suggestion has been put forth—and I am at some disadvantage here because I think I know what is in the mind of the Government, but it has not been put forward—

Hon. Mr. McCutcheon: Why should it be debated now?

Hon. Mr. Grosart: I am reading between the lines. Various figures have been put forward; 20 per cent, 25 per cent and 33⅓ per cent have been mentioned. This has been the position taken by the official opposition in the other place, based on the fact that this was the tolerance which was suggested in the proposal put forth by the previous administration.

I would like to speak to that for a moment. Assuming that we are moving in the direction of representation by population, why would it make sense to make the tolerance 33⅓ per cent? What would be the effect of that? If we take the 70,000 figure, a tolerance of 20 per cent would mean that you would have a maximum population in any constituency of about 85,000 and a minimum of about 55,000. If you go to 33⅓ per cent, you would have roughly 45-90. In other words, your ratio of discrepancy would be 2 to 1. Someone may say, "Well, you cannot have one constituency with twice as many voters—with twice as large a population as another." However, I am going to suggest that this would make sense. At the present time the discrepancy is 1 to 25. If you take, for example, the Magdalen Islands as against York-Scarborough, where you have a difference in population of roughly 12,000 on the islands and about 250,000 in York-Scarborough—a difference of 1 to 25—on a 33 per cent tolerance you would have at most 1 to 2. Why not go all the way and make it 100 per cent, with a 10 or 20 per cent tolerance?

Honourable senators I suggest a tolerance of 33⅓ per cent for a very good reason. After 90 years of Confederation we have admittedly under the old system built up to a position of inequality. There have also been built up certain historical boundary traditions. Under this old system of distribution we have developed provincial constituencies; we have county boundaries, rural municipal boundaries in the west, and so on. If we are going to move towards equality of representation—and I am sure we are all agreed it must be done—this is the time to make a start but not to go the whole way. As someone has said, now we have the party in power in favour of impartial distribution. We have the party that was in power in favour of impartial distribution, and we have the parties that would like to be in power in favour of impartial redistribution. This is the first time this has happened in our history. Surely, if we are going to do this it makes sense to take a simple first step. I think it makes sense to make the disruption of all this tradition of the boundaries of the years, and the geography of the years and, if you like, the politics of the years, as easy to take as possible.

That is all I will say on that. I think there is a good case in this first step of allowing a suggested tolerance of 33⅓ per cent, having in mind the fact that the bill contemplates a permanent redistribution commission under a permanent commissioner who will be looking at this problem all the time, and who will, from time to time, work in the direction of 100 per cent "Rep by Pop".

Senator Power has raised another question, that is, in respect to the final say of the House of Commons or, if you like, Parliament, in this whole matter of redistribution.

At the moment we do not have all the thinking of the Government in this respect. However, as one who has had some experience in this field, I would like to suggest that it would be a grave mistake to give the final decision as to boundaries to any statutory body outside of the House of Commons. I believe that the final say in this matter is part and parcel of the privileges of the House of Commons. I do not know what the Government may have in mind, because we have not the whole bill before us. However, I am sure many honourable senators here realize that if you take all the Dominion Bureau statisticians and all the survey experts from the Department of Mines, and they come up with a plan based on the assumption of "Rep by Pop", with whatever tolerance Parliament in its wisdom may decree, you can still have a completely unworkable redistribution. I think it is very important that at some stage between the time the commission or commissions—and I shall have something to say about that in a minute—reports to Parliament, an opportunity should be given to those who know something of the political sensitivities of boundaries to put their views before the commission or commissioners. I say that because, as far as I know, that is not at the moment contemplated in the legislation.

The question has been raised whether there should be one commission, which was the proposal of the former administration, or four commissions, which was a tentative thought of the present administration, or ten commissions which is being brought forward now, that is, one for each province. It has been suggested that this would speed up the process and that it would have the great value of having on the commission in each province people with local knowledge of the boundary and other problems in that province. We take

the position that a national commission would be preferable to ten provincial commissions. I think there can be a compromise made between the two suggestions. The advantage of a national commission is, of course, that uniformity would be gained.

Hon. Mr. Macdonald (Brantford): May I ask my friend who he means when he says, "We take the position"?

Hon. Mr. Grosart: Subject to correction by my leader, this is the position taken by us on this side.

Hon. Mr. Macdonald (Brantford): Then may I ask my friend when this position was taken? I do not want to tie him down, but I am rather amazed to hear him say, "We take the position". Probably he was speaking for himself when he used the word "we".

Hon. Mr. Grosart: No. I was not speaking for myself, if I may say so to the honourable Leader of the Government. Perhaps sometimes I fall into the trap of still regarding myself as a member of the Conservative party, when I say "we", even in this chamber, which prides itself so much on its nonpartisanship. When I say "we", I mean the position of the Conservative party. Even if that position is only taken by the Leader of the Conservative party in Canada, his position is my position, and if "we" means only the two of us, that is the "we" position. Does that answer the question?

Hon. Mr. Macdonald (Brantford): I am not entirely clear. Is my friend now qualifying the position which he says "we have taken"?

Hon. Mr. Brooks: Oh, I think that is a bit of quibbling.

Hon. Mr. Grosart: I am quite prepared to state that the position is that of the Conservative party as taken by the official Opposition in the House of Commons. My understanding is that we on this side here are the official Opposition in the Senate, and my assumption is that we take the same position.

Hon. Mr. Macdonald (Brantford): Now I understand that my friend is qualifying the position. At least, he started to do so.

Hon. Mr. Grosart: In no way have I qualified the position. I thought I emphasized that; but if the honourable leader says I have qualified it, I am not going to argue with him. I only wish to make clear that this was the position taken by Her Majesty's official Opposition in the House of Commons and, as far as I know, it is the position taken by Her Majesty's loyal Opposition in the Senate of Canada.

An Hon. Senator: Hear, hear.

Hon. Mr. Grosart: I hear somebody say "Hear, hear".

Hon. Mr. Macdonald (Brantford): Well, you have one supporter over there.

Hon. Mr. Grosart: One of the difficulties of the novice speaking here is that he gets less overt support than he would get on the hustings.

If I may continue. I am not qualifying, but in deference to the position taken by the honourable Leader of the Government (Hon. Mr. Macdonald, Brantford) I will give it as my personal view.

The great merit of one commission is, of course, that this will tend to avoid what might be a very embarrassing diversity of the application of the tolerance figure. Anybody who has looked at this problem will see immediately that whatever the tolerance is, whether it is 20 per cent, 25 per cent or 33⅓ per cent, it is going to be a very subjective decision as to how it will be applied. Let us say there is a municipality in one province that has a population of 60,000. Do you draw the line around that municipality and say that it is within the tolerance, or do you say we will go to 85,000 and will take in some of the country around it? Or, do you say in regard to a rural constituency that here we have one where our minimum tolerance will be 55,000 population but we will take into account this area over here; we will bring in part of another constituency to bring the population up to a maximum?

There can be a great diversity of application of the tolerance principle if you have these ten "boundary commissioners" as they have been called. It is true that the commissioner, Mr. Nelson Castonguay, in whom we all have the greatest confidence, will sit on each of these commissions, and I think it is fair to say that he would bring a degree of uniformity of application of this and other principles. However, my suggestion would be that it would be better to have a single commission under which there would be ten subcommissions doing this boundary work, working with the technicians, and I think this would bring about a much greater degree of uniformity. It has been made clear that this is not just an act to provide for the situation created by the last decennial census; it is hoped this will be a pattern for the entire future.

The position of commissioner is to be permanent; the commission itself is to be permanent. I agree with that. I think it makes a great deal of sense but we have to go very carefully and make sure we do not, in this act, set up a situation that will make it quite impossible for this redistribution to

take place on a basis that will have no permanent application, because what is done in the next year or so, or whatever time it takes, will definitely create a precedent—we are establishing a precedent which has not been followed over the last 95 years of Confederation.

There are many other aspects in the bill, but time is getting on and I do not wish to prevent the honourable Senator Pouliot from giving us his views tonight; they are always useful and he is one who has infinitely more experience in this field than I have. Therefore, may I just sum up? Our views—that is, if the honourable Leader of the Opposition (Hon Mr. Brooks) will allow me to use the personal plural pronoun, in this respect—

Hon. Mr. Macdonald (Brantford): If the honourable senator will permit me to interrupt, I may say that I regret that he has used the expression that he is speaking for all the Opposition. Surely this is not a political matter. It is a question to which we must give our best consideration in the interest of fair elections. So far as I am concerned, I have no definite view as to how many commissioners there should be, and I would never say that we on this side take any view. Surely in this house we must be prepared to consider legislation more broadly, and not be tied down to any opinions which have been given outside this house. In the words of the Right Honourable Arthur Meighen, we must be prepared to give sober second thought to all legislation. I hope my honourable friend will not insist now that he has firmly made up his opinion, and that those who sit with him have firmly made up their opinion on this subject.

Hon. Mr. Brooks: May I say that when the sponsor of the bill spoke he gave his personal opinion and disagreed with certain sections of the bill.

Hon. Mr. Power: Of this bill, not of the bill that is not even before us. As a matter of fact, we have been talking on a bill that is not even before us.

Hon. Mr. Brooks: The honourable senator who has just spoken has anticipated another bill. He is not speaking to this bill at all, and none of us know what is in the bill and can hardly speak about it. But the sponsor of this bill did anticipate what might happen and he expressed his opinion very freely.

Hon. Mr. Macdonald (Brantford): He expressed his personal opinion.

Hon. Mr. Brooks: And honourable Senator Grosart is expressing his personal opinion.

Hon. Mr. Power: I said that I would support the bill, but that I had personal reservations about it.

Hon. Mr. Brooks: You objected to certain parts of it.

Hon. Mr. Macdonald (Brantford): Perhaps the honourable Senator Grosart will express his personal opinion.

Hon. Mr. Brooks: Yes, and we may approve of it later on.

Hon. Mr. Macdonald (Brantford): Yes.

Hon. Mr. Brooks: I think Senator Grosart is perfectly justified in expressing his opinion.

Hon. Mr. Grosart: In view of the opinions that have been expressed and with full recognition and realization of my inexperience, I do find it extremely difficult not to believe that I am faced with the viewpoint of the Government whose representatives sit on the other side, because what can this bill do except express the viewpoint of the Government?

Please let me make it quite clear. The honourable leader of the house in the other place started out by saying that he hoped this would be resolved on the basis of collective bargaining, and I quoted his phrase. But collective bargaining does not mean that there is no collective expression of views, that we do not take sides. One can take ten sides. Surely it does not mean that everybody has to say, "I do not take any side." I rise to take a side, to take a position, and if it happens to be the same position that is taken by others in another place I do not feel I have to apologize for it. I sit on this side of the house. I used to sit on the other side, but I was moved over here because there was a change of government.

We have in this honourable chamber the Leader of the Government (Hon. Mr. Macdonald, Brantford) and we have the Leader of the Opposition (Hon. Mr. Brooks), and I am afraid, honourable senators, with all due respect, I cannot make any apology for taking this position. This is the position I take from this side of the house, regardless of where my information or my inspiration may come from. I stand on this side and I speak from this side. I am not speaking in any partisan way because I think this is the whole essence of our system of government, and I hope the time will not come when we say we cannot have party viewpoints in this honourable chamber.

Hon. Mr. Macdonald (Brantford): May I remind my honourable friend that he is taking a position on a bill which is not before the Senate, a position which I think is most unusual.

Hon. Mr. Grosart: If that is so, honourable senators, I must apologize. The honourable Leader of the Government says this is not before the Senate.

Hon. Mr. Macdonald (Brantford): No. But the position you have taken with regard to the number of commissioners, that bill certainly is not before the Senate.

Hon. Mr. Grosart: I think I understand the point the honourable Leader of the Government is making, and I thank him for pointing that out to me. It is true that I have gone beyond this first bill. But if I may excuse myself for doing so, I would merely say that the leader of the other house in the discussion on the resolution of this bill did exactly what I am doing, and I am not going any further in the range of my discussions than he did.

Perhaps I have said enough, and I thank the honourable Leader of the Government for his assistance. I hope I have made some contribution to the debate.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Jean-François Pouliot: Honourable senators, I rise at this time to express my views on this bill. Of course, they are personal views, and my impression, rightly or wrongly, is that the official spokesman for the Liberal party in the Senate is the honourable Leader of the Government, and the official spokesman for the Opposition is the honourable Leader of the Opposition, and that when he is not here this place must be taken by the Acting Leader of the Government, who is the spokesman for the party when the leader is not in the chamber. On some other occasions a private member of the Senate could be the official spokesman of the party, when he has been asked by the leader of the caucus to express certain views. Besides that, I have no illusions and the views I express are strictly mine.

In order to facilitate the discussion I will tell the honourable gentleman who spoke before me that I agree with him in the praise that he gave to the sponsor of this bill, whom I have known for many years longer than he has. He is a man of experience, and he has always looked after the legislation concerning redistribution and all electoral matters.

I have a great regret, honourable colleagues. It is that the matter of redistribution has not been entrusted to the Senate. I have said so before. This is the kind of work that could be performed by all of us together, provided that we show no partisan spirit. There are senators here from every part of the country, and they would have been qualified to do that work.

When I was in the House of Commons as a member of Parliament I heard the suggestion made that the redistribution should be undertaken by judges. The judges know nothing about it, and it is much better to have someone like Mr. Castonguay, who is familiar with the electoral situation in Canada. I do not mean that from the partisan point of view; I mean it strictly from the electoral point of view.

Hon. Mr. Stambaugh: The practical point of view.

Hon. Mr. Pouliot: Yes, the practical point of view. He has been dealing with the returning officers of every constituency for many years, and he is well qualified; there could be no better choice.

When I heard my honourable colleague express doubts as to the practicability of a redistribution made by parliamentarians, I must remind him of some instances that occurred in my elections. There was electoral legislation in force when I was elected, and I had representatives in the polls. Everything was normal, and there was no offence against the laws of the land in the first instance. But afterwards, in 1925, the system was different from what it was earlier. There was a change; there was an enumerator who was supposed to take the names of all the electors. He was not a Liberal; he was an old Conservative; and he went from house to house to take all the names. He did it, but he reported only one-half of the names that he had taken. However, it did not prevent me from being elected, but my majority was reduced by a thousand votes on account of that. That man was not a parliamentarian, but if he had been he would have done a bad job.

Hon. Mr. Choquette: He should have given only a quarter of them.

Hon. Mr. Pouliot: Well, the poor man is dead now, but I remember that very well. My majority was reduced on account of his forgetfulness to report the names that he had taken. He told the people they did not have to show up and present themselves, that they could trust him. However, when they came to vote their names were not on the list.

I had been elected by 100 votes in 1930 on account of the apples and butter from Australia and New Zealand, and all that.

Regarding the importation of huge quantities of butter from New Zealand, I remember I asked Mr. Bennett if it was the Conservative party that had paid for it, but I never received an answer. However, there was great propaganda made out of it at that time, and I was

elected by 100-odd votes. There was a recount before a judge of the Superior Court who was, in fact, the father of my honourable colleague, Senator Bouffard. My opponent was present, the votes were recounted, and I was very glad to win that election, because if one wins an election by even one vote it has just the same effect as if one is elected by 10,000. My unsuccessful Conservative opponent thought he had found an easy way to defeat me at the following election. He got in touch with the intelligentsia of the Conservative party and decided to take away Trois-Pistoles, Ste. Françoise and St. Jean de Dieu on the east side, and Notre Dame du Portage on the west side of the Témiscouata. That change took away a larger number of Liberal votes than the Liberal majority of 120. When the Conservative party headed by Mr. Bennett took away from me 500 or 600 votes they said, "He is lost; he is finished; he will never be elected"—because they thought, wrongly, that the sentiments of the people never change. It is a great mistake. In the subsequent election in 1935 I was elected by 5,000, because the people of the county felt that a great injustice had been done.

Then a parliamentary committee was formed to study the electoral legislation. My honourable friend the sponsor of the bill will remember that committee. Mr. Bennett had discovered that the son of a former Prime Minister was doing no work but received a salary of $10,000 a year. He was one of the senior officers on the electoral pay list. After the committee was formed the members met day and night to improve the legislation, and all they did was to return to our former Liberal legislation concerning elections and adopt it again. It was fair legislation that permitted everyone to express freely his opinion and have it counted in the most democratic manner.

Then I insisted on the payment of a decent salary to Mr. Jules Castonguay, the father of the present Mr. Nelson Castonguay. The son of the former Prime Minister received a salary of $10,000 a year, while Mr. Castonguay had only $4,000. He was doing all the work. I thought it unjust that the noble son of a former Prime Minister could do nothing and enjoy such a salary, which at that time was worth considerably more than it would be now, while the other one was not adequately paid for doing all the work. I brought the matter to the attention of the Government and the House of Commons. Then the salary of Mr. Castonguay was raised to $8,000. He could not have $10,000 because he was not the son of a former Prime Minister of Canada.

This seems quite incredible, but it happened that way. Finally that illustrious son vanished, and the law continued to be amended, and now we have an opportunity for a fairer redistribution. The committee in the other house studied the matter diligently, and during the recess the senators may enjoy reading the reports of the parliamentary Committee of the House of Commons on Privileges and Elections.

The purpose of this legislation, according to what has been said in the other house, is to have some kind of fairness in the formation of each electoral district. At the present time, as has already been pointed out, it is ridiculous to think of a county having a few thousand electors, having the same representation as another which has 125,000. Naturally in the cities the number of electors could be larger than for rural areas, but the number of the electors is too greatly disproportionate in urban and rural counties.

The work to be done by the commissioner will be extremely difficult, because the division of districts will have to be considered. There will also be a commissioner for each province, but we must remember that there are ties which exist between certain districts and even within certain districts. For instance, when Trois Pistoles was taken away from Temiscouata County the people of Trois Pistoles resented that because their business was not with Rimouski but with Rivière-du-Loup in Temiscouata Country.

To summarize what I have to say, in all my years in politics, I have seen nothing done by the Liberal party for which they should be reproached, but I have suffered a great deal from the other side.

Hon. Mr. Choquette: Except to erase Diefenbaker's seat altogether.

Hon. Mr. Pouliot: Pardon?

Hon. Mr. Choquette: Except to attempt to erase Mr. Diefenbaker's seat out west altogether. That was not reprehensible?

Hon. Mr. Pouliot: At that time I was in the Senate and not in the House of Commons. I am sure that everything would be done for the better, and I am pleased with the good spirit which exists with regard to this legislation. Because of that I shall not say anything further at this time.

Motion agreed to and bill read second time.

On motion of Hon. Mr. Power, bill placed on the Orders of the Day for third reading at the next sitting.

NATIONAL CENTENNIAL ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-107, to amend the National Centennial Act.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-127, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January 1962 to the 30th day of June, 1964, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Bill read first time.

Hon. Mr. Macdonald (Brantford) moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, we have made very good progress today, and in large part we are grateful to the honourable Senator Grosart for proceeding with his speech tonight. If he had not done so we might have found ourselves in difficulty tomorrow.

I suggest that tomorrow we proceed with consideration of the bill to amend the Currency, Mint and Exchange Fund Act as the first order of business, and to follow that with the second reading of the bill to amend the National Centennial Act, after which we shall proceed with the second reading of the Canadian National Railways Financing and Guarantee Bill.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, December 18, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report on activities under the Prairie Farm Assistance Act for the crop year, 1962-63, pursuant to section 12 of the said act, chapter 213, R.S.C. 1952. (English and French texts).

Revised Capital Budget of the St. Lawrence Seaway Authority for the period January 1 to December 31, 1963, pursuant to section 80 of the Financial Administration Act, chapter 116, R.S.C. 1952, together with copy of Order in Council P.C. 1963-1748 of 28th November, 1963, approving same. (English text).

INTERNAL ECONOMY

NINTH REPORT OF COMMITTEE

Hon. John J. Connolly, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's ninth report:

Your committee recommend:

1. That Mr. Paul LaRocque, Chief of French Minutes and Journals, Senate, be retired, effective January 1st, 1964, under the provisions of the Public Service Superannuation Act.

2. That Mr. LaRocque be granted, in lieu of retiring leave with pay, a gratuity equal to the difference between six months' salary and annuity for that period.

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

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

Motion agreed to.

TENTH REPORT

Hon. Mr. Connolly (Ottawa West) presented the tenth report of the Standing Committee on Internal Economy and Contingent Accounts:

Your committee recommend:

1. That Miss Ishbel Hutton, Chief of English Minutes and Journals, Senate, be retired, effective January 1, 1964, under the provisions of the Public Service Superannuation Act.

2. That Miss Hutton be granted, in lieu of retiring leave with pay, a gratuity equal to the difference between six months' salary and annuity for that period.

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

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

Motion agreed to.

ELEVENTH REPORT

Hon. Mr. Connolly (Ottawa West) presented the eleventh report of the Standing Committee on Internal Economy and Contingent Accounts:

Your committee recommend:

1. That Mr. Frederick S. Lawrence, Senate Reporter, be retired, effective January 1, 1964, under the provisions of the Public Service Superannuation Act.

2. That Mr. Lawrence be granted, in lieu of retiring leave with pay, a gratuity equal to the difference between fourteen weeks' salary and annuity for that period.

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

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

Motion agreed to.

TWELFTH REPORT

Hon. Mr. Connolly (Ottawa West) presented the twelfth report of the Standing Committee on Internal Economy and Contingent Accounts:

Your committee recommend:

1. That Mr. Harvey H. Armstrong, Chief Clerk of Committees, Senate, be retired, effective February 1, 1964, under the provisions of the Public Service Superannuation Act.

2. That Mr. Armstrong be granted, in lieu of retiring leave with pay, a gratuity equal to the difference between six months' salary and annuity for that period.

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

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

Motion agreed to.

THIRTEENTH REPORT

Hon. Mr. Connolly (Ottawa West) presented the thirteenth report of the Standing Committee on Internal Economy and Contingent Accounts:

> That during the coming recess of Parliament the Leader of the Government in the Senate and two senators to be named by him from time to time be authorized to act for and on behalf of the Senate in all matters relating to the internal economy of the Senate.

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

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

Motion agreed to.

CURRENCY, MINT AND EXCHANGE FUND ACT

BILL TO AMEND—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill C-106, to amend the Currency, Mint and Exchange Fund Act.

He said: Honourable senators, I have been missing from this familiar place, so perhaps I may be permitted to say that I am glad to be back home. The weather in New York is not quite as cold as it is in Ottawa, but that fact is more than compensated for by the warmth of one's welcome when one returns. I am glad to be back among my friends.

Hon. Mr. Brooks: We are glad to see you.

Hon. Mr. Leonard: This is not the time nor the occasion to speak about the Eighteenth Session of the General Assembly of the United Nations which closed last evening, even though the words of President Johnson are still ringing in my ears, as I heard him re-dedicate the United States to the cause of world peace, re-express the desire of his country to end the cold war, and re-affirm the support of the United States for the United Nations as the best instrument of peace in the world and the well-being of mankind. But perhaps on some later occasion you will permit me to touch on that subject, which is very important to all of us.

My task today is to deal with Bill C-106 which does, however, relate to an international organization which has an association with the United Nations, in that it concerns one of those arms of international co-operation established since the Second World War, namely, the International Monetary Fund.

The bill is in essence a simple one and yet an important one. It makes two amendments to the Currency, Mint and Exchange Fund Act, a major amendment and a minor one.

The major amendment is in section 1(1) of the bill. It authorizes the Minister of Finance to purchase, out of the Exchange Fund Account, securities of the International Monetary Fund, maturing not later than five years from the date of issue thereof.

Hitherto, the assets that could be acquired by the exchange fund were those set out in the explanatory notes, namely:

> (a) gold;
>
> (b) currency of the United States; deposits in currency of the United States held in the name of the minister with the Bank of Canada or any bank designated by the minister; Treasury bills or other obligations of the United States;
>
> (c) currencies of any country other than Canada or the United States that are freely convertible into gold or United States dollars; and deposits in such currencies held in the name of the minister with the Bank of Canada or any bank designated by the minister; and
>
> (d) securities of or guaranteed by the Government of Canada.

This amendment now adds paragraph (e).

> (e) securities of the International Monetary Fund, maturing not later than five years from the date of issue thereof.

In order to explain the purpose of this amendment, may I go back to the beginning of the International Monetary Fund. It had its inception in the meetings at Bretton Woods in 1944. Those meetings resulted in an agreement by nations to establish the International Monetary Fund for the purpose primarily of providing monetary and exchange stability, thereby facilitating the expansion of trade and the fluidity of capital movements among the nations of the world.

Over the intervening years, the International Monetary Fund has more than justified the expectations of its founders, and it has proved more and more useful as the years have gone by.

At the time of the preparation of the latest annual report of the fund, this year, 85 countries were members of the fund and its total assets amounted to more than $15 billion.

Nevertheless, during the last few years it became apparent that it would be desirable to add to the resources of the fund, without actually increasing the quotas of the contributions of all the member countries. The result was an understanding reached in December

1961 by which 10 countries, including Canada, undertook to provide stand-by credits to the International Monetary Fund up to specified amounts in the case of each individual country and to an aggregate of $6 billion. The 10 nations were Belgium, France, Germany, Italy, Japan, The Netherlands, Sweden, the United Kingdom, the United States of America and Canada.

Our maximum share of this stand-by credit would be $200 million United States dollars. That was in December 1961. All the other nine nations have ratified the arrangement, and upon the passage of this bill Canada will have the legislative authority that sanctions our own commitment. The fact that we are the last of the 10 is of no material concern because there has been as yet no occasion for the fund to require any implementation of the stand-by credit. It has not yet been used other than as a stand-by credit.

The procedure by which the International Monetary Fund will operate, if the stand-by credit is required as an actual extension of credit, is that it will issue its obligations as security for the loans by those nations who are called upon to lend to the fund. Hitherto, the Canadian Exchange Fund has not had power to take any such obligations, but this amendment before us will enable the fund to purchase or acquire such an obligation if, as, and when the International Monetary Fund puts the stand-by credit into an active credit operation. In that connection, it is important to note that any country may ask for repayment of a loan that it has made under this arrangement if its own exchange payment position deteriorates. Furthermore, the terms of the loan are that it must mature in not more than five years, and it is secured by all the resources of the International Monetary Fund.

I believe I have said enough to make it clear that this is a good, a constructive and a desirable thing to do. It was so considered by the former Minister of Finance, the Honourable Mr. Donald Fleming, during whose term of office the agreement between the 10 countries was reached. It was in January 1962 that Mr. Fleming made the announcement that Canada had undertaken to participate in the arrangement with the other nine countries to provide these extra resources for the International Monetary Fund. Due to certain circumstances that subsequently developed, and which are familiar to all in this chamber, it has fallen to the Honourable Mr. Gordon to carry out the undertaking; but there has been no difference of opinion between the old and the new governments, nor between the former Minister of Finance and the present Minister of Finance, as to the wisdom of the action.

I offer a word or two as to the usefulness of the fund. Over the years many countries have availed themselves of the provisions to draw upon the fund. I mention only two. In 1961 the United Kingdom drew upon the fund to the extent of $1,500 million for currency, and in addition $500 million by way of a stand-by credit; and, as probably all of us know, in 1962 Canada drew upon the fund to the extent of $300 million.

So much for the major amendment. The minor amendment is contained in subsection 2, and it is consequent upon the power given by subsection 1. It simply means that when securities have been purchased or acquired and are held to maturity, the proceeds are credited to the Exchange Fund Account.

Honourable senators, I shall be glad to answer any further questions within the limit of my knowledge of the subject.

I would suggest that in the event of this measure receiving second reading, I hope, since it is not controversial, that it might receive unanimous support, and perhaps in that case it will not be necessary to send it to a committee. I believe we are approaching prorogation, and it might be desirable that as we are the last of the 10 nations to complete the authority necessary to implement the agreement, we should not delay any longer than is necessary. However, I leave that entirely in the hands of honourable senators.

Hon. M. Wallace McCutcheon: Honourable senators, the last time I had the privilege of speaking in this chamber following the honourable Senator Leonard in the introduction of a bill, I said that he was a difficult person to follow because, with the clarity and lucidity of his presentation, one found it very difficult to take exception. In that case I did have the opportunity to take exception to several of the principles he enunciated without, however, any change resulting in the legislation that was proposed.

Today my position is completely different. One could make a learned speech on the history of the International Monetary Fund, on the contribution that Senator Leonard believes and I believe that it has made to exchange stability and international liquidity throughout the world, but it is not my intention to do that. As Senator Leonard said, and as far as I am concerned, this is a noncontroversial matter. The agreement between the 10 nations was entered into in December 1961 by the then Minister of Finance, the Honourable Donald Fleming. He announced the agreement in the other place in January 1962, and only the untoward events to which Senator Leonard referred prevented that agreement being established in legislation prior to today.

That, I think, is all I have to say on what Senator Leonard described as the major amendment, the amendment which permits the Minister of Finance, out of the Exchange Fund Account, to purchase securities of the International Monetary Fund maturing in not more than five years, and under our agreement, as the honourable senator indicated, our obligation at any time to the monetary fund calls on us to purchase securities to the limit of $200 million United States funds. This country has called on the International Monetary Fund for more than that within the last 18 months.

The second amendment is a very minor one, to take care of a situation caused by draftsmanship. I believe this section finally was drafted in 1957. This is to take care of a situation which the draftsman obviously overlooked and which has caused no problems to date because it has been assumed in the operation of the fund that that which is now spelled out is the way in which it was intended.

I also agree with Senator Leonard that in the circumstances there is no necessity for this bill to be referred to committee. I hope it will receive second reading now.

Motion agreed to and bill read second time.

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

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

NATIONAL CENTENNIAL ACT

BILL TO AMEND—SECOND READING

Hon. L. M. Gouin moved the second reading of Bill C-107, to amend the National Centennial Act.

He said: Honourable senators I rise to move the second reading of this bill in a spirit of conciliation and co-operation. I hope that the remarks I am going to make will be taken in good part by my honourable colleagues. I am pleading now, so to speak, the most important case of my life, that of Canadian unity.

The purpose of the present bill is to amend the statutes of 1960-61, chapter 60, 9-10 Elizabeth II, intituled:

> An Act respecting the Observance of the Centennial of Confederation in Canada.

In French it reads:

> Loi concernant la célébration du Centenaire de la Confédération au Canada.

This long title will remain the same; it is historically correct, and no one can find any objection to it. However, the amendments which I am going to discuss may be divided into four groups. The first concerns the question of the name of the centennial. What centenary are we going to celebrate in 1967? The second concerns what I might call the question of administration. The third concerns a question which is purely one of translation. Finally, the fourth concerns consequential amendments. If in the name of the corporation we substitute "Commission" for "Administration", then this change has to be made throughout the original act.

Now I put again the question I formulated a moment ago: what are we going to celebrate in 1967? Some of my colleagues smile, and this I understand. It is very clearly the centenary of Confederation. I believe that every honourable senator recognizes that glorious date and will be happy to do everything in his power to make it an historic event, one really worthy of that great anniversary.

In the original act there are various references to the centenary of Canada. Well, I am sorry, but for us we celebrated the fourth centenary of Canada in 1934. It was the anniversary of the discovery by Jacques Cartier of what was then known as New France. In 1908 great manifestations marked the tercentenary of Quebec, namely, the foundation of French Canada.

I submit it was inaccurate in the statute of 1961 to refer to the centenary of Canada as taking place in 1967. I fully appreciate the good intentions of those who framed the original measure, but I will try to explain why it is necessary to correct that mistake.

Honourable senators, historically Canada began to exist on the map in 1534, and constitutionally it was recognized by the British Parliament when it enacted the Quebec Act in 1774 and the Constitutional Act in 1791. From 1791 to July 1, 1867 there were always some colonial settlements known as Canada. In fact, from 1791 to 1840 the populations of Quebec and Ontario lived under the governments of Lower Canada and Upper Canada. From 1840 to 1867 the provinces now known as Quebec and Ontario were formed into a single colony known as United Canada. In 1848 that colony obtained responsible government, and it enjoyed a considerable degree of self-government in domestic matters prior to 1867. Thus we had a population inhabiting a given territory and being subject to the same political form of government. In this I find all the necessary elements for a nation—a small nation, of course, but a nation just the same.

In 1867 Nova Scotia and New Brunswick entered into a federal union with Lower Canada and Upper Canada. In my opinion, this was not the birth of a nation: it was the case of a small nation becoming larger by the addition of two worthy new partners. The two Maritime provinces I have just mentioned

gave to us two year-round seaports, Halifax, Nova Scotia and Saint John, New Brunswick. They also gave us some of the best elements of our population.

But why is this bill necessary? When the bill was originally introduced protests were made in the press in Quebec because it referred to the National Centennial of Canada. On October 19, 1961 Premier Lesage wrote to Prime Minister Diefenbaker calling his attention to the inaccuracy which I have just mentioned. Later on the Quebec Legislature considered a bill concerning the celebration of the centenary, and the Honourable Mr. Lesage, as well as the Leader of the Opposition in the legislature, Mr. Daniel Johnson, were unanimous in agreeing that provincial legislation should not be enacted in Quebec to participate in the celebration of the centenary until the federal act of 1961 was amended, as it would be by the present bill.

The letter of October 19, 1961 from Premier Lesage to which I have just referred, a subsequent letter of May 2, 1963 to Prime Minister Pearson, and the undertaking by the Prime Minister in answer to that last letter to submit what I would call this remedial legislation, are all to be found in *Hansard* of the other place of November 20, 1963, at page 4980.

The following fact is important: that the general expenses for the 1967 anniversary are to be shared in the proportion of one-third by the federal Government and two-thirds by the provincial governments. According to the information I have, to date three governments—namely, Saskatchewan, Manitoba and Quebec—have not yet signed the necessary federal-provincial agreement. But this week my friend, the Honourable Bona Arsenault, on behalf of the government of my province, stated that as soon as the present bill has received royal assent Quebec will sign immediately the agreement in question.

I am anxious, as I have always been, to try to promote the sacred cause of Canadian unity. I also have at heart the desire to enlist the co-operation of Quebec by obtaining the approval of the amendments which I shall now discuss in detail.

Honourable senators, all these amendments do not have the same importance, but the simplest thing for me to do is to take them in the order in which they appear in the bill which you have in your hands.

The first clause of the bill amends section 1 of the original statute, and the short title of the act becomes the "Centennial of Canadian Confederation Act", instead of the "National Centennial Act".

The second clause of the bill makes several changes. In section 2 (1) (a) of the original act the "Administration" now becomes the "Commission", and instead of being the "National Centennial Administration", it becomes purely and simply the "Centennial Commission".

The amendment to section 2 (c) of the original act replaces the word "Canada" in the expression "Canada's Centennial" by the words "the Centennial of Confederation".

Clause 3 of the bill deals also with the question of the name, and with the administrative aspect of the commission. The expression "the National Centennial Administration" is replaced by the expression "the Centennial Commission", and the expression "Deputy Commissioner" is replaced by the expression "Associate Commissioner". I submit that the latter expression is much more in conformity with the principle of equal partnership between the two founding races of this country than is the expression "Deputy Commissioner".

The commissioner is, I understand, Mr. John Fisher, an excellent author and radio commentator, and the deputy commissioner who will now become the associate commissioner is Robert Choquette, one of our best poets. Those two appointments were made by the previous Government, and I have no criticism to offer. On the contrary, they deserve all my compliments.

In clause 4 of the bill we have that question of translation which I would say is self-evident. In the English text the so-called administration, now called the commission, is given power to retain the services of "consultants and advisers", which is translated in the French text by the word *conseils*. I believe every French-speaking senator will agree with me that *conseils* means advice and not advisers, and it is quite in order in this section to replace the word *conseils* by the word *conseillers*. I do not think that point requires very much discussion.

I now come to clause 5 of the bill which deals with the powers of the commission. It was found necessary to increase the powers of the commission so as not to require in every case the approval of the Governor in Council. By virtue of this change section 9 (2) of the original act will be amended by striking out the words, "Subject to the approval of the Governor in Council, the Administration may, for the purposes of this Act," and replace them by the words "Subject to subsection (3), the Commission may, for the purposes of this Act,".

In the explanatory notes opposite to page 2 of the bill, honourable senators, you have the text of the present subsection 2 of section 9 of the original act. It enumerates the powers

of the commission to acquire real and personal property, and to expend the moneys appropriated by Parliament to undertake programs for the observance of the Centennial of Confederation in Canada. But clause 5 of the bill adds a new subsection, which reads as follows:

> (3) The Commission shall not, except with the approval of the Governor in Council,
>
> (a) acquire any property, the cost of acquisition of which exceeds the sum of twenty-five thousand dollars; or
>
> (b) undertake a program or project, engage in a joint project or make a grant involving an expenditure by the Commission in excess of the sum of twenty-five thousand dollars.

Then we come to clause 6 of the bill which I would say is a purely consequential amendment to section 10 of the original act. That reference is to the National Centennial Fund, which expression is now to be replaced by the words "the Centennial of Confederation Fund".

Clause 7 of the bill replaces the heading which precedes section 17 of the original act. The heading would read, "National Conference on the Centennial of Confederation," instead of "National Conference on Canada's Centennial". This is to be found on page 3 of the bill. Then in section 17 itself it would refer to the "Centennial of Confederation" instead of "Canada's Centennial".

Clauses 8 and 9 are purely consequential: the word "Administration" in the original act would be replaced throughout by the word "Commission", and instead of the words "Deputy Commissioner" we would have the words "Associate Commissioner".

Finally, clause 9, which is also of a consequential nature, identifies, so to speak, the National Centennial Administration with the corporation now to be known as the Centennial Commission. It identifies the National Centennial Fund in the Consolidated Revenue Fund as the Centennial of Confederation Fund, by which it is now to be known.

My remarks were prepared in quite a hurry, and when referring to clause 3, I inadvertently forgot to say that the number of directors who form the commission are to be increased from eight to twelve so as to give representation to our ten provinces and also, I understand, to the Yukon and the Northwest Territories.

Before concluding this address, which has been of a rather technical nature, I would like to make a profession of faith in the future of my country. I believe that this country is one and indivisible. This wonderful land of ours is a country with many distinct and separate geographic as well as economic regions which sometimes have conflicting interests. Canada is also a land of many races and ethnic groups, the oldest one being the French-speaking element of which I am proud to belong. The most numerous group is that of British origin, but I am glad, fully, completely and without any restriction whatever, to regard as my true fellow-Canadians all those who came originally from so many foreign lands and whose contribution to our progress is so noteworthy. Canadians of all races, of all classes and of all creeds, we have the same firm will to continue to inhabit together this great and beloved country of ours. We want our Confederation to survive in a spirit of equality, of liberty, of religious tolerance and inter-racial harmony. We want to transmit to the future generations not only our physical assets and territorial integrity, but also our intellectual and spiritual traditions which we have received as a sacred legacy from our forefathers.

Together we have done great things in the past, in times of peace and in times of war, and together we want to continue to do great things in the future. So, let us all join together in an endeavour to make 1967 a truly historical date in our national life.

Hon. Fred M. Blois: Honourable senators, we have all listened with great interest to the honourable Senator Gouin who sponsored this bill to amend the National Centennial Act. He has performed his task in his usual very fluent manner. I have just a few words to say in connection with the bill.

I ask honourable senators to take their minds back to September 1961, during which month I had the honour to move second reading of what was then Bill C-127, an act respecting the observance of the Centennial of Confederation in Canada, which was to be known as the National Centennial Act.

At that time I said:

> Part I deals with the constitution of administration, the objects and powers of the administration and the financial setup of the act.
>
> Part II deals with a national conference on the centennial between Canada and the provinces and sets out clearly the representation from each province, on the recommendation of the Government of each of the provinces. Section 19 of the bill provides:
>
> The objects of the Conference are the consideration and discussion of plans and programs relating to the Centennial of Confederation in Canada.

I think honourable senators are aware of the fact that prior to this bill being introduced in either of the Houses of Parliament—in fact, in February of 1960—the then Prime Minister, the Right Honourable John Diefenbaker, appointed a national committee which was to provide a means of consultation between the federal Government and the governments of the provinces relating to the centennial. At the first meeting of this national committee four working committees were set up to study the historical, the cultural, the ceremonial and the administrative aspects of the planning, and Canadians everywhere were asked to send in their suggestions as to the best way in which the anniversary might be observed.

In addition, a number of nongovernmental organizations became interested. In May 1960 the Canadian Centenary Council was formed by these organizations. The purpose of this last-named council was to stimulate public interest in the centennial observances, and to provide information and planning services to national organizations in this regard. These various committees and organizations immediately set to work, and they have done and are continuing to do excellent work.

I mention these matters because there are many people who seem to have the opinion that the planning in connection with the observance did not get under way until after what was then Bill C-127 passed both Houses of Parliament.

Apparently there is another misconception, as to what the measure was intended to observe. Speaking on the resolution in the other place, the Prime Minister of that time said:

> I feel the committee will agree that the observance of the centennial should reflect the whole range of Canada's history and not merely Confederation itself.

Mr. Pearson, our present Prime Minister, who was then Leader of the Opposition, agreed with the remarks of the Prime Minister and further stated:

> It should certainly be celebrated in a way which is worthy of the occasion, not merely by ceremonies and memorials, which may be exciting but which will be ephemeral, but also in a more permanent way.

I think it is interesting to note that Bill C-127 of that session passed both Houses of Parliament with unanimous consent.

We are now being asked to make certain changes to the National Centennial Act as outlined in Bill C-107. The amendment contained in clause 1, as has been mentioned by the honourable sponsor (Hon. Mr. Gouin), is to change the short title of the act from the National Centennial Act to the Centennial of Canadian Confederation Act.

This change of title, as I understand it, is to drop the word "national", and it is my understanding that this is being done at the request of Premier Lesage of Quebec. The President of the Privy Council, speaking in the other place, stated that the Government of Quebec would refuse to participate in the centennial celebration unless the word "national" was removed by the Canadian Parliament. The change of wording in itself is not, perhaps, too important, but in my mind the fact that the government of any province should serve an ultimatum on the Canadian Parliament creates a serious and dangerous situation. Surely, honourable senators, the federal Parliament, with its elected members from each province and from each constituency in each province, should be able to pass on bills that are placed before it without being served later on with an ultimatum.

In the consideration of Bill C-127 not one elected member from the Province of Quebec and not an honourable senator from the Province of Quebec raised any objection.

It seems to me that the word "national" is what is causing considerable worry. I looked up the word "national" in the dictionary, and I find the meaning is this:

> Pertaining to a united people or nation as a whole.

Honourable senators, I sincerely trust that we are a united people, a united nation as a whole. I believe this to be one of the most important objects we will be celebrating in our centenary in 1967, that is, that we are a united people, that each province is willing to go along with Canada, that we are to be one.

The honourable sponsor of the bill referred to that particular unity which should exist between the provinces, between the different nationalities, much better than I can; therefore, I am not going to say anything more on that at the moment.

Another item in the bill is the increase in the number of directors from eight to twelve. I do not think this is a very serious change, if it is simply the desire of the Government to obtain more equitable area representation. If, on the other hand, the idea is to get greater Liberal representation, then I think the Government will be making a very grave mistake.

Another proposed amendment is to change the name of the office of the deputy commissioner to associate commissioner. I doubt if anyone would have any objection to this.

For my part, I have no objection; I think it may be a good move as it puts the two chairmen on a level.

In introducing the bill, my honourable friend referred to our celebrating 100 years as a nation in 1967. I think I understood him correctly to say that they can go back much further than that—I think he said he could go back to 1534. I am afraid I have to differ very seriously with my honourable friend in that connection, because it was in 1497 that Cabot first landed on the northern tip of Cape Breton Island, Nova Scotia. I want to assure him that we Nova Scotians are just as much part of Canada as any other province. Therefore, I take great exception to what he said.

Hon. Mr. Connolly (Halifax North): Is that a proven date?

Hon. Mr. Blois: That is a proven date. I am talking about Nova Scotia.

Hon. Mr. Connolly (Halifax North): It is disputed.

Hon. Mr. Blois: There are two sides to every question, as my honourable friend knows. I am sticking to my guns, and to my side.

Hon. Mr. Brooks: What about the Vikings?

Hon. Mr. Blois: I am getting Newfoundland on all sides of me at the moment.

There is a very definite point there, honourable senators. Should we celebrate the 100 years from 1867 to 1967 or should we celebrate the history of this country from the very beginning? I think the sponsor of the bill suggested that we should go back to the beginning, and I most heartily go along with him.

As mentioned earlier, the former Prime Minister and the present Prime Minister agree that the observance of the centennial should reflect the whole range of Canada's history and not merely Confederation itself.

I mentioned my argument that we Nova Scotians consider our land was discovered first, in 1497. I will not go into that, because other people have their own ideas. However, we Nova Scotians are very proud of our history and I think deservedly so, because the ancient province of Nova Scotia has played a very important part in Canadian history.

Honourable senators, you know that the flame of Canadian political freedom was kindled in Nova Scotia over 200 years ago, when parliamentary government began with a house of assembly in 1758. We Nova Scotians claim that the first responsible government outside the United Kingdom was in Nova Scotia in 1841.

Again, I know some honourable friends will disagree with that statement, because there is an opinion that there was a simultaneous development in all the provinces in 1847-1848.

However, in the *Speeches and Public Letters of Sir Joseph Howe,* one of our illustrious Nova Scotians, you find this:

> The session (1841) closed on the 10th April, the first under responsible government.

That is my reason for saying we had responsible government in Nova Scotia prior to any province in Canada.

Further, one of the things we are proud of is the banner of Nova Scotia, the first flag granted to any section of the British Empire. That was in 1625, under Charles I. There are many other records of Nova Scotia we would like to see brought to the attention of Canadians in 1967.

We now get back to the name Canada. I found it rather interesting in the last few weeks to determine if anyone knows how we arrived at the name Canada.

If my memory of history serves me correctly —and for many years I was very much interested in our history and that of other countries as well—I believe it was in August 1535 that Cartier sailed up the St. Lawrence. My honourable friend says it was 1534, but speaking from memory, I would say that Cartier sailed up part way in 1534; and in 1535, when he got further up the river to Montreal, some of his guides told him that the country was divided into three districts, namely, Hochelaga, Canada and Saguenay. Canada was a word of Iroquois origin, meaning in the native tongue a collection of Indian dwellings.

Now, honourable senators, this country has gone a long way from that collection of Indian dwellings in 1535 to what we are now so proud to call Canada.

Honourable senators, I have mentioned just a few of the thousand and one events of Canadian history that I believe should be preserved. I realize that there will be public buildings of all kinds and descriptions. That is quite right. I still feel that the history not only of my own province but of all the provinces of Canada should be brought into some definite shape, whereby the younger generation coming along will know the history of this country, for though we think we are great today, we will be much greater in the years to come.

I would like to see some record preserved of the historic events that have occurred in this country. I am sure that would do much to bring even greater unity amongst our people. I for one have always been very keen on the point that we should have greater unity. I am one of those who have agitated for a

considerable length of time that French should be compulsory in our schools. It may be that I am somewhat influenced there because the background of my own name is French. I believe that is one of the important things we must do in order to get that unity which is so necessary, a unity which cannot be complete unless today each and every province works together for the greater good of what we call Canada, that country we love.

Hon. Jean-François Pouliot: Honourable senators, I have listened with great pleasure to the interesting presentation of the bill made by our distinguished colleague, the honourable Senator Gouin, who has inherited from his father, Sir Lomer Gouin, the great quality of plausibility. He can present everything under the best colours. He said that this bill was inoffensive because it meant only the change of a single word and the removal of the word "national" from the original bill, and besides that the appointment of a few more gentlemen on what is called the council. However, there is much more to it. I cannot conceive the objection which has been raised about the word "national" by some people who do not happen to be our colleagues in Ottawa. Do you remember, my honourable colleagues, that not so long ago there was unanimity among all the prime ministers of the provinces to erect a monument, at a cost of $5 million, to the memory of the Fathers of Confederation, and each province was to subscribe? The federal Government was to contribute to it also. It was to be built at Charlottetown. Why did those gentlemen meet together to boost Confederation, if they object to the national celebration of it? Here we must make a distinction between the association of the two great races and of all the races of Canada, as was pointed out by the Prime Minister when he introduced this legislation, and the British North America Act itself. The Fathers of Confederation feared the Fenians, the Irish extremists who were to cross the boundary of the United States to take possession of Canada. You know very well that in the first place the British North America Act was drafted under fear and done in haste; and today everybody is complaining of it. The gentleman who objected to it so strongly said that we should re-think Confederation, and his vis-à-vis, who is the leader of the opposition in Quebec, said that the Confederation Act is very bad. Well, then all the provinces agreed together to pay millions of dollars, and they insisted upon the Government of Canada joining them, to erect a costly monument to the memory of those whose work has to be re-thought; those whose work is considered no good. Is it not unbelievable?

But there is something more important than all that. It is the association of the founding races in Canada, the French race and the English race, the French race in the first place and then the English, Scottish and Irish people from the British Isles who came here to found this country, and afterwards a large number of immigrants of various races who came from many parts of the world. They have become good Canadian citizens. Therefore, in my view, the celebration of Confederation should be national. One must use a vicious interpretation to express the view that the word "national" should be removed from the act relating to the centennial of Confederation. We are told that by using that word we ignore all the great deeds accomplished in this country from the time of the discovery of New France by Jacques Cartier, until 1867, the date of Confederation. Do you think that it makes any sense? It is simply absurd to contend that. I am strongly against such a policy; and when one serves an ultimatum on any government I do not see why we should cater to him and capitulate to him.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Pouliot: There is no reason for it. I am proud of my race, my French-Canadian race, but I belong to the Canadian nation, although my designation and the designation of all of us is not Canadian, because officially we are Canadian citizens, and officially we are citizens of the Commonwealth, when we are not citizens, and we are British subjects when we are Canadian subjects of the Queen of Canada.

Some years ago there was a row in the House of Commons because a bill was passed there to have a Canada Day—a Canada Day on July 1, the date of Confederation. One could not use the word "Canada" on that occasion. That was to be sanctioned by a bill. That bill which was passed in the House of Commons was rejected in this red chamber, in the Senate. Not long ago the same matter came before the House of Commons, with the same result. There were five names put forward, and the only name that was not accepted was the name "Canada". We do not have even a Canada Day. It is formidable, and we will celebrate the annversary of the foundation of a new Canada.

My honourable friend who sponsored the bill (Hon. Mr. Gouin) knows very well there are black spots in all the constitutions since 1774. There are dark spots there and our ancestors had to fight to maintain our rights, and our traditions; and if it were true that our rights were served to the French Canadians on a silver platter, it would mean that all heroic parliamentary fights of Lafontaine, Papineau and others would amount to nothing and that they would have been crazy to fight

so hard for what was so generously offered to them.

I congratulate my honourable friend from Nova Scotia, Senator Blois, for his speech. He spoke as a true Canadian, and I agree with all he said, that the two races should live together. That association should be built upon one condition, that we Canadians shall remember that colonialism breeds separatism. We are rightly proud of our country. One proudly says he is a Canadian. Very good, I am all for it. On the other hand, how is it that in virtue of the Citizenship Act we are officially Canadian citizens, although we are not citizens? Mark you, honourable colleagues, the separatists call themselves citizens because they do not acknowledge the sovereignty of the Queen. And we have it. Why should we be Canadian citizens? Look at your passport, and you will see "citizenship" and "Canadian". And we are also citizens of the Commonwealth. Why? To please Mr. Nehru.

We are still officially British subjects although in virtue of the Royal Titles Act we should be Canadian subjects of the Queen of Canada. What progress can we make unless the country returns to normalcy? As long as we have a hybrid citizenship it will be impossible to expect patriotism from anybody.

The word *patrie* is a great word which exists in the French language and which cannot be translated into English, but it is more and more forgotten. For a time the popular word was *pays*, and afterwards it was "nation," and "national" derives from "nation". The word "nation" was used by the Right Honourable Mr. St. Laurent many times. He was proud of the Canadian nation. One could not object to that word because we are a nation, but should not a nation respect its traditions?

There is another thing too. There is the question of a flag; there is the question of the national anthem. Are we ready for a flag? I am sure, honourable colleagues, that we will have a flag. But do you know when? From the great great grandchildren of the unborn generation. Don't laugh. It is my profound conviction. Let us wait to have a flag but in the meantime give us no flag. As I said when I was a member of the House of Commons, I have great respect for the Union Jack because it is a union of the crosses which are the emblems of the three patron saints of the British Isles: the cross of St. George with those of St. Andrew and St. Patrick. It is a beautiful flag but it is not ours. I do not agree that Canada should have the red ensign, where the Union Jack should be minimized to a quarter of the flag. There is no reason for it. If we are to have the British flag let us have it full size, six by twelve feet or nine by eighteen feet. Then people will say, "Here are Canadian citizens who are wonderful people and whose flag remains the British flag, after having discussed that matter for a long time." Would it not be better to have such a flag instead of a minimization of it? How is it that our English-speaking fellow citizens are not indignant about the Red Ensign, for it minimizes the great flag of the British Empire? You must realize, honourable colleagues, that Canada has played on words for a long enough time.

We used the word "national" for a long time and "national" now has become a profane word and it is struck out from this bill because it displeases a gentleman who is so touchy that he thinks that the word "national" used for a celebration across the whole country will make us forget all the history of Canada from 1534 to 1867. Can you imagine such a thing as that? But, honourable senators, you should take it ceremoniously, you should bow and you should say, "Well, very good. We will remove the word national". You do remove the word and everybody is happy, everybody is beaming, you all applaud, you are satisfied. Serious men and women like you would not attach so much importance to the removal of a word that you would have to pass a bill, a bill which was given three readings in the House of Commons and it is before us now on second reading in the Senate. We have to study it and consider it ponderously whether we shall strike out the word "national" or leave it like it is. What do you think about it? Don't you find it ridiculous? Anyone in the gallery would laugh at us, as everybody was entitled to laugh at the members of the House of Commons who passed that legislation.

Now, what is my conclusion? My conclusion is obvious. It is that I have the greatest respect for the Prime Minister of Canada, my leader, and I consider that he is the most open-minded and the most Canadian of all the leaders we have ever had from the time of Sir Wilfrid Laurier, which is no mean compliment. But sometimes he is a little too kind, and that is my only regret. When the police are arresting separatists and members of the F.L.Q. and putting them in jail, will it stop separatism? We will prevent it by removing the main cause of separatism, which is colonialism. It is very simple. It may be done. It can be done with good will. It cannot be done in a moment, for a very good reason. It is that in the Canadian provinces, outside of the Province of Quebec, there is the salute to the flag in the morning at school. One would not object to it provided that the salute is made to the right flag and I hope that it will happen when future generations will understand politics as they should be understood,

and give enough importance to Canadian values.

I hope that nobody will wrongly interpret what I have said and contend that I have not shown respect for the great shadows of past Canadian history by telling you that it is ridiculous to remove a word, an inoffensive word, a word that means union of the whole nation, from a bill to celebrate the centenary of Confederation.

We have to live together; we have to be in the same boat; we have to do our best to forget our differences; we have to unite for the welfare and progress of Canada. It is our mission, as has been said very well by the sponsor of the bill and the honourable gentleman on the other side who spoke about it. Let us practise what has been said. I do not insist; I will not oppose the bill; I will leave it at that; I am not interested in it. I find ridiculous all the fuss that has been made about one word but it has given me the opportunity to tell you honestly and sincerely what I think of the future of Canada unless we make a decision which may be hard, but which must be made solemnly and sincerely, in the future to place Canada first in our affections.

Hon. M. Grattan O'Leary: Honourable senators, the heart of this bill is in the amendment in the first clause, and all that follows is merely consequential. I hope that in what I am going to say about the amendment I shall not be accused of being anti-Quebec. We have got into a bad habit in this country of attaching the label "anti"—anti-American, anti-French, or anti something—to any person who happens to express himself sincerely or passionately upon some given question.

I am a child of Quebec. I was born within a few miles of the spot where Jacques Cartier planted his cross in Gaspe, and two generations of my family sleep in the soil of Quebec. However, I must say, honourable senators, that this first amendment to the bill, eliminating the word "national," seems to me to introduce a note of disharmony into something which we had all hoped would weld us together in greater unity.

The bill which is being amended here today unanimously passed the other place in 1961. Members of all parties, people from all provinces spoke enthusiastically in favour of it. It came to the Senate, and if I recall rightly, it passed this house with unanimous approval. I do not know whether Senator Gouin, who gave us such a distinguished address here this afternoon, was present in the Senate at that time; but I do not find it on record that he stated then the objections to the word "national" which he stated with such distinction and so cogently this afternoon. The measure passed unanimously.

Why the change now? I must say I think it a matter for regret that Mr. Lesage took it upon himself to send his objection to the former Government, to Mr. Diefenbaker when he was Prime Minister. I do not think a message of that kind would have been sent by a long line of Quebec premiers that I remember. I do not think that message would have been sent, in that form and for that reason, by the distinguished father of the gentleman who spoke to us this afternoon. I do not think it would have been sent by Flynn or Marchand, Parent, Gouin or Taschereau.

What is it that has happened to the man who is Premier of Quebec today? I know that it seems if you say something in opposition to Mr. Lesage you are put down as being in opposition to Quebec. Well, I am not speaking against Quebec. I do think, though, that this note of disharmony is unfortunate at this time. If you read the press of Canada, as I read it, you will see that what has resulted all across Canada is indeed most unfortunate.

After all, what is it we proposed to celebrate when this measure was introduced in 1961? The learned and distinguished senator who introduced this amending bill (Hon. Mr. Gouin) gave us a long recitation of the beginnings of the history of Canada. He said that Canada had existed long before Confederation. I think that is true, that there was a Canada, certainly a name "Canada," long before the act of 1867. But, surely we are not suggesting here that we are now proposing in 1967 to celebrate a centennial or tercentenary of Canada. What we are proposing to celebrate is an act of the Imperial Parliament passed in 1867; and surely no one will deny that act did in fact set up a state. That act set up a political state, a political entity on this continent; that act, in fact, set up in North America a British state. No one, no constitutional authority, no man in his right senses would deny that. And what emanated from that act? Not merely a statute, but the birth of a new nation, a nation now 100 years old. That and that alone is what we are going to celebrate four years hence.

Can we believe that the founding Fathers of Confederation thought of the new Canada that was being created, of the new state that was being set up, in any other sense than that of a nation?

Go back to the debates which surrounded Confederation. Read what Macdonald said; but most of all read what that great Canadian, George Etienne Cartier, said. He was faced with the argument that this act would set up in Canada a new nationality. That was argued by a great French Canadian, Antoine

Dorion. What was the reply by Mr. Cartier? Mr. Cartier said:

> The time has arrived to form a great nation, and I maintain that, as far as we are concerned, confederation has become necessary to our commerce, our prosperity, and our protection—

He went on to say:

> Objection is made to our project, because of the words "a new nationality".

The same objection that we find now.

He continued:

> But if we unite, we will form a political nationality independent of the national origin and religion of individuals.

And so on.

Honourable senators, there was one man in our national history who gave his life for Confederation, Thomas D'Arcy McGee. What did he think of it? He thought we were forming a new nationality, and this is what he said:

> I look to the future of my adopted country with hope, though not without anxiety.
>
> I see in the not remote distance one great nationality—

I repeat:

> I see in the not remote distance one great nationality bound, like the shield of Achilles, by the blue rim of ocean: I see it quartered by many communities each disposing of its internal affairs, but all bound together by free institutions, free intercourse, and free commerce.
>
> I see within the round of that shield the peaks of the western mountains and the crests of the eastern waves, the winding Assiniboine, the five-fold lakes, the St. Lawrence, the Ottawa, the Saguenay, the Saint John, and the Basin of Minas: by all these flowing waters, in all the valleys they fertilize, in all the cities they visit in their courses, I see a generation of industrious, contented, moral men, free in the name and in fact—men capable of maintaining, in peace and in war, a constitution worthy of such a country.

This was his faith. Go back, as I said a moment ago, and read the *Debates on Confederation*. Read the debates that took place after the act was passed, and surely it will be seen that in the minds of all these people, and in the minds of all the people who inhabited this country at that time, there was the feeling that there had been created a new nation in British North America.

Nobody would deny that then. Why is it denied now? I know it is said that the word "nation" can be given a different meaning in the French language, that it may refer to a people, a culture, or a history, and so on.

Honourable senators, I often wonder if too much stress is not being laid upon races and upon peoples, particularly at a time when the best of our scientific historians make it clear to us that, in man's long march towards a more humane and more civilized life, races and cultures become blurred or obliterated.

Let me give you an illustration of this. Two weeks ago when that great and good man President Kennedy fell by an assassin's bullet, the distinguished President of Ireland, Mr. De Valera, paid him a noble tribute in which he said that he was proud that John Fitzgerald Kennedy belonged to their race. Mr. De Valera, the great man who said that, is himself, of course, Spanish on his father's side, and the Prime Minister of his country, the distinguished Mr. Lemass, is a descendant of French Huguenots. But more than that, John Fitzgerald Kennedy on his mother's side was a French Norman. The Fitzgeralds were a famous family in Normandy who came to England with William the Conqueror to help conquer the English, and later came to Ireland with Strongbow to help conquer the Irish. The Fitzgeralds lived in Ireland for three centuries and became the glory of Irish history, the most distinguished of all Irish rebels, the race of which an Irish poet said:

> Ye Geraldines, ye Geraldines,
> How royally ye reigned
> O'er Desmond fair and broad Kildare,
> And English arts disdained.

And so we see how race became blended, and in the names over which the most precious tears of Ireland have been shed are those of the Geraldines, the Nugents, the Nagles, and most of all the Burkes, all of whom had their origins in France.

I see sitting opposite me on the benches here distinguished senators. My friend, Senator Lambert—where does he think his ancestors came from? Sir Wilfrid Laurier, that glory of our Canadian nation, once dealt with this in a very famous speech. Speaking in 1870 in the City of Quebec he said this:

> You are aware that in the eleventh century certain men started out from Normandy, Anjou, Brittany, and Angoulême to capture England. Duke William of Normandy was their leader, and our present sovereign is the last of a royal race that dates back to William the Conqueror. In the sixteenth century men started from the same provinces of Normandy, Anjou, Brittany, and Angoulême to colonize the fertile lands on the banks of the St. Lawrence. In the next century the men of both races met face to face here, and you know what happened. Well,

> is it not permissible to hope that a day will come, when, instead of facing each other on hostile purpose intent, the men of the two countries, the descendants of the Bretons, Angevins, and Normans, who invaded England in the eleventh century, and the descendants of the Angevins, Normans, and Bretons, who peopled Canada in the sixteenth, will meet together, not to fight, but to hold the grand assizes of peace and commerce? I may not live long enough to see that day, but if my career should be sufficiently extended to allow me to take part in these assizes it will be a happy day to me. I shall attend them bearing with me my Canadian nationality, and I believe that I shall continue the work of Mr. Lafontaine and Sir George Etienne Cartier, and that the result will be all to the advantage of French Canada. Gentlemen, our situation as a country is full of difficulties, and those difficulties are no doubt immense. Still, there is nothing desperate about them. What this country needs above all is peace, concord, and union between all the elements composing its population. Let us show to the world that if we reverence the past, we also have a regard for the future. Let us show to the world that union does not mean absorption, and that autonomy does not mean antagonism.

That is why, my friends, I think this letter from Mr. Lesage was an exercise in semantics without real worth or meaning and introduced disharmony at a time when we all know there is urgent and pressing need for unity, and when we had hoped that this centennial celebration would enable us, all classes in this community, to reach across barriers and to find something which would bring us together in our common dangers and our common destiny.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I feel I should be more precise, as during the debate on Bill C-107, the senators—particularly those from Quebec—have been accused of not having protested against the use of the word "Nation".

If honourable senators will re-read what I said in 1961, they will see that I had stated that the best way to celebrate the centennial of Confederation was not to build monuments right and left if, by 1967, we had not achieved the unity and co-operation which should be practised by both our founding races.

The honourable senator who had the floor before me, the Honourable Mr. Grattan O'Leary said that in 1867 the British North America Act was passed in London.

It always has been my understanding that in 1967 we shall celebrate the centennial of that act, which brought together the then existing Canadian provinces. That is why, in 1961, we did not object to the word "Nation", nor demanded instead the term "Confederation" used today. In my mind, we are going to celebrate the British North America Act, adopted in 1867. At that time we did not yet enjoy the privileges of a free, independent nation, as we had to go to London to amend the act as matters stood in 1867. Similarly, when a case heard by our Canadian courts had to be concluded, we still had to go to the Privy Council. We saw what happened when we tried to mark the boundaries of the province of Newfoundland. A rather fantastic interpretation, as we see it, was given to what is to be called the shores of the St. Lawrence.

As far as I am concerned, here is how I have always thought and acted: When I cannot get one point today, I think that some day common sense will prevail, things will be made clear and today's imperfections will be corrected. Time is a great remedy. So, today, in 1963, we think that what has been an error is now being corrected. We have celebrated the tercentennial of Quebec city. Reference was made to Cabot, to Newfoundland and to other provinces. Finally, if we wish to celebrate the centennial of the nation and go back so far in history, it will not be one centennial, but rather several centennials that we shall have to celebrate.

In any case, I should not want that disputed word to create more discord in our country. I am not a separatist nor are my supporters. If you take a look at those who lead those organizations, you know their past record. It is not through secession that this country will prosper and develop.

I often give this as an illustration: I have been interested in co-operation for a long time. I began with Mr. Desjardins in 1906 when he founded his caisses populaires, which goes to show that I was not born yesterday, but at least the day before yesterday. If, for instance, you take the word "co-operation" and break it up, what does it mean? "Co" means "company", "associate". To co-operate means to act, that is to act with someone, not against someone. This is the best example I can give you: When we established the Caisses Populaires, and particularly when the depression came, in 1932, at the time the Federation was founded, people came to me, people who had never done a thing in their

lives to save their fellow-members, or to help them. They came to me asking me to talk against financial institutions, against the banks, the trusts, and against this person and that. No! You cannot build by destroying. Let us mind our business and we shall see, when we have become stronger and bigger, that things are going better.

When we founded our Fédération des Caisses Populaires in 1932, our assets were $8,600,000; we have now nearly 1 billion, and we came to that figure without hurting anyone, without destroying anyone. All the groups associated with us have continued to grow and we could work where those agencies could not. We have destroyed nobody.

What did we do in that co-operative movement throughout Canada? It seems to me that this could be an example to give to those who want to celebrate the centenary of Confederation. Remaining what they are, each year those groups of savings and credit co-operatives meet here and there across Canada. Although we speak different languages we understand one another because we have the same purpose: we want to help one another.

Sometimes we meet in Vancouver, sometimes in Saskatoon, Winnipeg, Toronto or in the Maritimes, sometimes even in Quebec, and it is then we discuss our problems, in order to construct, to build and not to divide.

I see therein the accomplishment of a great job, if definitely and effectively that spirit of co-operation which means to work with somebody, but not against somebody, is to be established. That is the objective we should reach as soon as possible. However, let us take care, for there are people who utter words which divide. In Quebec, we do not have a monopoly of these people who say silly things; there are some everywhere in the world. These are extravagant people who do not realize the full import of their words.

Let us work together. Personally, I speak French, you speak English, and sometimes I speak English in order to be better understood. But if all French Canadians were to disappear there would not be any Canada left. Let us not vanish, let us live together, each in our own way. Let us work to build a better and greater Canada which will continue to play its part in the world.

Those in authority must be very careful, because words are scrutinized and today, in the newspapers, words are taken out of context and their meaning altered in an effort to destroy. Now I ask our colleague, Senator Grattan O'Leary, who is a journalist, an authority, to convince not only newspaper editors, but ordinary newspapermen to tell the truth and to check their news reports in order not to increase difficulties and sow discord among us.

If we grow apart, if we hurt each other and if we destroy each other, what will Canada be in 1967? That would be terrible; that must not happen.

You, dear colleagues, who have lived, who know the human soul, the heart of man, you know that we are not made to destroy each other, to hate each other, because hate destroys. Neither are we made only to feel pride in our mind, because pride has always destroyed those who harboured it in their mind, their culture and their thoughts. But, one thing is better than that, it is the virtue of charity, of love. Co-operation is the modern way to practise that great principle of love given to us by Christ over two thousand years ago, when He said: Love thy neighbour and help thy neighbour.

Hon. Jacques Flynn: Honourable senators, I believe this bill, which, all things considered, is not too important, has raised some comments concerning various problems, but it is not my intention at this time to deal with all matters that might have something to do with good understanding in this country.

However, the meaning of some of the speeches we heard this afternoon should not be misunderstood.

I always find Senator Vaillancourt interesting when he is expressing his faith in co-operation, a faith which I fully share. Nevertheless, I would not like to see his speech interpreted as a reproach addressed either to Senator Grattan O'Leary or Senator Pouliot, both of whom criticized the attitude taken by the premier of the province of Quebec in the circumstances.

The only reason for this bill is a matter of semantics, of word interpretation. In French, the word "nation" has two meanings. It means both a state and an ethnic group. In English, the word "nation" refers practically all the time to a state, while it has those two meanings in French.

Recently, I read a definition given by a French jurist according to whom income tax is the contribution made by each and every

citizen to pay for the nation's expenditures. It is quite clear that the word "nation" is to be understood here as meaning the state.

The British North America Act most definitely established a state in 1867, a state which now includes ten provinces. If such a state fits the definition of a nation, we could say that it is the national centennial that we will celebrate in 1967.

Now it is true that there is a discussion going on at present in the Province of Quebec concerning the meaning of the word "nation". Naturally, certain purists refuse to use that word to describe a state. This is a problem of minor importance in semantics. I fail to understand why, for a simple question of words, the Quebec premier has seen fit to write first to the former prime minister and then to his successor to inform them that:

> Unfortunately, a serious problem has until now made impossible any agreement with the federal government.

That is what I am protesting against. We are making a mountain out of a molehill and that confuses our fellow citizens of the other provinces. That is what I find serious, for there are major problems which have priority over difficulties of this nature. How could there be agreement when equal importance is given to all kinds of problems and when ultimatums are delivered for nothing at all?

We will not object to this bill. We will let it pass. However, if the Quebec premier had taken the same attitude as the sponsor did this afternoon, if he had suggested those amendments with a smile and if he had made it clear that there was no question of refusing to sign an agreement with the federal government, this debate would probably not have been necessary. Furthermore, the co-operation that Senator Vaillancourt speaks about is not a one-way street and if everybody recognized that we would be much closer to achieving it.

Hon. Gustave Monette: Honourable senators, I should like to add a few words. We are in a fine spirit of enthusiasm and we all agree that it is a question of words and interpretation which led us into this discussion. But, to come back to what happened, it gave us an opportunity to realize through words and discussions that we are in agreement on the essential issue.

But some things should have been better spelled out by the Quebec premier and some others before attacking them, in order to act like the good sugar-maker who knows so well how to mix his juice, his water and his heat to make a good tasting sugar.

What I mean is that the idea of celebrating a centennial has to do, first, with the centennial of a people, in both versions: the one accepted in 1961 and the one being proposed today. We are dealing with a centennial which is indeed the centennial of Confederation. In a sense, it is also the centennial of the nation. But confederation made things clearer; it was the nation or the union, the Confederation Act. It was also a union, but under the name of confederation and, to get straight to the point, it was decided to unite the provinces to form but one nation. There you had a nation, and in the best sense of the word, in the sense that was recognized by all: a nation, a state. That is made up of people described as a nationality. The nation is composed of territories, which were the provinces at the time, and that is what we want to celebrate today: confederation.

Consequently, it is the establishment of a new nation, the centenary of Confederation, of the events that occurred 100 years ago, that we will celebrate in 1967.

If we, on both sides of the house had taken the trouble of considering the matter together without concerning ourselves with the reaction of the press, if we had done that right from the start we would certainly have understood that what we will celebrate in 1967 is the centenary of what some people call Confederation, but which, at the beginning, was nothing but the union of various provinces which in fact and in law were bound together by a constitutional statute enacted by Great Britain. Those various states, nations or provinces—call them whatever you want—united to form a single country which was described as a nation or a confederation.

At the time, Quebec had been inhabited for quite some time by the first people who came over here. We know nowadays that that is not the case and that others had been there before that. There was the state of Quebec. There was Nova Scotia. There were settlements here and there, including Ontario, which was developed after the conquest. English people came here to establish the Province of Ontario besides Quebec.

Now, at one time, all those settlements were united to form a state or province which was at first a colony of Great Britain. It was the grouping as provinces of people of two nationalities. This existed in 1867, with New Brunswick, in addition, which had its own constitution; Nova Scotia also had its own constitution, and then Quebec and Ontario,

with their own constitution too, known as the Act of Union which was subsequent to earlier constitutions. It was the Lower and the Upper Canada, that is, the Province of Quebec and the Province of Ontario. But this existed under British charters. The Province of Ontario was established next to the Province of Quebec. At a certain time, both provinces were united under the Act of Union. All those territories existed before, with the social and political life of the various groups that had come here from England and elsewhere, a group that was not federated, not yet united in one nation. Then, this new constitutional act was obtained from England, the Act of Union of both Canadas.

And after all this, the 1961 Parliament proposed to celebrate the centenary. The centenary of what? Well, the centenary of what had been formed in England, in 1867, through the joining up, by means of confederation, of all those diverse colonies, having their own rights, their own political entity, under different names. Such is the centenary that they intended to celebrate. It was not the Quebec people's centenary; they had been here for a much longer time than that, but they were not a nation that had been recognized by England on those grounds, that is a political state independent from England.

Then, if people everywhere had taken trouble, especially those who direct the opinion outside the house, those who write about that; if everyone had consulted the others, especially those who are experts and who could express their opinion, then no question would have been raised about that word. I do not think there is someone in this house who has the idea, let alone the desire, that these words of "national", "nation", "union" or even "confederation" could lead us to stifle the aspirations or the rights of French Canadians or of the Maritime Canadians, or to give precedence to some over others.

However, this does not mean that there does not remain a few individuals—and I am courageous enough to say so—who still want to mute the French language in Canada. Fortunately, they are not many. Moreover, they will never succeed in changing the course of events.

I would like to quote this beautiful saying of Sir Wilfrid Laurier, which was conveyed to us by the hon. Senator Grattan O'Leary a short while ago. He reminded us that, at the beginning, in America, the Normans had a great and primordial influence. I do not say that no others came, but the greater influence came to us from the Normans and the others who came from the coasts of France, from the French provinces of Anjou, Poitou and Brittany, common source of the Bretons of England and France. I apologize to the honourable senators, because I am at a time when my memory fails me and when I can hardly find the appropriate words. At this time, God allows me to express my opinion, by fits and starts, but I shall try and go on.

Well, it was the Normans and those they brought with them who came here to build in Canada, but who went first to England and extended their rule there. They were responsible, not for having ruled the English who were there, but for giving the various English groups scattered all over the great island—England—the opportunity to gather and stop quarrelling, because there were different royal and political groups in England. It was the Northmen who put an end to that situation. Then they settled there. Others went somewhere else. Some crossed to France. In any event, that made possible for some time excellent relations between France and England. But I shall not undertake to recall that here today.

I will close by saying that if you look deeply into our history, you will find that we Canadians have benefited, and are still benefiting, from the cultural wealth and the political meaning of two nations which faced each other across the Channel and fought each other and finally made their peace. That enabled France to play her role on the continent, and England kept on playing hers on the British Isles and on the high seas. Then, when all that was over, people came here from France and England and it can be said that this first immigration policy was initiated by France. Afterwards, the English came and they helped us. From a minority, they have now become a majority.

Well, let us understand the present situation, let us understand the meaning of the words and let us remember that the Confederation Act has been enacted to unite those different states, that is those different provinces, those people of different languages, of different origins, so as to fuse them into one single nation, one single state, where the rights of each of the provinces would be respected. It is in this sense that we have been confederated.

Soon in Canada we will reach the centennial of the Imperial Constitutional Act which has united us together; it is truly confederation which has made all our groups into one single nation. Therefore, the word national was appropriate in the first act of 1961. If we replace it today by the word confederation, it is still appropriate provided however that we do not lend it the wrong purpose of an awakening of quarrelsome feelings between the two races, to precipitate them one against the other.

(*Text*):

The Hon. the Acting Speaker (Hon. Mr. Croll): I must inform honourable senators that if the honourable Senator Gouin speaks now it will have the effect of closing the debate.

Hon. L. M. Gouin: Honourable senators, it seems to me that at this stage of the session it is not possible to accept the suggestion which has just been made by Senator Monette to form a committee to discuss further the use of different words we find in the original bill of 1961, and which we find in the bill now before us. Moreover, there is no formal resolution for the formation of such a committee.

I would like to say a few words to thank all honourable senators who have spoken in answer to the motion which I have laid before this house.

The first to speak was Senator Blois, who is not presently in his seat, and who seemed to have been under the impression that I was not considering Nova Scotia as forming part of Canada as much as Quebec. That was furthest from my mind. I said that the good people of New Brunswick and of Nova Scotia were welcome partners, that they brought to us those year-round seaports of which we all know, and that they gave to us some of the best elements of our population. I cannot forget that Port Royal was founded in 1603, even before our good old City of Quebec.

As to the question of the discoveries by Jacques Cartier and John Cabot, I had done my very best to avoid any difficulty by referring to Jacques Cartier as the discoverer of New France, but my good friend from Nova Scotia (Hon. Mr. Blois) was under the impression that I was ignoring John Cabot, and in a certain sense, I did not think it was absolutely necessary to bring him into this picture.

I now want to turn to my excellent friend and comrade, Senator Pouliot. In a certain way he has broken my heart, but at my age I am used to what I would call trials and sorrows. He gave me the impression that I was advocating a ridiculous bill. So I have to come back again quite seriously to the bill which I have sponsored and say it may be considered very good, or not so good, or perhaps not good at all, but I believe that under the present circumstances, circumstances for which I am in no way responsible, it is what I call a necessary remedial piece of legislation. I was brought up in a spirit of compromise, and just now in Quebec there is an awakening which is not due to me in any way. I have no merit in this new spirit which is now prevailing and which will require from every one of us all the good will of which we are capable.

There is a tremendous force afoot now that Quebec is on the march, and my most anxious desire—I am sure you will share my feeling—is to try to harness that tremendous force so that it will become a source of energy like our tremendous water powers instead of working what I call a havoc in our national life. In a certain sense we must have no illusion about it: the situation at certain moments in Quebec is simply explosive.

I am a man of good will, I am a peace lover, but it is very important to learn the voice of the people who have what I would call a sound and moderate patriotism. We are not extremists in any way, and generally speaking there is very little difference between the senators on this side of the house and those, like my honourable friend Senator Flynn, on the other side. I thank Senator Flynn for the remarks which he has made concerning the way in which I introduced this bill, appealing to your spirit of conciliation, asking you even to make a certain sacrifice, not to capitulate before an ultimatum. I must say that I dislike very much the word "ultimatum" just as I dislike the thing itself, but I cannot say that we find anywhere in the language of Mr. Lesage the word "ultimatum". Sometimes the journalists put that word in his mouth. His requests may have been formulated with some energy, but quite often we have found the same requests coming from other provinces. For instance, we hear some requests from the very distinguished premier of Ontario, Honourable Mr. Robarts, for whom I have the greatest respect, and from Honourable Duff Roblin, the premier of Manitoba, who is entitled to all my esteem. I would feel exceedingly sorry if the Government of Quebec rightly, or in some cases perhaps wrongly, asks for something that could be considered as being almost a form of blackmail.

Bruce Hutchison had published in the Ottawa *Journal* an article in which he stated that Mr. Lesage was now riding a tiger. I

believe this expression is not at all exaggerated. He is at the head, so to speak, of that formidable torrent, which is always a great force that can be used for great things. But if at a given moment what I would call the lunatic fringe of the separatists in Quebec were to take control of the situation, then it would run completely out of hand.

I want to pay my deepest respects to Honourable Grattan O'Leary. He is surely one of the greatest orators now living in Canada, and I feel very humiliated to answer him in such simple words without any literary ornaments. He has referred to my late father. For myself, I am in the position of a man who bears the name of Mercier and the name of Gouin, a man who has always done his very best to serve his country. I never expected to found a dynasty and I am only, so to speak, a shadow of my father and of my grandfather.

I too have read the *Debates on Confederation,* and I am as proud of my Canadian nation as is my good friend Senator O'Leary. I know that the Fathers of Confederation were seeing a nation in that new state, though at that time it was not in any sense a sovereign state. Yes, they were seeing in it a new nation.

I would say that in 1867 the decisive step was taken in our evolution towards full nationhood. We sometimes engage in a quarrel about the meaning of words. In all our system of scholastic philosophy we always begin by the definition of terms, and if that had been done then in the Parliament of Canada I believe that today matters would have been greatly simplified.

So, honourable senators, before taking my seat, I appeal once more to your sense of patriotism, and on behalf of Quebec I ask you very respectfully, I pray you, to make to us that further concession and thus make sure that Quebec will not be absent from the celebration of the centenary of Confederation. In this way, as Confederation was born out of compromise, it will survive through compromise. I am quite sure that the mission of the Senate of Canada, under these present very serious circumstances, is precisely to be the champion of the survival of our Confederation, of our country, being, as I said at the beginning, one and indivisible.

Motion agreed to and bill read second time.

THIRD READING

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

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

Hon. Mr. Macdonald (Brantford): With leave of the Senate, now.

Hon. Mr. Gouin: I would be most thankful to all my honourable colleagues if they would consent to third reading now. We are in the last days of the session, and it is a matter of urgency. If there is general consent, I move third reading of the bill now.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

SECOND READING

Hon. John J. Connolly moved the second reading of Bill C-127, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January 1962 to the 30th day of June, 1964, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: Honourable senators, I cannot promise this bill will carry the close attention as that carried in the debate on the bill just passed. It is a bill of the type that comes before Parliament annually, and but for the incidence of two elections would have been considered last year.

As the title indicates, the bill deals with the capital and some operational requirements of the Canadian National Railways system. Perhaps it would be more convenient, especially at this stage of the session, for me to deal with it section by section rather than in the normal way of dealing with bills, particularly financial bills. I should also say at this stage of my remarks that, under normal circumstances, when such a bill passes second reading in the Senate it is referred to the Standing Committee on Transport and Communications. There the officials of the railway system appear for the purpose of explaining various aspects of their operations, and particularly of their financial requirements. If honourable senators desire to have this bill referred to the committee, the officials of the Canadian National Railways system would be available.

Hon. Mr. Macdonald (Brantford): When, tomorrow morning?

Hon. Mr. Connolly (Ottawa West): Tomorrow, if necessary.

At the outset I must say that the period to be covered is one of two years, not one. In other words, the calendar year 1962 was not dealt with by Parliament last year, and it is now necessary to deal with both 1962 and 1963.

In section 3 the gross capital expenditures which the system is authorized to make in 1962 are set out as $156,500,000, and for the calendar year 1963, $157 million.

Section 3 (1)(b) deals with requirements for the first six months of 1964. This is the time of year when the cash requirements of the railway system are short, and to enable the system to operate provision is made here to meet expenses that become due in the period up to July 1, 1964, based upon commitments that were made by the railway company earlier. There is a ceiling on the amount that can be spent in this period. It is expressed in that section to be $56 million, and covers not only the requirements of Trans-Canada Air Lines but also obligations incurred by the Canadian National Railways.

Section 3(1)(c) of the bill authorizes the C.N.R. to enter into contracts in the first half of 1964 for the acquisition of new equipment and for general additions and conversions. These are new commitments that can be made in the first half of the year. As expressed in the section, the ceiling on this financial operation is $31.2 million. Of course, whatever is done under the authority contained in this subsection will be recorded and explained to Parliament when the subsequent bill is introduced at the next session.

The remaining subsections of section 3 are simply a consequence of the powers that are conferred by the subsection I have been discussing. Power is given to the railway company to borrow money. A duty is imposed to report upon the amount of money borrowed, and the purposes for which it was borrowed. It is provided that the amount which is payable under contracts entered into pursuant to the proposals contained in the earlier sections shall be included in the budget of the C.N.R., and it is re-affirmed that the ceilings which are imposed by subsection 1 shall be observed.

I now come to section 4 of the bill which is also consequential upon the provisions in section 3. It empowers the railway company to issue debt securities for borrowing or advances under section 3 of the bill for the requirements of Trans-Canada Air Lines. This is a function that is performed, not by T.C.A. but, by the C.N.R. This section also provides that the amounts which are available for depreciation accruals shall be applied to the expenditures which are made under section 3. The ceiling on issues of debt securities by the Canadian National Railways under this section for the use and benefit of T.C.A. shall be $31.8 million.

Sections 5 and 6 of the bill deal with the responsibilities and the powers of the Minister of Finance in regard to the financial operations that I have been describing. Section 5 deals with the guarantees which may be given by the Government of Canada to support the debt securities issued by the Canadian National Railways. It also provides for the method of signing such guarantees. Section 6 authorizes the minister to make the loans required by Trans-Canada Air Lines to the extent of the ceiling imposed by section 4, which I have already said is $31.8 million.

I should say that these moneys which may be required by way of loan by Trans-Canada Air Lines are separate from the C.N.R. requirement. The Canadian National system will not require loans authorized in this section.

Section 7 authorizes the Canadian National to assist in the financing of the requirements of its subsidiaries. According to the annual report of the railway company issued for 1962, the Canadian National has some 37 subsidiaries. It is empowered by this section to assist any one of these in respect of its financing.

Section 8 has been in the act for some time. There is no change in this section as it appeared in the last bill of this kind. It deals with procedures and the method of handling the proceeds of bond issues authorized under the bill. It provides that these moneys can be paid into the Consolidated Revenue Fund or into a trust account for the benefit of the railway, which trust account can be opened with the chartered banks. It is simply a mechanical section which I think should give the Senate no concern.

Now, having advanced with the bill as far as the end of section 8, I should preface my remarks on some of the subsequent sections by saying that heretofore I have been talking generally about the arrangements to provide the capital requirements of the railway including Trans-Canada Air Lines.

Section 9, however, deals primarily with the operating side. It deals mainly, of course, with deficits. Section 9 first of all provides that advances can be made in the first six months of 1964 to cover deficits incurred in the operation of the system. The authority in the section is the authority to make the advances. There is no ceiling imposed in this section, as was the case with the comparable section which deals with the capital requirements, because the need for money by way of loan or advance for exceptional purposes is seasonal. Furthermore, all of these advances are to be repaid out of revenues generated by the system and its subsidiaries. The same considerations apply for this requirement as did for the capital requirement mentioned earlier, namely, that in the earlier part of the year the system is usually short of cash.

Section 10 contains the same provisions in respect of operating deficits in the first half of the year in respect of Trans-Canada Air Lines. I need not repeat what I have said about the earlier section in mentioning this one.

Section 11 is an entirely different matter. In legislation passed by Parliament in 1952 the Government of Canada was authorized to lend to the Canadian National Railways system the sum of $100 million. That was a 20-year loan, and the legislation provided that it would be interest free for a period of 10 years. This section extends that 10-year period by a further two years to the end of 1964. I understand that the rate originally proposed for this loan, and which was forgiven for a 10-year period, was approximately 3⅞ per cent, set by order in council some years back. The purpose in extending the moratorium on interest on this $100 million loan is to enable whatever implementation is intended arising out of the report of the royal commission generally referred to as the MacPherson Report, and upon which I would think some action can be expected in the new session to begin early in 1964. In any event, there is an item on the Order Paper in the other place which purports to deal with the MacPherson Report.

Section 12 provides authority for the Minister of Finance on behalf of the Government to continue to buy 4 per cent preferred stock of Canadian National Railways. I think I am right in saying that it was as a result of the report of the royal commission a number of years back, called the Turgeon Commission, that the Government of Canada was authorized to buy annually a certain amount of the preferred stock issue of the Canadian National Railways.

The ceiling placed upon the amount of those purchases was approximately 3 per cent of the gross revenue of the railway system. The Government has been buying such stock at the rate of approximately $20 million a year. The section provides authority for that practice to continue until the end of 1964.

Section 13 also is unrelated to the other sections of the bill. The 1955 act dealing with the Canadian National Railways approved a ceiling on refunding of $200 million and authorized the company to borrow to that extent. In 1961 this authority was increased to $230 million, and this amount was used for refunding purposes. In February 1963 an issue of $250 million matured. This issue was paid by the Government of Canada. While there are no plans afoot to issue debt securities to cover that refunding, the section provides that if at any time it is deemed desirable to issue new bonds in place of those that matured and were redeemed by the Government, that course of action can be taken. In the meantime, of course, the money advanced by the Government when the loan matured draws interest at the rate of approximately 3.7 per cent. It is a calculated interest rate based upon the average rate of treasury bills over a period of six months.

Section 14 of the act provides for the appointment of the accounting firm of McDonald, Currie & Co. of Montreal, to be the auditors of the system for 1963. The reason for this section arises again from the fact that last year it was not possible to have a bill of this kind come before Parliament. Some years ago Mr. J. H. de Lalanne, who was originally a partner of McDonald, Currie & Co., and who was appointed to be the auditor of the Canadian National Railways, retired from his firm. He made an arrangement whereby the firm would continue the work for which he was appointed. It is now necessary—and I believe it has the concurrence of the Government—to confirm the fact that that arrangement was made, and that McDonald, Currie & Co. should be officially declared to be the auditors of the system for the year 1963. They have done the work. I am informed they have done it to the complete satisfaction of the railway. Of course, their services will be required when the accounting procedures are explained to Parliament at the time of the next annual bill.

I apologize for the length of time I have taken in explaining this measure. I have tried to do it slowly because, frankly, it is not the kind of bill that one absorbs quickly. If there are questions that I can answer, I shall be glad to do so.

Hon. Orville H. Phillips: Honourable senators, I cannot quite decide whether I am fortunate or unfortunate in following Senator Connolly (Ottawa West). I am fortunate in that I have had the benefit of his detailed explanation of this bill, and I am unfortunate in that he left me very little to say about it. When I note the hour perhaps I can consider myself fortunate.

As was stated, this is the usual annual bill. The bill this year incorporates two years' expenditures, and this is due, of course, to elections which interfered with the normal business of Parliament. It is my hope that the bill will be presented earlier next year because, after all, we are authorizing an expenditure of money that has already been spent.

The amount of money to be authorized raises the question of the re-financing and re-capitalization policy of the C.N.R. The President of the C.N.R., before the House of Commons sessional committee this year, renewed his statement in favour of a new capitalization

policy for the railway. The Minister of Transport takes the view that this is a matter for the Department of Finance. Personally, I am very doubtful that two Gordons could devise an adequate financial policy. Most people take the viewpoint, honourable senators, that if one Gordon's financial policy is unfortunate then two Gordons working together on a financial policy would be disastrous.

I personally would like to see the problem of the re-financing of the C.N.R. studied at least by the Department of Transport. They have an experience and an understanding of our transportation problems that I do not think is possessed by the people in the Department of Finance.

At this hour I will follow the example of Senator John M. Macdonald who yesterday gave us a very good policy for this time of the year when he stated he would not drag out his remarks. We on this side have no objection to this bill, but we hope the Government will give further attention to the problem of re-financing the C.N.R., and that the policy will be carried out by both the Department of Finance and the Department of Transport. If it is insisted that this policy be carried out by the Department of Finance, then the Government should wait until imminent changes in the ministry have occurred.

Motion agreed to and bill read second time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CUSTOMS TARIFF

BILL TO AMEND—THIRD READING

Hon. W. Ross Macdonald, for Hon. Austin C. Taylor, moved the third reading of Bill C-129, to amend the Customs Tariff.

Motion agreed to and bill read third time and passed.

REPRESENTATION COMMISSIONER BILL

THIRD READING

Hon. C. G. Power moved the third reading of Bill C-126, respecting the office of Representation Commissioner and to effect certain consequential amendments to the Canada Elections Act.

Motion agreed to and bill read third time and passed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, December 19, 1963

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

Prayers.

PRIVATE BILL

THE PHARMACY EXAMINING BOARD OF CANADA—COMMONS AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill S-7, to incorporate The Pharmacy Examining Board of Canada.

Hon. Harold Connolly moved that the amendments be concurred in.

He said: By way of preface may I extend my Christmas greetings to all honourable senators.

Bill S-7 was sponsored by Senator Kinley, but my speaking to the amendments today has no political implications whatever. It may be that the task has devolved upon me because I am one of Senator Kinley's political godchildren, but in the purely impersonal and nonpartisan sense.

These amendments are four in number. It will be remembered that this bill was sent to the appropriate committee of this chamber, was approved by that committee and reported back to the Senate, was given third reading here and was sent to the other house.

The bill, however, met a little different reception in the other place. The four amendments are not of vital consequence, except I think it can be said that they do add something to the strength of this bill. The first one is to clause 5, paragraph (a) which is to be found on page 2. The paragraph reads as follows:

> to establish qualifications for pharmacists, acceptable to participating licensing bodies and recognizable as the highest in Canada.

The amendment is to strike out the words "and recognizable as the highest in Canada". This amendment is made because the Quebec Pharmaceutical Association is not a member of what might be regarded as the parent organization, and it was felt in the other place that the words "and recognizable as the highest in Canada" might be presumptuous, and certainly not necessary.

Amendment No. 2 affects section 10 at the bottom of page 3. It deals with withdrawal from participation in this Canadian Pharmaceutical Association. The amendment reads as follows:

> Any licensing body which is not a participating body may after the coming into force of this Act, if authorized by resolution, enter into an agreement with the Board to become a participating licensing body.

That of course is self-explanatory and requires no amplification from me.

The next amendment applies to clause 12, page 4, and is an addition to the language of the clause. It reads as follows:

> (c) has been determined to be mentally incompetent under provincial law, and any person whose name has been removed from the register pursuant to this subsection shall have the right to appeal to the Exchequer Court of Canada for revision and the decision of the Court will be final and binding on all parties.

There was of course the ordinary right of appeal but this provides a specific place for the appeal, namely, the Exchequer Court of Canada.

Hon. Léon Méthot: May I ask a question? I understand that in the Province of Quebec the Superior Court has jurisdiction over any of those boards. Also, in my opinion the Supreme Court of Ontario has jurisdiction in that province. I agree that such jurisdiction should exist in regard to anything which is passed by a board. Why should we give this jurisdiction to the Exchequer Court, and without any appeal to the Supreme Court? This is a matter of very great importance for any interested person.

Hon. Mr. Connolly (Halifax North): I am neither a prophet nor a mindreader. I was not present at the House of Commons committee sittings when this change was made. I recognize that we here retain all our constitutional rights to do anything we want to do. We can accept or reject these recommendations. Personally, I have no fault to find with the proposal to lay the appeal before the Exchequer Court of Canada. I do not need to tell the honourable senator that it is a highly reputable and honourable court and I am sure any appeal there would be dealt with fairly and reasonably. Actually, I do not see anything wrong with the proposed amendment.

Amendment 4 is to add a new clause 18 at the very end of the bill. The clause 18 reads:

> This Act shall not apply to any province unless the licensing body thereof has, by resolution, requested such application thereto.

There is nothing mandatory about this at all. Although I often differ with the views expressed in the other place, I can find no reason to fault them on this occasion.

Hon. Mr. Burchill: May I ask the sponsor of the bill a question? I am not quite clear on the second amendment, which is to change section 10. As I understand the honourable gentleman, there is nothing now in the amendment to permit a participating body to withdraw.

Hon. Mr. Connolly (Halifax North): Let me read the amendment again. It says:

> Any licensing body which is not a participating body may after the coming into force of this Act, if authorized by resolution, enter into an agreement with the Board to become a participating licensing body.

Now, my honourable friend's point is that there is nothing in the bill which enables one to withdraw.

Hon. Mr. Burchill: Is that right?

Hon. Mr. Connolly (Halifax North): Well, I think it is implied.

Hon. Mr. McCutcheon: What is the amendment, 10(3)?

Hon. Mr. Connolly (Halifax North): No one has to remain a member of this Canadian board, as evidenced by the fact that the Canadian Pharmaceutical body is not a member of this board.

Hon. Mr. McCutcheon: But subsections 1 and 2 of section 10 now provide the machinery for a person to withdraw and subsequently to be removed. What is the amendment? Does it strike out 10(1) and (2), or is it 10(3) we are talking about?

Hon. Mr. Connolly (Halifax North): It is 10(1).

Hon. Mr. McCutcheon: It strikes out 10(1)?

Hon. Mr. Brooks: It changes 10(1).

Hon. Mr. McCutcheon: Then it means you cannot withdraw, once you are in.

Hon. Mr. Burchill: That is the point.

Hon. Mr. McCutcheon: I agree.

Hon. Mr. Burchill: How can you withdraw?

Hon. Mr. Taylor (Westmorland): There must be some provision for them to withdraw, because 10(2) says:

> Any licensing body which has so withdrawn may apply to the Board for reinstatement—

Hon. Mr. Brooks: But that is based on 10(1).

Hon. Mr. McCutcheon: Yes, that is based on 10(1).

Hon. Mr. Connolly (Halifax North): I do not wish to misinform the house. I was perplexed as to the question which came from Senator Burchill. The present clause 10(1) deals with withdrawal from participation.

Hon. Mr. McCutcheon: Right.

Hon. Mr. Connolly (Halifax North): And it provides the right to withdraw by any organization upon giving the board six months' notice of its intention to do so. Now, the additional clause 10(2) provides that:

> Any licensing body which is not a participating body may after the coming into force of this act, if authorized by resolution, enter into any agreement—

So as I see it, both cases are covered. I believe I told the house this removed the original clause 10. That is not so.

Hon. Mr. McCutcheon: Then this is 10(3)?

Hon. Mr. Connolly (Halifax North): That remains.

Hon. Mr. McCutcheon: It would be very helpful if we had the amendments in front of us.

Hon. Mr. Macdonald (Brantford): I believe the amendments appear in the *Minutes of Proceedings of the Senate* for Tuesday.

Hon. Mr. Roebuck: May I ask a question with regard to appeals? Are not the appeals, to which my friend referred, from boards set up by provincial legislation? Because our appeals, for instance, from the Tariff Board, which is constituted by dominion legislation, are not to a provincial court, but rather to the Exchequer Court, and this board, so far as law and constitution is concerned, is being constituted by this Parliament as was the Tariff Board. Therefore, the appeal should be to the Exchequer Board, as stated by my friend.

Hon. Mr. McCutcheon: That makes it worse, because it means there is no provision for withdrawal. I now take it, and I am sorry I had not read it before, that the provision for withdrawal is eliminated, and all that is left is provision for a new body to come in.

Hon. Mr. Connolly (Halifax North): I have failed to make myself clear. The clause for withdrawal from participation remains in the bill, as at the bottom of page 3, and there is added the additional clause of participation.

Hon. Mr. McCutcheon: The Clerk has just sent me a note to say that it is really clause 10(2). As printed here, it is clause 10(1).

Hon. Mr. Macdonald (Brantford): That is right; it is a mistake in the printing.

Hon. Mr. McCutcheon: That is right. I am not blaming you, Senator Connolly, for the mistake in the printing.

Hon. Mr. Connolly (Halifax North): The clause in the bill as I have it before me, reads as follows:

> A participating licensing body may by resolution withdraw from participation in the activities of the board upon giving the board six months' notice of its intention so to do and in such event the term of office of its representative on the board shall expire at the end of such period of notice.

Hon. Mr. Brooks: That will remain as it is?

Hon. Mr. McCutcheon: Yes, that will remain.

Hon. Mr. Connolly (Halifax North): It will remain.

Amendments concurred in.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

> Exchange of Notes revising the agreement of March 27, 1951 in order to provide for co-operation between Canada and the United States of America in joint civil emergency planning. Signed at Ottawa 15th November, 1963. Entered into force 15th November, 1963. (English and French texts).

CURRENCY, MINT AND EXCHANGE FUND ACT

BILL TO AMEND—THIRD READING

Hon. T. D'Arcy Leonard moved the third reading of Bill C-106, to amend the Currency, Mint and Exchange Fund Act.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-127, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1962 to the 30th day of June, 1964, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Motion agreed to and bill read the third time and passed.

INTERNAL ECONOMY

REPORTS OF COMMITTEE

The Senate proceeded to consideration of the ninth, tenth, eleventh, twelfth and thirteenth reports of the Standing Committee on Internal Economy and Contingent Accounts.

NINTH REPORT ADOPTED

Hon. John J. Connolly, Chairman of the committee, moved that the ninth report of the committee be adopted.

He said: Honourable senators, I wonder if I might have permission to speak to the first four of these five reports at this time, rather than speak to them individually?

The Hon. the Speaker: Honourable senators, is it agreed that the honourable Senator Connolly be permitted to speak on four of the five reports at this time?

Hon. Senators: Agreed.

Hon. Mr. Connolly: Honourable senators, yesterday a meeting was held of the Standing Committee on Internal Economy and Contingent Accounts. As a result of the decisions taken at that meeting I believe all the members of the committee present left with a rather heavy heart. That was because the Senate is about to lose by retirement four very valued employees. I think it only appropriate that some reference be made to the services they have performed for this institution over the years.

The first of these employees is Mr. Paul LaRocque, Chief of French Minutes and Journals. Mr. LaRocque was originally secretary to Senator Dandurand, one of the great figures of the Senate of Canada. Mr. LaRocque has been for 30 years on the staff of the Senate; he has been meticulous in his work, and he has performed his duties faithfully. I am sure I speak on behalf of all members of this chamber when I say that we are not only grateful for the service he has performed, but we regret that the time has now come for him to start on his well-earned retirement.

The second of these officials whom we are to lose after the turn of the year is Miss Ishbel Hutton, Chief of English Minutes and Journals. I do not want to talk about age, for I am speaking about a lady! However, I can say that Miss Hutton has been in the public service for a good many years. She was originally in the Department of Finance. Subsequently, she was secretary to the Law Clerk of the Senate; and since 1955 she has been Chief of the English Minutes and Journals. I do not think we have had a more conscientious, a more loyal, a more efficient

official of the Senate than Miss Hutton. I know that everyone who had any association with her in the work of the Senate will feel that we are suffering a great loss in her retirement.

The third of this group to retire is Mr. F. S. Lawrence, who has been a Senate reporter since 1953. Prior to that, from 1949 to 1953, he was on the committees reporting staff of the House of Commons. Mr. Lawrence has done his work faithfully and conscientiously, and I know that once again I express the views of all honourable senators when I say that we wish him well in his retirement.

The fourth of these officials is Mr. Harvey Armstrong, who has been Chief Clerk of Committees of the Senate since 1951. Mr. Armstrong has been an employee of the Senate since 1920. He has had some 43 years of service to this institution. Throughout his career, as all honourable senators know, in his various capacities he has been at all times courteous, efficient, and has been most helpful not only to senators individually but to the committees for which he has worked.

In my view one of the important functions of this chamber is performed by the work of its committees. I think the committee system as it is run here has been successful over the years, due in great measure to the kind of people we have had in the committees branch. Mr. Armstrong as chief of that branch has had a great deal to do with the success of its work. He has met the public; he has dealt with the public in a way that has done credit both to himself and to the Senate. Honourable senators, Mr. Armstrong has deserved the right to retire which he now exercises, and I know we all wish him well in his retirement.

TENTH REPORT ADOPTED

Hon. Mr. Connolly (Ottawa West) moved that the tenth report of the committee be adopted.

Motion agreed to and report adopted.

ELEVENTH REPORT ADOPTED

Hon. Mr. Connolly (Ottawa West) moved that the eleventh report of the committee be adopted.

Motion agreed to and report adopted.

TWELFTH REPORT ADOPTED

Hon. Mr. Connolly (Ottawa West) moved that the twelfth report of the committee be adopted.

Motion agreed to and report adopted.

THIRTEENTH REPORT ADOPTED

Hon. Mr. Connolly (Ottawa West) moved that the thirteenth report of the committee be adopted.

Motion agreed to and report adopted.

The Senate adjourned until tomorrow at 3 p.m.

28906-6—62

THE SENATE

Friday, December 20, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. W. Ross Macdonald tabled:

Report of the Superintendent of Insurance for Canada on Co-operative Credit Societies for the year ended December 31, 1962. (English text).

Report of the Superintendent of Insurance for Canada on Small Loans Companies and Money-Lenders for the year ended December 31, 1962. (English text).

Report of the Superintendent of Insurance for Canada on Loans and Trust Companies for the year ended December 31, 1962, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C. 1952. (English text).

Report of the Minister of Finance on the state of the Unemployment Insurance Fund as of 31 March, 1963 and of the transactions under section 86 of the Unemployment Insurance Act for the year ended 31st March, 1963, pursuant to section 87 of the said act, chapter 50 of the Statutes of Canada, 1955. (English text).

Report for the Department of Labour for the year ended March 31, 1963. (English text).

THE ROYAL ASSENT

JUDGES ACTING AS DEPUTY OF HIS EXCELLENCY—INQUIRY ANSWERED

Hon. W. Ross Macdonald: Honourable senators, a few days ago honourable Senator Pouliot asked me a question as follows:

> What puisne judges of the Supreme Court of Canada have come to the Senate as Deputy of His Excellency the Governor General to give the royal assent?

Honourable senators, I have had the records searched on this question and find that only four members of the Supreme Court of Canada, as now constituted, have at one time or another served as the Deputy of His Excellency the Governor General for the purpose of royal assent. These are: Honourable Robert Taschereau, Chief Justice of Canada; Honourable John Cartwright; Honourable Gerald Fauteux; Honourable Wilfred Judson.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, there is no business on the Order Paper for today but we are expecting a number of bills from the other place. The first bill which we expect to receive is in connection with the World's Fair which, I understand, is now being considered in the other house. We may get it within an hour.

May I suggest that the Senate rise now to resume at the call of the bell, at approximately 4.30 p.m.

The Senate adjourned during pleasure.

At 5.15 p.m. the sitting was resumed.

THE CANADIAN WORLD EXHIBITION CORPORATION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-120, to amend the Canadian World Exhibition Corporation Act.

Bill read first time.

SECOND READING

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

Hon. J. Eugene Lefrançois moved the second reading of the bill.

He said: Honourable senators, before beginning my remarks on this bill may I be permitted to point out the amendments that were made to the bill in the other place late today. I take the liberty of doing this because I know that the copy of the bill which honourable senators have before them is the bill as read a first time.

The first amendment deletes lines 39, 40 and 41 of page 4, and substitutes the following:

> —Corporation, and any symbol adopted by the Corporation not later than December 31, 1964, is hereby declared to be the official symbol of the exhibition as of the date of its publication in the *Canada Gazette*.

The second amendment is consequential upon the first. It deletes clause 11 and the schedule which that clause adds to the act.

Exactly one year ago today the Senate considered the bill to set up the Canadian World Exhibition Corporation. Honourable senators will recall that the bill establishing the corporation embodies the views of three levels of government: the federal Government, the Government of Quebec and the municipality of Montreal. It also had the enthusiastic support of the leaders of all parties of the other place.

Today we have before the Senate a bill amending the Canadian World Exhibition Corporation Act. It proposes minor changes in the

act, and these changes have the concurrence of the three governments I previously referred to. Generally speaking, the amendments provided by the bill now before us deal with the following matters.

(a) An increase in the membership of the board of directors from 12 to 14.

(b) The creation of an executive committee of the board.

(c) A change in the name of the corporation.

(d) A clarification of the reference to the site of the exhibition.

Perhaps the most complete method of outlining to all honourable senators the changes envisaged is briefly to consider, clause by clause, the provisions of the bill.

Clauses 1 and 2 of the bill change the short title of the act and provide for other changes which are consequential upon the renaming of the corporation and the establishment of an executive committee of the board of the corporation.

Clause 3 is one of the most important clauses in the bill. First it amends the reference to the site of the exhibition to include a reference to the Island of Ste-Helene, Isle Ronde, Isle Verte and Isle Notre-Dame. This in effect provides a more accurate designation of the site than was contained in the original act.

Secondly, it changes the name of the corporation to the Canadian Corporation for the 1967 World Exhibition. It is believed that this change reflects more clearly the purpose for which the corporation is established.

Thirdly, it increases the number of directors of the corporation, in addition to the Commissioner General and the Deputy Commissioner General, from 12 to 14 in order to enhance the national aspect of the 1967 World's Fair.

The minor amendments contained in clause 4 are consequential upon the establishing of an executive committee of the board.

Clause 5 establishes the executive committee of the board to exercise or perform powers, duties or functions of the board on behalf of the board. The executive committee is to consist of three directors in addition to the Commissioner General and the Deputy Commissioner General.

Clauses 6 and 7 propose amendments authorizing the corporation to pay certain allowances to the officers of the corporation and also to make changes in respect of the application of the Public Service Superannuation Act to officers and employees of the corporation.

The purpose of the amendment by clause 8 is to make clear that the provision of the Navigable Waters Protection Act relating to bridges over the St. Lawrence River do not apply to bridges constructed for the corporation under authority of this act. I understand this is proposed in order to proceed with construction as quickly as possible. As honourable senators know, if the Navigable Waters Protection Act were to apply, then any bridge construction would require that Parliament consent by passing a separate act of Parliament.

Clause 9 is designed to ensure adequate protection for certain expressions that are declared by the act to be marks of the corporation and for the official symbol of the exhibition which is to be adopted by the corporation not later than December 31, 1964 and to be published in the Canada Gazette.

Clause 10 makes it clear that the corporation under its new name is for all purposes the same corporation as the Canadian World Exhibition Corporation notwithstanding the change of name.

I hope that this brief explanation will suffice to commend to honourable senators the bill now before us and that it will receive your approval.

Hon. Lionel Choquette: Honourable senators, as the sponsor of the bill has pointed out, exactly a year ago—namely, on December 20 last—the late Honourable Mark Drouin introduced the Canadian World Exhibition Corporation bill. It was the last day of the session before the Christmas recess.

I am sure that all honourable senators recall that memorable afternoon, when they listened attentively to our former Speaker explain a bill which was very dear to him and of which he was proud indeed, for it had been decided that the world-wide exhibition, international and universal, was to be held in Montreal in the year 1967.

The sponsor of that bill, presented only four days before Christmas and but a few minutes before it received royal assent, was most enthusiastic about the whole undertaking. To honour his memory I think it would be most fitting today to quote a passage from his able presentation. He said:

> Moreover, it seems useless to mention that the fair will be the most daring undertaking that the three levels of government, federal, provincial and municipal, are called upon to bring about together. Nothing as bold as this has ever been attempted in our country. In fact, we must build up from scratch a fabulous thing which should be considered by the rest of the world as the most sensational event of our times. Here, in Canada, this is somewhat of a challenge to the imagination of creative and artistic people as well as to men who have valuable practical experience. It is obvious, and hardly worth mentioning, that an efficient team will have to be

> set up and that the greatest degree of co-operation at all levels will be necessary during all the phases of the planning and organization process.

Honourable senators, as I have already said, a year has elapsed since that eloquent plea was made in this chamber. Can it be said that an "efficient" team has been set up since the passing of that bill? I think not. Some people were hired whose qualities and qualifications were highly praised, and after a site had been chosen and the work got under way, those persons, for reasons that were none too clear, resigned from their posts. They were replaced by other men whose competence is recognized throughout the country. There was a time when a great many Canadians were in favour of abandoning the idea of holding this world fair in Canada.

Now that the site has been selected, and I think it is an ideal one, let us get on with the work and let the world know that Canada is capable of great things.

The Government of the day is now seeking to amend the act by changing the name from "Canadian World Exhibition Corporation Act", to "Canadian Corporation for the 1967 World Exhibition Act," and, along with a few minor changes, by increasing the number of directors of the corporation in addition to the Commissioner General and the Deputy Commissioner General, from 12 to 14. The important thing, in my view, is not so much the number of directors as the quality of such directors.

No doubt between now and 1967 further amendments to the act will be deemed necessary. That is to be expected. As a matter of fact, when the bill was first introduced in this chamber, honourable Senator Hugessen, who spoke, as he then said "for all honourable senators on this side of the house," predicted that further changes to the act would possibly have to be made. After giving his reasons for supporting the immediate passage of the bill, he had this to say:

> There is a third reason which occurs to me. After all, this exhibition will not be held for another five years, and if there should be any faults or mistakes, or anything wrong in this connection, we can correct it within the next year or two.

Honourable senators, I said a moment ago, the number of the directors is not as important as the quality of such directors. Until a few days ago we did not know who these new directors would be. But we know officially now that one of them, and the newspapers have announced his appointment, is Mr. Glen Bannerman. This, indeed, is good news, and here is how it was received by the Ottawa *Journal*. I quote in part only:

> Mr. Bannerman has been director of the Canadian Government Exhibition Commission for 18 years. Being 67, he is "up" for retirement from the Civil Service, but the Commission's loss is the World's Fair gain. Glen Bannerman knows show business, has a tough grain of cynicism behind his genial appearance and is not likely to be sold a pig in a poke or any other kind of nonsense. His post in the World Fair organization is not yet announced.

This article was written before the official announcement was made.

> We hope it will be one where all of his experience may be called upon, and not some special corner which he'd doubtless handle well but to less effect. If Glen Bannerman were assigned only to keep on asking "why?" and shooting down silly ideas he'd assure us of a better fair.

I should like to mention that I personally would have preferred to have every province represented on the board of directors, but I presume that major reasons have prevented this action.

Honourable senators, this World's Fair is a gigantic enterprise, and I am sure that no stone will be left unturned to assure its success.

Hon. Léon Méthot: Honourable senators, I understood the honourable senator who sponsored this bill (Hon. Mr. Lefrançois) to say that clause 3 was the most important. I must disagree with him, because I think clauses 2 and 4A are the most important. The new paragraph (ea) of subsection 2 of section 2 reads:

> "Executive Committee" means the Executive Committee of the Board referred to in section 4A;"

The proposed section 4A reads:

> (1) There shall be an Executive Committee of the Board consisting of—

And we must note that there are to be five members, namely, the Commissioner General, the Deputy Commissioner General, and three other directors of whom one shall be designated by the minister—which means by a minister of the federal Government.

There is no doubt that with the passing of this bill the World Fair will be conducted by the federal Government, and that the City of Montreal and the Province of Quebec will have nothing to say with respect to it, because the Executive Committee is to be composed of three members appointed by the

federal Government who will decide that which should be decided unanimously.

I have no objection to this bill, but I point out that the federal Government will have to carry all the responsibility for the administration of this fair.

(Translation):

Hon. Sarto Fournier: Honourable senators, since my name is to appear as seconder of the motion put forward by Senator Lefrançois, I feel duty bound to rise and say a few words about this bill to amend an act which we passed a year ago.

I recall making a speech then about the bill put before us and that, seconded by my honourable friend, the senator from Gulf, the Honourable Mr. Power, I had moved amendments that were ignored.

I have always been under the impression that the words I spoke on that occasion as well as the feelings which inspired them were in favour of the world exhibition being held in Montreal. I was astonished the next day, when I read the major Montreal newspapers and others, to find—and I cannot explain why—that my comments had been completely distorted. I was being accused of being against the exhibition. Naturally, at first I was deeply shocked inside, but at the time I did not feel I had to make the necessary corrections.

Today, one year later, now that we are considering the changes I suggested with the support of my friend, Senator Power, I am pleased to repeat that I am fully in favour of such an exhibition and that I have always been. In 1960, I had a certain number of talks with the government of the time which was under the leadership of the Right Honourable Mr. Diefenbaker, the present leader of the official Opposition. As mayor of the City of Montreal, I also had some association then with the minister who sponsored the project, the Honourable William Hamilton, P.C. We did discreetly, without drums or trumpets, what we felt was our duty.

When the bill was debated here at this time last year, I rose to express my support. The press reports of my speech which were published the next day, stated exactly the contrary of what I had said. I am not holding it against those who were responsible for that; I have dismissed the incident from my mind. However, I find it rather sad to note that newspapers like *La Presse*, the *Star*, *Le Devoir* and others accuse us of being opposed to the holding of a world fair in Montreal.

It is painful, it is even sad and, astounded, we are wondering why and how such things can happen.

An opportunity is given to me today and I take advantage of it in a true spirit of friendship. Without any bitterness or malice, I say to the members of the press gallery who have every right of criticizing whoever they want as they like, that I do not feel they have the right to evade the truth, to alter the words and, in short, to distort the facts stated. I regret that incident. I should not mention it today, because it happened so long ago. But as a member of the Canadian Senate, when one is subjected to an affront, an injury, an insult from whoever it may be, being appointed for life, it is always wise to wait a few hours, a few months, or perhaps a few years, before taking up the challenge.

Hon. Mr. Choquette: Or to turn the other cheek.

Hon. Mr. Fournier: I beg your pardon?

Hon. Mr. Choquette: Or to turn the other cheek.

Hon. Mr. Flynn: To offer the other cheek.

Hon. Mr. Choquette: To offer the other cheek.

Hon. Mr. Fournier: Yes, you can always do that. But when the aggressor holds back his second blow, you wait and wait and finally, when it still does not come, you make up your mind to avenge the first blow.

I am happy about the bill we are studying today. I congratulate warmly our distinguished colleague, the honourable senator from Repentigny, Mr. Lefrançois, who explained very clearly the subject matter and the meaning of the amendments made by the Government to the legislation passed last year.

That amendment is no reflection on the act passed last year. That is where you see the weakness of our human institutions. You can always find in them some defects, some imperfections which can be remedied with time. That shows man is human, that he can improve, from one day to the next, his attitude, his way of life. As the honourable Senator Hugessen put it so aptly, if the act is not perfect, we will improve it next year.

These things happen and the act is not yet perfect, but it is better suited and the Government will be able to carry out the project more easily.

All the more so since, today, those responsible for that undertaking, understand, through the experience acquired from other world fairs which were held outside Canada, in Paris, Brussels or elsewhere—with the human knowledge and scientific developments which have reached an unthinkable level and which have made and will make even more extraordinary progress—that this is the brain of men, the sum of human experience, of the consequence of their history, of their knowledge, of their way of seeing and understanding things, which is going to be carried out in 1967 on Canadian soil.

It is a great privilege for us, a gigantic reality, something quite unbelievable, not only the fact in itself but the way it is going to be applied and is understood at present.

That is why, honourable senators, in view of the favourable opportunity that is given to me, I am pleased to appeal to all my fellow Canadian citizens, wherever they live in Canada, and ask them to forget the particular place where the exhibition is to be held. It could be held in Vancouver, or in St. John's, Newfoundland, or in Toronto. It will be in Montreal.

So I ask all my fellow citizens throughout Canada who have any influence on public opinion, on the ideas of the people, whatever their language, the place where they live in Canada, to tell all Canadians that the 1967 exhibition is a total event, for the people of Montreal as well as other places, for those in the province of Quebec as well as Ontario. It will take place in Canada, where mankind will meet through its intelligence, discoveries, capacities and prospects.

Then, it seems to me it would be very sad to see objections being raised here or there because the exhibition is to be held in Montreal. Besides, the site is not in Montreal really, but almost on the ocean, right on the St. Lawrence River. It will be on an island and to prevent preconceived notions in relation with the chosen site, Montreal withdrew a little and chose a site right in the middle of the St. Lawrence which belongs to Canada as a whole, a definite place where, I hope, despite the present difficulties, we shall succeed in building up the land needed for the facilities of the fair.

Honourable senators, this is the concern of each one of us, of each Canadian citizen. I hope the enthusiasm that we are showing our fellow-citizens who are not in the Province of Quebec will be up to the enthusiasm which the people of Quebec would have shown if the exhibition, for major reasons, good reasons, had been held somewhere else. This is everyone's concern. It is the responsibility of every government, whatever the level, be it federal, provincial, or municipal.

At this point in the debate, I am quite happy to express our gratitude and admiration to those who after the first words spoken by your predecessor, the late honourable Senator Drouin, in Brussels, launched the idea of organizing such an event in our country without any party considerations, Tory or Grit, and no matter what the political allegiance of those who dealt with that matter. Since then, the government changed in Ottawa and in Quebec, and as well the Montreal administration.

However, it could be seen at the beginning, even though a new government was in power here, in Quebec and in Montreal, that there was unanimous action. Now we have seen changes of government in three places, but we find with infinite satisfaction and pleasure, that there is unanimous consent on the part of those who replaced the people who first initiated the movement and launched the idea, and afterwards the project of a world exhibition in Canada in 1967.

Instead of trying to accuse one another, and conduct a trial on intentions of Mr. X or Mr. Y, or Mr. Z, I believe that we must frankly acknowledge that all those who concurred in the implementation during the past three years, directly or indirectly, have contributed to the success of the undertaking.

We are all citizens with equal rights. We all feel the necessity of doing something for our country, and I am deeply convinced that, at the present time, no Canadian can undertake more useful and more appropriate work for the greatness, the prestige and the pride of our country, than self-dedication to ensure the success of the world exhibition to be held in our country in 1967.

(Text):

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Lefrançois: Honourable senators, I move third reading of this bill now.

Hon. Mr. Fournier (De Lanaudiere): I second the motion.

Motion agreed to and bill read third time and passed.

Hon. Mr. Macdonald (Brantford): Honourable senators, I suggest that the Senate rise now and reassemble at the call of the bell at approximately 9 o'clock this evening.

The Senate adjourned during pleasure.

At 9 p.m. the sitting was resumed.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators will recall that when the house rose at about six o'clock this afternoon to reassemble at nine o'clock this evening, we expected to have some business from the other house. However, it has turned out that the other house has not completed any business which it could send to us to deal with, and it is unlikely that it will do so this evening. I understand that the House of Commons will sit tomorrow morning, and therefore I think that we should adjourn now to reassemble tomorrow, not at the regular hour of three o'clock but rather at one o'clock, at which time we should know what the position is.

I now move that when this house adjourns, it do stand adjourned until tomorrow afternoon at one o'clock.

Hon. Mr. Monette: May I ask a question? Did some change take place in the other house this afternoon? We were to have received something here tonight, and now we learn there has been a change.

Hon. Mr. Macdonald (Brantford): I do not know.

Hon. Mr. Monette: May I put this question? Are the two men who have been pushing about the divorce amendments in the Senate—?

Hon. Mr. Macdonald (Brantford): Not to my knowledge, no. The House of Commons has been in supply continuously.

Hon. Mr. Monette: I see. I take the word of the honourable leader, that it is not to his knowledge.

Hon. Mr. Macdonald (Brantford): Not to my knowledge. I am quite sure that the other house has been in supply since we adjourned at six o'clock this afternoon.

Hon. Mr. Monette: However, we shall see tomorrow.

Hon. Mr. Macdonald (Brantford): Before the house adjourns, may I say that I do not know to what Senator Monette is referring. I do not know anything about the business of the other house whatsoever.

Hon. Mr. Monette: I take the word of the honourable leader. What I was referring to, but I was wrong, was the possibility that there has been new pressure on the other side to have us pass a new bill in relation to divorce. It is nothing of the kind.

Hon. Mr. Choquette: I think my friend means the amendment to the Exchequer Court Act, which deals with the officer who was appointed to hear divorce actions in the Senate. I do not think that would be cause for delay.

Hon. Mr. Macdonald (Brantford): I do not think it has been considered in the other house. I do not know of all that has been taking place there, but I am quite sure that the bill has not been presented there.

Motion agreed to.

The Senate adjourned until tomorrow at 1 p.m.

THE SENATE

Saturday, December 21, 1963

The Senate met at 1 p.m., the Speaker in the Chair.

Prayers.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, we completed yesterday the work which was in hand in the Senate and nothing has since come to us from the House of Commons.

I was at the House of Commons a few minutes ago and I found that the estimates of one department were passed this morning, those of the Department of Transport.

According to the House of Commons *Hansard* of yesterday, there still remain the estimates of the Department of External Affairs. The estimates of that department are under consideration now.

There also remain the estimates of the Speaker of the House of Commons. As a rule, they do not take very long. At least, I may say they did not in my time, but there have been many changes over there since then.

Then there are the estimates of the Minister of Finance to be dealt with; I do not know how long that will take. There are also the estimates of the Department of the Secretary of State and, finally, one item standing in the estimates of the Department of Northern Affairs and National Resources.

Honourable senators, I also ascertained that the Commons rose at one o'clock for half an hour. I would not think it could complete the estimates for those departments before four o'clock this afternoon. Therefore, I suggest that this house do rise now, to reassemble at the call of the bell at approximately four o'clock this afternoon, at which time we can review the position.

The Senate adjourned during pleasure.

At 4.15 p.m. the sitting was resumed.

DOCUMENT TABLED

Hon. Mr. Macdonald (Brantford): Honourable senators, I neglected earlier in the day to table the following document, and ask permission to do so now.

> Report of the Department of Transport for the year ended March 31, 1963, pursuant to section 34 of the Department of Transport Act, chapter 79, R.S.C. 1952. (English text).

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): Honourable senators, I have just come from the House of Commons. The members of that house are nearly through the consideration of the Speaker's estimates. On completion of those estimates there will remain the estimates of the Minister of Finance, of the Secretary of State, and one item in the estimates of the Department of Northern Affairs and National Resources.

I suggest that we rise now until six o'clock. If by any chance the House of Commons does dispose of its business on the estimates and the appropriation bill reaches us before that time, we could assemble earlier at the call of the bell. In any event, it might be advisable to come back at six o'clock, when we will have a better idea of the situation.

Hon. Jean-François Pouliot: Honourable senators, is it not possible to meet at seven instead of at six o'clock? It will make no difference whatever. We have played April fool for a long time today—we have come here only to find nothing before the house. It seems to me, honourable colleagues, we should meet at seven o'clock. That hour would be more convenient for many of us.

Hon. Gustave Monette: Honourable senators, may I ask a question before we adjourn? Does the honourable Leader (Hon. Mr. Macdonald, Brantford) have any news about the bill to appoint a new judge to the Exchequer Court?

Hon. Mr. Macdonald (Brantford): I have no information on that subject. The motion was on the Order Paper of the other house but it was not proceeded with when the house resumed at eleven o'clock this morning and I have no information about it.

Hon. Mr. Pouliot: Honourable colleagues, I do not know if the person referred to is a judge or a clerk. If he is under Mr. Speaker he is a clerk and if he is under the Minister of Justice he is a judge. It is a matter that should be elucidated before the bill comes before us. At the present time that gentleman is, to quote a fable of Lafontaine, "like a bat." The bat said, "I am a bird, look at my wings; and I am a mouse, hurrah for the rats." It reminds me also of another classical example, this one from Molière. The reference was to Maître Jacques: Maître Jacques when he had his topper on was a coachman and when he had his apron on he was a cook. And so I wonder if the new person, who may be a clerk or a judge, may be a cook or a coachman.

The Senate adjourned during pleasure.

At 6.15 p.m. the sitting was resumed.

Hon. Mr. Macdonald (Brantford): Honourable senators, as you all know, the other house has not completed consideration of the estimates. I am advised they have taken a half-hour recess, and will resume consideration of the estimates at twenty minutes to seven. The estimates of the Secretary of State for External Affairs and one estimate of the Department of Mines and Technical Surveys have yet to be considered. Just how long they will take, I do not know.

When we re-assembled at 4 o'clock I suggested that we rise until 6 o'clock, as I anticipated the house would have by then completed its business. The honourable Senator Pouliot suggested we should rise until 7 o'clock. He was right that time; I was wrong. So I am going to ask him now to suggest the time at which we should re-assemble.

Hon. Mr. Pouliot: Eight-thirty.

Hon. Mr. Macdonald (Brantford): Eight-thirty. If perchance the estimates come over a little earlier, I suggest we could answer the call of the bell.

The Senate adjourned during pleasure.

At 9.25 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 5, 1963

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-132, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Bill read first time.

SECOND READING

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

Hon. W. Ross Macdonald moved the second reading of the bill.

He said: Honourable senators, this is the fifth appropriation bill we have had this session. The previous bills received and passed were as follows: Appropriation Act No. 1, which granted interim supply for the first four months of 1963-64, in the amount of $1,430,259,968.45. That was the largest appropriation act passed this session. This unusually large amount is explained by the fact that it included a total of $615,396,021 authorized by special warrants of the Governor General for April and May. Honourable senators will recall that the house was not sitting at that time.

The Appropriation Act No. 2 granted interim supply to the end of September. The amount involved in that act was $724,687,939.03. Appropriation Act. No. 3 granted interim supply to the end of November totalling $747,449,955.03.

Appropriation Act No. 4 granted interim supply for the present month and involved an amount of $377,400,841.02. Therefore, the total supply already granted for the present fiscal year comes to $3,279,798,703.53.

The bill before us will provide for the granting of the balance of the main estimates for this year. Probably I should give the amount of the balance in respect of the main estimates for this year: it is $902,518,933.12.

Then there is provision for granting the balance remaining in the supplementary estimates A, B, C and D, so that the total of the bill we are now considering is $990,623,771.47. Therefore the total amount that we will have voted this year will be $4,270,422,475.

Honourable senators will probably be interested in the total of the estimates for this year. It amounts to $6,857,333,164. That is larger than the amount I mentioned before because $2,586,910,689 of this amount is provided for by statute. The amounts already mentioned do not include payments from the Old Age Security Fund, which payments totalled $755 million, making the expenditures that we have voted, together with the statutory amounts, a grand total of $7,612,333,164.

That, honourable senators, is the total estimate of government expenditure, and tonight we are asked to vote approximately $990 million, being the amount of the estimates which remain unvoted so far this year.

Hon. Lionel Choquette: Honourable senators, as the honourable Leader of the Government has indicated, this is the fifth appropriation bill to come before us since the start of this session. It is the normal type of supply bill that Parliament usually has to deal with toward the close of a session. This particular bill will grant the balance of the main estimates for the fiscal year 1963-64.

As honourable senators know, these estimates were prepared by the previous administration and, of course, from time to time various supplements were brought in by the present Government. In the normal course of events, statutory approval would have been given to these estimates earlier in the year. However, we have had a general election and a summer recess, in addition to a very heavy legislative program, which prevented this.

Grievances raised by members of the other place before the granting of supply is one of the traditional and ancient prerogatives of Parliament. One wonders if at times this jealously-guarded privilege is not abused.

As the honourable Leader of the Government has explained, this bill will authorize

in addition to the balance of the main estimates the balance of Supplementaries A, B, C and D, a total of almost a billion dollars, namely, $990,623,771.47. The grand total of the estimates exceeds $4 billion, namely, $4,270,422,475. I am pleased to note that the Government is not seeking authority to borrow money under this bill.

As I indicated earlier, the form of the bill now before us is the same as that of similar bills which have come before Parliament in previous years, and it is not our intention to further delay its passage at this time.

Before I resume my seat I want to avail myself of this opportunity, on my own behalf and on behalf of those of us who sit on this side of the house, to extend to you, Mr. Speaker, and through you to the Senate, our best wishes for a Merry Christmas and a Happy New Year.

(Translation):

Honourable senators, on behalf of the Leader of the Opposition and of all senators on this side of the house, I wish a Merry Christmas and a Happy New Year to all senators who are here tonight.

(Text):

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Macdonald speaks now it will have the effect of closing the debate.

Hon. W. Ross Macdonald: Honourable senators, I wish to join with the Deputy Leader of the Opposition in extending seasons greetings.

As we approach the ceremony of prorogation of the first session of the Twenty-Sixth Parliament, I desire to express my appreciation to all honourable senators for the assistance which they have given me in my responsibility of seeing that the legislation which comes before the Senate is properly considered and, when advisable, advanced. We have had our difficulties. We have not been in complete accord at all times. The Opposition has forcefully expressed its views at times, but never has it done anything to impede the work of Parliament. I appreciate greatly the help I have received from the Opposition. My association with the Leader of the Opposition, Senator Brooks, and with his deputy, Senator Choquette, has indeed been a happy one.

From the senators on this side of the house I have at all times received steadfast loyalty. Many of them have piloted legislation through this house, and the assistance which they have given me, particularly in introducing Government bills from time to time, has made my task a comparatively easy one.

I join with the Deputy Leader of the Opposition in conveying best wishes to His Honour the Speaker, who came to this house after long experience in the House of Commons, and therefore was well prepared to assume the office he now holds. He has acted fairly at all times and in a manner befitting the great traditions of that high office. We extend to him and to his family our very best wishes, especially his wife, who has been of such help to him and has greeted us in so friendly a manner on several memorable occasions.

In conclusion, I say to all honourable senators, joyeux Noël et heureuse Année.

The Hon. the Speaker: Honourable senators, if it is in order for me to speak at this time, I would like to take this opportunity to thank honourable Senator Macdonald and honourable Senator Choquette for the kind words they have said about me. You have been altogether too generous.

Let me say how much I have appreciated the experience of the past few months which has been my first session as your presiding officer. I must tell you that it is not an easy matter for an engineer to preside over such a distinguished body, but your sympathy and co-operation have made my task easy. So I say to you tonight, as we await the prorogation of this session, it has been a pleasure to preside over your deliberations. For this opportunity to serve as your Speaker, I am truly appreciative.

I also want to thank all the officers and the staff of the Senate for the help they have given me during this period. There were times when I was a little lost as to what to do, but everyone was so helpful and generous that in the end my work was made easy for me.

As we approach Christmas I would like to extend to all honourable senators and, through you, to those who are not here tonight, and to the officers and the staff of the Senate, my best wishes for a merry Christmas and a happy New Year. I want to tell honourable Senator Macdonald and honourable Senator Choquette that I shall convey to my wife and my children the kind words they had for them tonight. After prorogation and before we depart, I should like to have you all in my chambers for an informal reception.

(Translation):

Honourable senators, I was deeply moved by the kind remarks which honourable Senator Ross Macdonald, P.C. and honourable Senator Choquette made about me. These words are all the more appreciated as they come at the end of my first session as Speaker of this house.

As I stated in English a moment ago, it is sometimes more difficult for an engineer to preside over the proceedings of such an important assembly. However, the friendship and the sympathy you have shown me at

all times have lightened the burden of my responsibilities. Therefore, I am pleased this evening to thank you warmly for this friendship and this sympathy which, I repeat, have made my task much easier.

I take this opportunity, honourable senators, to extend to you and to the members of your families, my best wishes for a Merry Christmas and a Happy New Year. I extend the same wishes to the Senate officials, to their families and to all those who have so generously helped me in the discharge of my duties.

I have no doubt that you understood the invitation which I extended to you in English a moment ago. I would be pleased to meet you all in my chambers after the adjournment, in order to express to you once more my best wishes and together celebrate, in a dignified way, as has been our custom, the end of 1963.

(Text):

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Macdonald (Brantford) moved the third reading of the bill.

Motion agreed to and bill read third time and passed.

PROROGATION OF PARLIAMENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa, 21st December, 1963.

Sir,

I have the honour to inform you that The Chief Justice of Canada, in his capacity as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber at 10 p.m. today, the 21st December, 1963, for the purpose of proroguing the First Session of the Twenty-Sixth Parliament of Canada.

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

The Honourable
The Speaker of the Senate.

JUDGES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-133, to amend the Judges Act and the Exchequer Court Act.

Bill read first time.

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

Hon. Mr. Macdonald (Brantford): May I see the bill?

Hon. Mr. Choquette: I wonder if the honourable Leader of the Government would read the explanatory note to us, because we do not have a copy?

Hon. Mr. Macdonald (Brantford): I understand copies of the bill have not been distributed, so, as the Deputy Leader of the Opposition has suggested, perhaps I should read the explanatory note.

> The purpose of this bill is to authorize the appointment of, and the provision of salary for, one additional judge of the Exchequer Court of Canada, in contemplation of the designation of a judge of that Court to perform the duties and functions of the officer of the Senate referred to in section 3 of the Dissolution and Annulment of Marriages Act, chapter 10 of the Statutes of 1963.

Honourable senators, it is obvious this is an important bill. It provides for the appointment of an additional judge to the Exchequer Court to perform the duties and functions of the officer of the Senate in connection with the dissolution and annulment of marriages.

Honourable senators, it is now nine minutes to ten. I do not think the Senate could possibly give this bill three readings before 12 o'clock tonight. If we did not complete consideration of it before midnight, it would take us into the Sabbath. I do not think, on the Sunday before Christmas, we would want to discuss a bill which is in some way connected with the dissolution and annulment of marriages. Furthermore, there are in the house at the present time twenty-one senators. A bill of this importance should, I think, receive the consideration of at least the majority of members of this house. I am not blaming anyone for the late arrival of this bill. Although it went through the other place tonight, I do not think the Senate should proceed with it at this late hour. I therefore move that the bill be given second reading at the next sitting of the Senate.

Hon. Mr. Monette: Are copies of the bill available?

Hon. Mr. Macdonald (Brantford): The bill has passed the other house, and I understand there will be ample copies available.

Motion agreed to.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following bills:

An Act to repeal The Newfoundland Savings Bank Act, 1939.

An Act to authorize the construction of a bridge and a causeway over the St. Lawrence River near the city of Pointe-aux-Trembles.

An Act respecting The Executive Board of The Canada Conference of The Evangelical Lutheran Augustana Synod of North America.

An Act to incorporate Royal General Insurance Company of Canada.

An Act respecting The Northern Life Assurance Company of Canada.

An Act respecting The Canada Northwest Land Company (Limited).

An Act to incorporate The Mortgage Insurance Company of Canada.

An Act to incorporate Family Life Assurance Company.

An Act to amend the Canada Grain Act, the Financial Administration Act, the Income Tax Act, the International Boundary Waters Treaty Act, the National Energy Board Act, the Railway Act, the Salaries Act and the Tariff Board Act with respect to the salaries of certain public officials.

An Act to incorporate The Pharmacy Examining Board of Canada.

An Act to approve an Agreement between the Government of Canada and the Government of the Province of Ontario respecting Public Harbours.

An Act to amend the Carriage by Air Act.

An Act to amend the National Harbours Board Act.

An Act to amend the National Centennial Act.

An Act to amend the Customs Tariff.

An Act respecting the office of Representation Commissioner and to effect certain consequential amendments to the Canada Elections Act.

An Act to amend the Currency, Mint and Exchange Fund Act.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1962 to the 30th day of June, 1964, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

An Act to amend the Canadian World Exhibition Corporation Act.

An Act for the relief of Joyce Evelyn Ranger.

An Act for the relief of Mabel Lucille Mills.

An Act for the relief of Gordon Gibb.

An Act for the relief of Betty Jane Sockett.

An Act for the relief of Albert Wilfrid Tremblay.

An Act for the relief of Lily Worthington.

An Act for the relief of Leomay Marie Blanche Stratton.

An Act for the relief of Lorna Scherzer.

An Act for the relief of Elizabeth Shaw Fisher Reid.

An Act for the relief of Marie Gertrude Helene Flamme.

An Act for the relief of Gerda-Sascha Rozwadowski.

An Act for the relief of Stella Leblanc.

An Act for the relief of Cynthia Elsie Scott.

An Act for the relief of Demetre Almyriotis.

An Act for the relief of Agnes Irene Seaman.

An Act for the relief of John Harman.

An Act for the relief of Marion Ruth Catherine Slattery.

An Act for the relief of Bruce Reid Campbell.

An Act for the relief of William Metcalfe Watt.

An Act for the relief of Raymonde Vachon.

An Act for the relief of Mary Hilda Hermita.

An Act for the relief of Ellen Alice Nelham.

An Act for the relief of Jean Jacques Aime Picotte.

An Act for the relief of Marie Madeleine Lydia Gauvin.

An Act for the relief of Joseph William Alfonse Morency.

An Act for the relief of Shirley Millar Neal.

An Act for the relief of Irene Ross.

An Act for the relief of Aline Helene Smith.

An Act for the relief of Joseph Arthur Norman William Edwards.

An Act for the relief of Edward Brown.

An Act for the relief of Madeleine Priscilla Deane Everall.

An Act for the relief of Magdeleine Geoffrion.

An Act for the relief of Yetta Pomerantz.

An Act for the relief of June Patricia Brown.

An Act for the relief of Betty Lillian Patrick.

An Act for the relief of Harvey Stewart Wycliffe Goodwin.

An Act for the relief of Wilfrid Giroux.

An Act for the relief of Herve Gauthier.

An Act for the relief of Micheline McGuire.

An Act for the relief of Gladys Ethel Sarah Bergeron.

An Act for the relief of Monique Remy.

An Act for the relief of Josephine Suhr Moseley.

An Act for the relief of Elsie Jean Delisle.

An Act for the relief of Jeannine Furoy.

An Act for the relief of Beverley Anne Jones.

An Act for the relief of Alphonse Eugene Racine.

An Act for the relief of Marion Richardson.

An Act for the relief of George Hann.

An Act for the relief of Rosi Irma Parrouty.

An Act for the relief of Rose Coletta.

An Act for the relief of Joan Jeanette Krautle.

An Act for the relief of Elizabeth Helen Brown.

An Act for the relief of Dorothy Hazel Neila Beausoleil.

An Act for the relief of Ines Barbara Levy.

An Act for the relief of Dorothy Gladys Faucher.

An Act for the relief of Geraldine Ludgarde Romer.

An Act for the relief of Geraldine Cecilia Gohier.

An Act for the relief of Rene Hebert.

An Act for the relief of Elizabeth Lillian Small.

An Act for the relief of Patricia Rose Rankin.

An Act for the relief of Haidy Amalie Madelaine Jack.

An Act for the relief of Sandra Elizabeth McVety.

An Act for the relief of Rose Duval.

An Act for the relief of Rosemary Louise Eakins.

An Act for the relief of Germaine Marie Therese Hinksman.

An Act for the relief of Joseph Rene Gerard Michel.

An Act for the relief of Doreen Klara Culmer.

An Act for the relief of Mallie Fanny Newman.

An Act for the relief of Sylvia Aucoin.

An Act for the relief of Miriam White.

An Act for the relief of Leonard Greenfield.

An Act for the relief of Helene Denise Vien.

An Act for the relief of Toni Anna Lydia Weiss, otherwise known as Toni Anna Lydia Weisz.

An Act for the relief of Stephen Alexander Lantos.

An Act for the relief of Frieda Lina Schaub.

An Act for the relief of Colleen Ann Kenny.

An Act for the relief of Edith Rozel McDougall.

An Act for the relief of Mona Pozza.

An Act for the relief of Vivian Marjery Cohen.

An Act for the relief of Hilda Desjardins.

An Act for the relief of Sandra Mary Louise Martin.

An Act for the relief of Mary Iris Fournier.

An Act for the relief of Phyllis Manoah.

An Act for the relief of Martin Simeon Levy.

An Act for the relief of Maureen Mary Piercey.

An Act for the relief of Milton Lawrence Trickey.

An Act for the relief of William John Loke.

An Act for the relief of Betty O'Neil.

An Act for the relief of Armando Argentini.

An Act for the relief of Joseph Jean Paul Fernand Blanchette.

An Act for the relief of Karl-Heinz Hans Luedders.

An Act for the relief of Marjorie Brown.

An Act for the relief of Maureen Knowles.

An Act for the relief of Rolland Commoy.

An Act for the relief of Ginette Noela Melanie Soulier.

An Act for the relief of Nora Bridget Lahey.

An Act for the relief of Betty Ankhelyi.

An Act for the relief of Barbara Patricia Rogers.

An Act for the relief of William Henry Monaghan.

An Act for the relief of Mary Yvonne Giguere.

An Act for the relief of Lois Budd.

An Act for the relief of Elizabeth Laptew.

An Act for the relief of Margit Bene.

An Act for the relief of Jacqueline Elfstrom.

An Act for the relief of Marie Antoinette Germaine Mouton.

An Act for the relief of Molly Krakower.

An Act for the relief of Anita Marie Virginie Leroux.

An Act for the relief of Barbara Joan Sonia Lowther.

An Act for the relief of Arthur Bruce Hann.

An Act for the relief of Fany Rubenstein.

An Act for the relief of George Cecil Horton.

An Act for the relief of Pierre Lacasse.

An Act for the relief of Edna Anne MacPherson.

An Act for the relief of Pardo Belpulso.

An Act for the relief of Aida Diotte.

An Act for the relief of Geralde Lalonde.

An Act for the relief of Joseph Philippe Philias Fabien Parent.

An Act for the relief of Marie Greensell.

An Act for the relief of John Donaldson.

An Act for the relief of Jean Eileen Leath.

An Act for the relief of Stella Eileen Menahem.

An Act for the relief of Gabriel Fortin.

An Act for the relief of Elsie Clifford.

An Act for the relief of Marlene Judith Feinstein.

An Act for the relief of Edie (Etta) Cohen.

An Act for the relief of June Eleanor Holgate.

An Act for the relief of Elizabeth Anne Chadwick-Rider.

An Act for the relief of Della Harriet McGuire.

An Act for the relief of Adrien Tellier.

An Act for the relief of John Loughheed, otherwise known as John Lougheed.

An Act for the relief of Roland Boisvert.

An Act for the relief of Jean Mildred Fillmore.

An Act for the relief of Marie Marguerite Nicole Fraser.

An Act for the relief of Elizabeth Peck.

An Act for the relief of Eileen Myrtle Burns.

An Act for the relief of Helen Doreen Gearey.

An Act for the relief of Iva Baumgartner.

An Act for the relief of Jacqueline Serrati.

An Act for the relief of Jeannette Carignan.

An Act for the relief of Paulette Sauve.

An Act for the relief of Thelma Joanette MacDonald.

An Act for the relief of Donat Theriault.

An Act for the relief of Elizabeth Gray.

An Act for the relief of Alma Tremblay.

An Act for the relief of Daisy Emily Dorothy Ryan.

An Act for the relief of Lise Hogue.

An Act for the relief of Verena Elsener.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

PROROGATION SPEECH

The Honourable the Deputy of His Excellency the Governor General was pleased to close the First Session of the Twenty-sixth Parliament with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The Twenty-sixth Parliament opened on May 16 and you have at this first session, occupying a total of 23 weeks, enacted much important legislation designed to advance in many ways the well-being of Canada and Canadians.

It has been encouraging to note some easing of tension in international relations, expressed particularly in the successful conclusion of a multilateral Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Underwater. This treaty was signed on behalf of my Government on August 8th, 1963. Further progress towards improved understanding between nations is urgently necessary. To this end my Government continues, at the United Nations and elsewhere, to participate fully in the attempt to ease international tensions.

Canadians have shared the grief of the people of the United States over the tragic and untimely death of President Kennedy, whose contribution to the causes of freedom and peace has been of immeasurable importance for all the world.

The Canadian economy is currently enjoying a good rate of growth. It is gratifying that in recent months unemployment has been reduced to the lowest rate experienced since 1957, though further progress remains to be made. Exports have substantially increased and the payments deficit with other countries has been reduced. The recent wheat crop was the largest in Canada's history and exports of wheat in the current crop year are expected to establish a new record. My Government has renewed on satisfactory terms the Trade Agreement with the U.S.S.R. first made in 1956 and has entered into wheat sales agreements with that country and with Poland, Czechoslovakia and Bulgaria. The Canadian Wheat Board has entered into a long-term arrangement for the sale of wheat to mainland China.

My Government has held conferences with the governments of all the provinces. Matters of mutual interest have been reviewed in a spirit of co-operative federalism. Arrangements for closer and more continuous consultation in future have been made. The federal Government has indicated certain changes which it proposes to make in fiscal arrangements with the provinces for the next financial year. A wide range of other subjects, including certain features of the federal Government's proposed Canada Pension Plan, have been examined. The principal conference in November was followed by a meeting of the federal and provincial ministers of trade and industry and a meeting of the ministers of agriculture. Further studies have been arranged, as a preliminary to another conference with the premiers of the provinces.

My Government has established a Royal Commission on Bilingualism and Biculturalism and has taken steps to increase bilingualism in the public service. Many of the recommendations of the Royal Commission on Government Organization are being put into effect.

A committee of the House of Commons has inquired into matters of national defence and my Government is undertaking a full review of defence policy in the light of modern conditions. Arrangements have been made for the provision of nuclear warheads for those previously acquired weapons which require them.

In recognition of the need to provide a fair share of assistance to the less developed nations, my ministers have announced an increase in Canada's external aid program and the initiation of a food aid program to supplement the other forms of assistance.

Negotiations for the clarification of the Columbia River Treaty, and for the sale of downstream power, have been conducted with the Government of the United States in full co-operation with the Government of British Columbia.

The House of Commons has established a committee to make recommendations on its procedure and organization.

You have enacted a measure to provide for the office of a representation commissioner to facilitate the equitable redistribution of representation in the House of Commons.

You have enacted legislation under which has been established the Economic Council of Canada, which will advise how Canada can achieve the highest possible levels of employment and efficient production in order that the country may enjoy a high and consistent rate of economic growth and that all

Canadians may share in rising living standards.

You have adopted measures to stimulate industrial expansion in Canada through tax incentives, and to encourage greater participation by Canadians in the ownership of Canadian industry.

You have also authorized the establishment of the Department of Industry in order to encourage the development and efficiency of manufacturing industries in Canada. In the same act you have provided for an Area Development Agency which, in collaboration with the provinces, will assist in programs for the development of districts where economic growth has been slow and unemployment especially serious and persistent.

You have adopted measures to provide special tax incentives for industrial expansion in such areas.

The Atlantic Development Board Act has been amended to increase the number of members and to provide for a capital development fund of $100 million.

You have enacted the Municipal Development and Loan Act to make available funds for additional municipal projects, administered in co-operation with the provincial governments.

You have also authorized the provision of greater incentives to municipal winter works and an acceleration during the winter months of federal works in development areas, which have contributed substantially to the maintenance of employment.

You have also authorized measures which, with winter housing incentives and higher N.H.A. loans at reduced interest rates, have resulted in a record number of homes now being under construction.

You have also authorized an experimental program to encourage the employment and training of older workers who have been without work.

You have amended the Technical and Vocational Training Assistance Act to give increased support to the construction of training facilities and the provision of training both in industry and to the unemployed.

You have enacted the Maritime Transportation Unions Trustees Act with the object of restoring democratic trade unionism in the shipping industry and putting an end to labour strife on the Great Lakes.

You have provided for raising to $75 a month the pensions paid to Canadians from age 70 under the Old Age Security Act, and for likewise increasing by ten dollars a month the benefits to which the federal Government contributes under the joint welfare programs for old age assistance and for blindness and disability allowances.

Other measures enacted at this session include the Dissolution and Annulment of Marriages Act and amendments to the Emergency Gold Mining Assistance Act, the Small Business Loans Act, and other legislation.

Members of the House of Commons:

I thank you for the provision you have made for the public services in the current fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence continue to bless our country.

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Abbreviations

1r, 2r, 3r	= First, second, third reading
amdts	= amendments
com	= committee
consid	= considered
div	= division
m	= motion
neg	= negatived
ref	= referred
rep	= report
r.a.	= royal assent

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Leopold, Ginette Ingrid. 1r, 2r, 3r, 499-501
Leopold, Lee. 1r, 2r, 3r, 366-7; r.a., 529-34
Leroux, Anita Marie Virginie. 1r, 2r, 3r, 788-90; r.a., 980-2
Lesiuk, Teresa. 1r, 2r, 3r, 389-90; r.a., 529-34
Lesnik, Celia. 1r, 2r, 3r, 388-90; r.a., 529-34
Letovsky, Jean. 1r, 2r, 3r, 366-7; r.a., 529-34

Levy, Ines Barbara. 1r, 2r, 3r, 788-90; r.a., 980-2
Levy, Martin Simeon. 1r, 2r, 3r, 788-90; r.a., 980-2
Lewis, Margaret Ada. 1r, 2r, 3r, 365-7; r.a., 529-34
L'Heureux, Jean Bernard. 1r, 2r, 3r, 365-7; r.a., 529-34
Liberman, Marsha. 1r, 2r, 3r, 499-501
Lichenstein, Minnie. 1r, 2r, 3r, 365-7; r.a., 529-34
Liebling, Sheila. 1r, 2r, 3r, 499-501
Lindener, Gertrude. 1r, 2r, 3r, 366-7; r.a., 529-34
Lipschitz, Rhoda. 1r, 2r, 3r, 389-90; r.a., 529-34
Lister, Margaret Kathleen. 1r, 2r, 3r, 389-90; r.a., 529-34
Loke, William John. 1r, 2r, 3r, 788-90; r.a., 980-2
Lord, Dorothy Estelle. 1r, 2r, 3r, 499-501
Loughheed or Lougheed, John. 1r, 2r, 3r, 788-90; r.a., 980-2
Lowther, Barbara Joan Sonia. 1r, 2r, 3r, 788-90; r.a., 980-2
Luedders, Karl-Heinz Hans. 1r, 2r, 3r, 788-90; r.a., 980-2
Lupovich, Sybil Lillian. 1r, 2r, 3r, 365-7; r.a., 529-34
Lyman, Frances. 1r, 2r, 3r, 389-90; r.a., 529-34
Lyon, Ella Jane. 1r, 2r, 3r, 499-501
Lyon, Sylvia Evelyn. 1r, 2r, 3r, 389-90; r.a., 529-34

MacDonald, Ann Marguerite. 1r, 2r, 3r, 365-7; r.a., 529-34
MacDonald, Thelma Joanette. 1r, 2r, 3r, 788-90; r.a., 980-2
MacKenzie, Vera Irene. 1r, 2r, 3r, 365-7; r.a., 529-34
MacPherson, Edna Anne. 1r, 2r, 3r, 788-90; r.a., 980-2
Madden, Frances Sheila. 1r, 2r, 3r, 499-501;
Magnault, Gisella. 1r, 2r, 3r, 499-501
Maisonet, Patricia Marjorie. 1r, 2r, 3r, 366-7; r.a., 529-34
Malloch, Irene Elizabeth. 1r, 2r, 3r, 499-501
Manoah, Phyllis. 1r, 2r, 3r, 788-90; r.a., 980-2
Mansfield, Edward Sidney. 1r, 2r, 3r, 388-90; r.a., 529-34
Mantadakis, George. 1r, 2r, 3r, 499-501
Maranda, Leo Rene. 1r, 2r, 3r, 388-90; r.a., 529-34
Marcoux, Robert Fernand. 1r, 2r, 3r, 389-90; r.a., 529-34
Marcovitz, Soshy Judith. 1r, 2r, 3r, 499-501
Marks, Vickie. 1r, 2r, 3r, 366-7; r.a., 529-34
Marsden, Dawn Dorothea. 1r, 2r, 3r, 499-501
Marshalluk, John Elijah. 1r, 2r, 3r, 366-7; r.a., 529-34
Martin, Sandra Mary Louise. 1r, 2r, 3r, 788-90; r.a., 980-2
Matthews, Anna Luella. 1r, 2r, 3r, 499-501
McAlinden, Maureen Carol. 1r, 2r, 3r, 365-7; r.a., 529-34
McCallum, Vida Irene Louise. 1r, 2r, 3r, 499-501
McDougall, Edith Rozel. 1r, 2r, 3r, 788-90; r.a., 980-2
McDuff, Margaret Rose. 1r, 2r, 3r, 366-7; r.a., 529-34
McGuire, Della Harriet. 1r, 2r, 3r, 788-90; r.a., 980-2
McGuire, Micheline. 1r, 2r, 3r, 788-90; r.a., 980-2
McIntosh, Angus. 1r, 2r, 3r, 365-7; r.a., 529-34
McKellar, Ellen Chase. 1r, 2r, 3r, 329-31; r.a., 529-34
McVety, Sandra Elizabeth. 1r, 2r, 3r, 788-90; r.a., 980-2
Meakins, Mildred Dawson. 1r, 2r, 3r, 366-7; r.a., 529-34
Menahem, Stella Eileen. 1r, 2r, 3r, 788-90; r.a., 980-2
Mercure, Monique. 1r, 2r, 3r, 499-501
Michel, Joseph Rene Gerard. 1r, 2r, 3r, 788-90; r.a., 980-2
Michelsen, Werner Burke. 1r, 2r, 3r, 499-501
Milette, Carroll Lynne. 1r, 2r, 3r, 388-90; r.a., 529-34
Millette, Evelyne. 1r, 2r, 3r, 388-90; r.a., 529-34
Mills, Mabel Lucille. 1r, 2r, 3r, 788-90; r.a., 980-2
Milne, John Andrew. 1r, 2r, 3r, 499-501
Mingie, junior, Frank Hamilton. 1r, 2r, 3r, 328-31; r.a., 529-34
Modler, Leslie Thomas Norval. 1r, 2r, 3r, 389-390; r.a., 529-34
Monaghan, William Henry. 1r, 2r, 3r, 788-90; r.a., 980-2
Monette, Gladys Noreen. 1r, 2r, 3r, 328-31; r.a., 529-34
Montpetit, Claude Gerard. 1r, 2r, 3r, 365-7; r.a., 529-34
Moreau, Harold. 1r, 2r, 3r, 389-390; r.a., 529-34
Moreau, Suzanne. 1r, 2r, 3r, 499-501
Morelli, May Margaret. 1r, 2r, 3r, 389-90; r.a., 529-34
Morency, Joseph William Alfonse, 1r, 2r, 3r, 788-90; r.a., 980-2
Morton, Valerie Jean. 1r, 2r, 3r, 366-7; r.a., 529-34
Moseley, Josephine Suhr. 1r, 2r, 3r, 788-90; r.a., 980-2
Moss, Ruth. 1r, 2r, 3r, 499-501
Mouton, Marie Antoinette Germaine. 1r, 2r, 3r, 788-90; r.a., 980-2
Munch, Elsa. 1r, 2r, 3r, 366-7; r.a., 529-34

Nagy, Lajos. 1r, 2r, 3r, 389-90; r.a., 529-34 (*See* also Nagy, Lajos)
Naimo, Betty. 1r, 2r, 3r, 366-7; r.a., 529-34 (*See* also Naimovitch, Betty)
Naimovitch, Betty. 1r, 2r, 3r, 366-7; r.a., 529-34 (*See* also Naimo, Betty)
Nawrocki, Josephine Rose. 1r, 2r, 3r, 366-7; r.a., 529-34
Neal, Shirley Millar. 1r, 2r, 3r, 788-90; r.a., 980-2
Nelham, Ellen Alice. 1r, 2r, 3r, 788-90; r.a., 980-2
Nevitt, Frances Cynthia. 1r, 2r, 3r, 366-7; r.a., 529-34
Newman, Mallie Fanny. 1r, 2r, 3r, 788-90; r.a., 980-2
Niquette, Paul Emile. 1r, 2r, 3r, 389-90; r.a., 529-34
Nobbs, Francis John. 1r, 2r, 3r, 389-90; r.a., 529-34

O'Connor, Hugh. 1r, 2r, 3r, 499-501
Olejnik, Pawel. 1r, 2r, 3r, 366-7; r.a., 529-34
O'Reilly, Jean Elizabeth. 1r, 2r, 3r, 366-7; r.a., 529-34
Orlivsky, Paul. 1r, 2r, 3r, 389-90; r.a., 529-34
Oulton, Helen. 1r, 2r, 3r, 389-90; r.a., 529-34
O'Neil, Betty. 1r, 2r, 3r, 788-90; r.a., 980-2

Page, Charles Harold. 1r, 2r, 3r, 365-7; r.a., 529-34
Papadakis, Maria. 1r, 2r, 3r, 499-501
Papp, Clara Edith. 1r, 2r, 3r, 366-7; r.a., 529-34
Parent, Joseph Philippe Philias Fabien. 1r, 2r, 3r, 788-90; r.a., 980-2
Parizeau, Paul. 1r, 2r, 3r, 366-7; r.a., 529-34
Parmiter, Virginia Ruth. 1r, 2r, 3r, 499-501
Parrouty, Rosi Irma. 1r, 2r, 3r, 788-90; r.a., 980-2
Patrick, Betty Lillian. 1r, 2r, 3r, 788-90; r.a., 980-2
Pearson, Joan Mary. 1r, 2r, 3r, 388-90; r.a., 529-34
Peck, Elizabeth. 1r, 2r, 3r, 788-90; r.a., 980-2
Pellerin, Edouard. 1r, 2r, 3r, 499-501
Pelletier, Joseph Luc Roger. 1r, 2r, 3r, 366-7; r.a., 529-34
Perry, Suzi Elizabeth. 1r, 2r, 3r, 366-7; r.a., 529-34
Phillips, Allan Barry. 1r, 2r, 3r, 366-7; r.a., 529-34
Pickford, John Matthew Hardman. 1r, 2r, 3r, 389-90; r.a., 529-34
Picotte, Jean Jacques Aime. 1r, 2r, 3r, 788-90; r.a., 980-2
Piercey, Maureen Mary. 1r, 2r, 3r, 788-90; r.a., 980-2
Pinkerton, Madge Estelle. 1r, 2r, 3r, 366-7; r.a., 529-34
Plaskett, Eva Florence. 1r, 2r, 3r, 366-7; r.a., 529-34
Plzak, Georgine. 1r, 2r, 3r, 388-90; r.a., 529-34
Pomerantz, Yetta. 1r, 2r, 3r, 788-90; r.a., 980-2
Porter, Louisa Emily Elizabeth. 1r, 2r, 3r, 366-7; r.a., 529-34
Power, Vivian Geoffrey. 1r, 2r, 3r, 366-7; r.a., 529-34
Pozza, Mona. 1r, 2r, 3r, 788-90; r.a., 980-2
Prentice, Anne Marion. 1r, 2r, 3r, 366-7; r.a., 529-34
Pringle, Marie Henriette Antoinette Marguerite Bloodworth. 1r, 2r, 3r, 389-90; r.a., 529-34
Prud'homme, Jean Guy. 1r, 2r, 3r, 499-501
Pujol, Jacqueline Henriette. 1r, 2r, 3r, 389-390; r.a., 529-34

Quelle, Lena. 1r, 2r, 3r, 365-7; r.a., 529-34

Rae, Evelyn Frances. 1r, 2r, 3r, 499-501
Racine, Alphonse Eugene. 1r, 2r, 3r, 788-90; r.a., 980-2
Ramsden, Gordon Richard Alexander. 1r, 2r, 3r, 366-7; r.a., 529-34
Ranger, Joyce Evelyn. 1r, 2r, 3r, 788-90; r.a., 980-2
Rankin, Patricia Rose. 1r, 2r, 3r, 788-90; r.a., 980-2
Rapoport, Olga. 1r, 2r, 3r, 499-501
Redmond, Elaine. 1r, 2r, 3r, 389-90; r.a., 529-34
Reid, Elizabeth Shaw Fisher. 1r, 2r, 3r, 788-90; r.a., 980-2
Reid, Hale Calvin. 1r, 2r, 3r, 499-501
Reiner, Susanne. 1r, 2r, 3r, 389-390; r.a., 529-34
Remy, Monique. 1r, 2r, 3r, 788-90; r.a., 980-2
Richard, Real. 1r, 2r, 3r, 366-7; r.a., 529-34
Richardson, Marion. 1r, 2r, 3r, 788-90; r.a., 980-2
Rinder, Jean Alice. 1r, 2r, 3r, 389-90; r.a., 529-34
Rivet, Therese. 1r, 2r, 3r, 499-501
Roberts, Doris Elinor. 1r, 2r, 3r, 499-501
Robinson, Calvin Harold. 1r, 2r, 3r, 366-7; r.a., 529-34
Rogers, Barbara Patricia. 1r, 2r, 3r, 788-90; r.a., 980-2
Romer, Geraldine Ludgarde. 1r, 2r, 3r, 788-90; r.a., 980-2
Rosenberg, Jeanette. 1r, 2r, 3r, 388-90; r.a., 529-34
Rosenberg, Marcelle. 1r, 2r, 3r, 388-90; r.a., 529-34
Rosenblatt, Isadore. 1r, 2r, 3r, 366-7; r.a., 529-34
Rosenstrauss, Rebecca. 1r, 2r, 3r, 389-90; r.a., 529-34
Ross, Irene. 1r, 2r, 3r, 788-90; r.a., 980-2

Rothman, Nellie. 1r, 2r, 3r, 499-501
Rowe, William Joseph. 1r, 2r, 3r, 499-501
Rozwadowski, Gerda-Sascha. 1r, 2r, 3r, 788-790; r.a., 980-2
Rubenstein, Fany. 1r, 2r, 3r, 788-90; r.a., 980-2
Ruhnau, Margarete Gerda. 1r, 2r, 3r, 366-7; r.a., 529-34
Runions, Beverly Anne. 1r, 2r, 3r, 499-501
Ryan, Daisy Emily Dorothy. 1r, 2r, 3r, 788-90; r.a., 980-2
Ryan, Kathleen. 1r, 2r, 3r, 499-501

Sabetta, Patricia. 1r, 2r, 3r, 366-367; r.a., 529-34
Sabo, Helen Beverley. 1r, 2r, 3r, 388-390; r.a., 529-34
Sacks, Molly. 1r, 2r, 3r, 499-501
Sadler, David Filmore. 1r, 2r, 3r, 389-390; r.a., 529-34
Sangster, Kathleen. 1r, 2r, 3r, 388-390; r.a., 529-34
Sauve, Paulette. 1r, 2r, 3r, 788-790; r.a., 980-2
Schaub, Frieda Lina. 1r, 2r, 3r, 788-90; r.a., 980-2
Scherzer, Lorna. 1r, 2r, 3r, 788-90; r.a., 980-2
Schmidt, Ingeborg, 1r, 2r, 3r, 499-501
Schulte, Karl Heinz. 1r, 2r, 3r, 499-501
Sckyra, Marie Theresa. 1r, 2r, 3r, 366-7; r.a., 529-34
Scott, Cynthia Elsie. 1r, 2r, 3r, 788-90; r.a., 980-2
Seagrove, Millicent Vera. 1r, 2r, 3r, 366-7; r.a., 529-34
Sealy, Joseph Maurice. 1r, 2r, 3r, 388-90; r.a., 529-34
Seaman, Agnes Irene. 1r, 2r, 3r, 788-90; r.a., 980-2
Sergent, Anna May. 1r, 2r, 3r, 499-501
Serrati, Jacqueline. 1r, 2r, 3r, 788-90; r.a., 980-2
Shapiro, Blima (Wendy). 1r, 2r, 3r, 366-7; r.a., 529-34
Shapiro, Lily (Lillian). 1r, 2r, 3r, 366-7; r.a., 529-34
Sharpe, Jeannine Elizabeth. 1r, 2r, 3r, 499-501
Sherry, Ivy Elizabeth. 1r, 2r, 3r, 389-90; r.a., 529-34
Siev, Phyllis. 1r, 2r, 3r, 388-90; r.a., 529-34
Simpson, Lloyd James. 1r, 2r, 3r, 366-7; r.a., 529-34
Slattery, Marion Ruth Catherine. 1r, 2r, 3r, 788-90; r.a., 980-2
Small, Elizabeth Lillian. 1r, 2r, 3r, 788-90; r.a., 980-2
Small, Patricia Ann. 1r, 2r, 3r, 388-90; r.a., 529-34
Smith, Aline Helene. 1r, 2r, 3r, 788-90; r.a., 980-2
Smith, Margaret Catherine. 1r, 2r, 3r, 328-31; r.a., 529-34
Smith, Ruby Rita. 1r, 2r, 3r, 388-90; r.a., 529-34
Smolar, Ellen. 1r, 2r, 3r, 388-90; r.a., 529-34
Sockett, Betty Jane. 1r, 2r, 3r, 788-90; r.a., 980-2
Socransky, Sylvia. 1r, 2r, 3r, 499-501
Sonne, Eloise. 1r, 2r, 3r, 499-501
Soulier, Ginette Noela Melanie. 1r, 2r, 3r, 788-790; r.a., 980-2
Southwood, Myrtle Alice. 1r, 2r, 3r, 389-90; r.a., 529-34
Spector, Judith Joy. 1r, 2r, 3r, 389-90; r.a., 529-34
Spires, Sylvia Bertha. 1r, 2r, 3r, 389-90; r.a., 529-34
Staruch, Bertha. 1r, 2r, 3r, 388-90; r.a., 529-34
Stirling, Elizabeth Angela. 1r, 2r, 3r, 388-90; r.a., 529-34
Strachan, Adele Kathleen. 1r, 2r, 3r, 388-90; r.a., 529-34
Stratton, Leomay Marie Blanche. 1r, 2r, 3r, 788-90; r.a., 980-2
Strickland, Anna Elizabeth. 1r, 2r, 3r, 389-90; r.a., 529-34
Sutton, Audrey Barbara. 1r, 2r, 3r, 388-90; r.a., 529-34
Szakacs, Mihaly. 1r, 2r, 3r, 388-90; r.a., 529-34

Tait, Kenneth James Graham. 1r, 2r, 3r, 499-501
Tannenbaum, Hyman Omri. 1r, 2r, 3r, 388-90; r.a., 529-34
Tasler, Angelika. 1r, 2r, 3r, 499-501
Tata, Marketa. 1r, 2r, 3r, 388-90; r.a., 529-34
Tellier, Adrien. 1r, 2r, 3r, 788-90; r.a., 980-2
Theriault, Donat. 1r, 2r, 3r, 788-90; r.a., 980-2
Titleman, Isadore. 1r, 2r, 3r, 366-7; r.a., 529-34
Tornay, Glen Stewart. 1r, 2r, 3r, 388-90; r.a., 529-34
Tratchenberg or Tratt, Beverley. 1r, 2r, 3r, 499-501
Tremblay, Alfred Wilfrid. 1r, 2r, 3r, 788-90; r.a., 980-2
Tremblay, Alma. 1r, 2r, 3r, 788-90; r.a., 980-2
Trerice, Doris Irene. 1r, 2r, 3r, 388-90; r.a., 529-34
Trickey, Milton Lawrence. 1r, 2r, 3r, 788-90; 980-2
Trottier, Eliane. 1r, 2r, 3r, 389-90; r.a., 529-34
Turcotte, Leo Paul. 1r, 2r, 3r, 499-501
Tyminski, Irene. 1r, 2r, 3r, 389-90; r.a., 529-34

Usher, Dorothy Alice. 1r, 2r, 3r, 499-501

Vachon, Raymonde. 1r, 2r, 3r, 788-90; r.a., 980-2
Varverikos, Lygery. 1r, 2r, 3r, 328-31; r.a., 529-34
Vien, Helene Denise, 1r, 2r, 3r, 788-90; r.a., 980-2
Vincent, Donna Maureen. 1r, 2r, 3r, 499-501
Vysniauskas, Stasys. 1r, 2r, 3r, 388-90; r.a., 529-34

Walker, Linnea Erna Barbara. 1r, 2r, 3r, 389-90; r.a., 529-34
Wallace, Barbara Ann. 1r, 2r, 3r, 499-501
Watt, William Metcalfe. 1r, 2r, 3r, 788-90; r.a., 980-2
Weatherby, Mary Catherine. 1r, 2r, 3r, 389-90; r.a., 529-34
Weiss or Weisz, Toni Anna Lydia. 1r, 2r, 3r, 788-790; r.a., 980-2
Welte, Anton. 1r, 2r, 3r, 499-501
Wertheimer, Esther. 1r, 2r, 3r, 328-31; r.a., 529-34
White, Miriam. 1r, 2r, 3r, 788-90; r.a., 980-2
Willard, Lloyd Carlton. 1r, 2r, 3r, 389-90; r.a., 529-34
Williamson, James Richard. 1r, 2r, 3r, 366-7; r.a., 529-34
Willis, Albert Henry Grabeldinger. 1r, 2r, 3r, 389-90; r.a., 529-34
Wilson, Amira. 1r, 2r, 3r, 388-90; r.a., 529-34
Wodnicki, Helena Jadwiga Igiel. 1r, 2r, 3r, 388-90; r.a., 529-34
Woolley, Shirley Margaret. 1r, 2r, 3r, 366-7; r.a., 529-34
Worthington, Lily. 1r, 2r, 3r, 788-90; r.a., 980-2
Wunderlich, Karl Heinz. 1r, 2r, 3r, 499-501

Zajko, Jennie. 1r, 2r, 3r, 366-7; r.a., 529-34
Zeitlhofer, Franz. 1r, 2r, 3r, 389-90; r.a., 529-34
Zimber, Rachela. 1r, 2r, 3r, 389-90; r.a., 529-34